

# Annual Report 2014

and Sustainability Report



Focus on collaboration, sustainability  
and good business practice



AKADEMISKA HUS

## About Akademiska Hus

Akademiska Hus is one of the country's largest property companies. Together with universities and colleges we are seeking to reinforce Sweden as a nation of knowledge. We will achieve this by constructing, developing and managing environments for education, research and innovation.

### Cover photo

#### – section of art work at the Skandion Clinic

The construction of Skandion Clinic provided a unique opportunity to use the interaction between architecture and art to put the care environment itself in focus. The aim was to create an imaginative, harmonious and inspiring environment for treatment and care provision that would benefit patients who are treated for cancer at the clinic and the staff who work there.

## 4 Collaboration in the development of future knowledge environments



As Sweden grows as a nation of knowledge, Swedish centres of education face increasing global competition. Outstanding campuses and knowledge environments can contribute to attracting researchers and students. The ability of Akademiska Hus to satisfy demands and deliver is becoming a key factor for our customers in their endeavour to attract talented individuals from all over the world.

→ Read more on pages 4-5

## In-depth dialogue with stakeholders 16

Understanding the views of stakeholders and the challenges they face is fundamental if we are to realise our ambition to contribute to reinforcing Sweden as a nation of knowledge. In autumn 2014 we conducted an in-depth dialogue with a selection of stakeholders, focusing on sustainability.

→ Read more on pages 16-17

## 27 Halving the amount of energy we buy

Akademiska Hus has set itself the goal of halving the amount of energy that is bought in by the year 2025, taking 2000 as the comparison year. This goal has led to intensive efficiency improvement measures to save energy, and means that we now use around 25 per cent less energy per square metre annually than we did in 2000.

→ Read more on pages 27-30

## The construction process – collaboration in action! 42

The Akademiska Hus construction process takes place close to the customer. We have a well-developed process and concrete programmes for integrated planning. The process varies depending on the type of project and contract. Construction of the Centre for Veterinary Medicine and Animal Science in Uppsala was based on a collaborative contract that involved greater cooperation between Akademiska Hus and the contractor.

→ Read more on pages 42-43

### Annual Report 2014

The audited Annual Report comprises pages 63-107. This year our sustainability measures are incorporated in the Annual Report and presented in line with GRI G4 guidelines. The Sustainability Report comprises the pages listed on page 110 and has undergone a cursory audit.

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# 2014 in brief

**More student accommodation.** Akademiska Hus has received clarification of its mission. It is now expressly stated in the approved government budget for 2015 that the mission of Akademiska Hus also includes the ability to build and manage student accommodation.

**Rental revenue** was SEK 5,495 million (5,359). The increase can mainly be attributed to commissionings less the effects of properties sold.

**Net operating income** amounted to SEK 3,717 million (3,506). Increased rental revenue and reduced costs, mainly for operation and maintenance, have resulted in an increase in net operating income.

**Profit before tax** was 6,261 million (3,275). The increase can mainly be attributed to changes in property values.

**Net changes in property values had an impact** on profit of SEK 3,529 million (232), primarily due to reduced yield requirements and cost of capital.

**The profit for the year** was SEK 5,215 million (2,568).

**Investments** in new construction, redevelopment and acquisitions during the year amounted to SEK 3,004 million (2,754). Properties worth SEK 2,752 million (375) on the balance sheet were sold during the year.

**The yield** (excluding properties under construction) was 6.9 per cent (6.8).

**Total energy use** has been reduced by 9 kWh per square metre (2) which meant a reduction in energy costs of SEK 56 million.

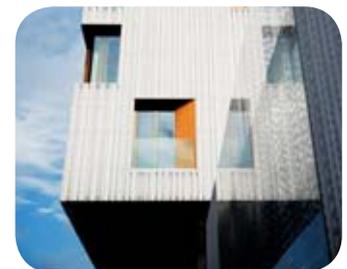
**The Board proposes a dividend of** SEK 676.81 (643.56) per share, a total of SEK 1,445,000,000.

## Aula Medica in Solna voted Building of the Year 2014

A prestigious award for a high-profile building created by Akademiska Hus for the Karolinska Institute on Solna Campus.

Aula Medica lecture hall complex, which was designed by Wingårdhs Arkitektkontor, was selected by the jury from a total of 20 nominated projects.

– It's a great honour for us. It is a fantastic building and a unique project. "This world-class building was made possible by an exceptional collaboration," says Sten Wetterblad, Regional Director for Akademiska Hus Stockholm region.



## Skandion Clinic in Uppsala

The first clinic in Scandinavia to offer proton therapy for the treatment of cancer was opened during the year. The clinic is owned by Akademiska Hus and is operated by seven county councils through the Joint Authority for Advanced Radiotherapy, KAS.

The construction of Skandion Clinic provided a unique opportunity to use the interaction between architecture and art to put the care environment itself in focus. The aim was to create an imaginative, harmonious and inspiring environment for treatment and care provision that would benefit patients who are treated for cancer at the clinic and the staff who work there. Skandion Clinic is nominated for Building of the Year 2015.

## LUX in Lund – prize-winning centre now open

A new centre for humanities and theology has been created at Lund University. The new building provides many meeting spaces and has clear links with the main thoroughfare. The architects behind LUX, Mats White and Jacob Peetre from Jais Arkitekter, won the Lund Urban Development Prize for 2014.

– As the property owners, we are very proud that the architects behind LUX have received the Lund prize for urban development. LUX is an important meeting place with many spaces that encourage contact, and it enhances the attraction of the main thoroughfare,” says Tomas Ringdahl, Regional Director of Akademiska Hus Southern Region.



## Humanities Building, Umeå

With its inviting entrance and open-plan layout, the Humanities Building welcomes students, staff and the public. The 42-year-old Humanities Building has been extended by 580 square metres and converted to serve as a better meeting place and provide new educational opportunities. The new Humanities Building was opened on 20 October 2014.

## Sustainable and effective in 2014

→ **Prize for sustainable urban projects.** The Albano district project in Stockholm, which includes plans for 1,000 new student accommodation units, was recognised by the Sweden Green Building Council as the most sustainable city district project in Sweden.

→ **Nomination for Building of the Year.** VHC – the Centre for Veterinary Medicine and Animal Science on Ultuna Campus in southern Uppsala was opened during the year and nominated as Building of the Year 2015.

→ **High-efficiency solar power installation.** A unique installation, the largest of its kind, was officially unveiled during the year. 850 square metres of high-efficiency solar panels have been installed on the roof of the Mechanical Engineering building at Lund University.

→ **Self-sufficient in heating and cooling.** A geothermal energy plant was commissioned at Karlstad University. Karlstad now has the first campus in Europe that is largely self-sufficient in heating and cooling its buildings.

→ **More efficient routines.** A series of measures aimed at improving our internal efficiency have yielded results. One example is the development of our purchasing procedures and our supplier management system.

### FIVE-YEAR SUMMARY

	2014	2013	2012	2011	2010
<b>INCOME STATEMENTS, SEK M</b>					
Property management income	5,681	5,588	5,511	5,378	5,176
Net operating income	3,717	3,506	3,588	3,389	3,134
Change in fair value, investment property	3,529	232	-291	361	87
Profit before financial items	7,200	3,665	3,231	3,704	3,184
Net financial income/expense	-939	-390	-682	-452	-263
Profit before tax	6,261	3,275	2,549	3,252	2,921
Profit for the year	5,215	2,568	3,149	2,394	2,124
<b>KEY FIGURES</b>					
Return on operating capital, %	7.3	7.2	7.8	8.0	7.7
Direct yield, %	6.9	6.8	7.1	6.9	6.7
Net operating income in relation to administration income, %	65	63	65	63	61
Energy use kWh/m <sup>2</sup>	224	231	235	239	241

A more detailed five-year summary is given on page 72.



## Collaboration in the development of future knowledge environments

As Sweden grows as a nation of knowledge, Swedish centres of education face increasing global competition. Outstanding campuses and knowledge environments can contribute to attracting researchers and students. The ability of Akademiska Hus to meet demands and deliver is becoming a key factor for our customers in their endeavour to attract talented individuals from all over the world.

One of the key goals of Akademiska Hus is that we should contribute to the long-term development of centres of education. As a state-owned company we also have particular responsibility for conducting our operations in a manner that is both efficient and sustainable in the long term. One issue that is crucial for centres of education and for society at large is that of student accommodation. We are already contributing to the construction of more than 6,000 student accommodation units, through partnership projects such as Sthlm 6000+ and through our own property development, by developing plans for accommodation on or close to campuses and by selling or leasing land to facilitate construction.

In autumn 2014 our mission was clarified to the effect that we now also have the ability to build and manage student accommodation. The ability to contribute even more to the production of student housing in various ways will allow us to make our campuses more attractive, which is of great value to our customers.

#### CLOSE DIALOGUE WITH CUSTOMERS

Another issue that is important to our customers is how we set our rents. During the year our rent-setting model was evaluated, and the information was then passed on to our customers to ensure that we comply with requirements for transparency and marketability.

We also carried out a series of measures during the year to improve our internal efficiency, which has yielded results. One example is the improvement of our purchasing process and supplier control procedures to give us greater coordination and control.

#### SUSTAINABILITY IS A KEY ELEMENT IN OUR STRATEGY

Sustainability issues are a clear and explicit part of our business strategy and control procedures. Our sustainability policy and code of conduct clarify our position in these areas and provide a well-defined, level play-

## “Our extended mission now includes the ability to build and manage student accommodation”

ing field for partners, suppliers and employees. We comply with international guidelines, such as the Global Compact, and we report on sustainability in line with the Global Reporting Initiative, GRI G4 Core.

One area where we have a large influence as a property company is energy efficiency. We have set up tough targets in this area and are implementing measures on an ongoing basis. With wise management we can reduce energy use and maintain our premises in a way that provides high-quality environments for many years.

During the year we set up an “accident-free workplace” initiative that incorporates clear requirements and goals in the action plan. These, together with a more proactive approach to diversity, are some of the key sustainability issues that we will give special priority in the future.

#### NOMINATIONS FOR PROJECT OF THE YEAR

Several new buildings were opened in 2014, including the Skandion Clinic in Uppsala and the Centre for Veterinary Medicine and Animal Science (VHC) at Ultuna, both nominated for the 2015 Construction Project of the Year. A number of other exciting pro-

jects were commissioned during the year, including the geothermal plant at Karlstad University, which supplies a large proportion of the university’s heating and cooling requirements.

In January 2015 the Administrative Court of Appeal in Sundsvall ruled that Akademiska Hus should be regarded as a contracting authority, and is thus covered by the Public Procurement Act (LOU). We have decided to lodge an appeal against this judgement with the Supreme Administrative Court.

The reason is that the case law in the courts is still unclear and we want to get clarification from the Supreme Court on whether we should be covered by the Public Procurement Act.

#### OUTLOOK FOR 2015

Demand for knowledge environments and their development at universities and colleges remains high. In 2014 we invested approximately SEK 3 billion in new construction and redevelopment, a level that is expected to be sustained over the next few years. Our project portfolio, comprising approved and planned projects, now stands at SEK 21 billion.

The Group has a current equity ratio of 48 per cent. The owner’s objectives for capital structure indicate that the Group’s equity ratio should be in the range of 30 to 40 percent. To allow for adjustment of the capital structure to the owner’s equity objective, the Board of Directors proposes that the annual general meeting creates additional free equity.

After a successful 2014, I now look forward to even closer collaboration with our customers to ensure that campuses become more vibrant, sustainable and attractive.

Kerstin Lindberg Göransson,  
President

# Our mission

– to contribute to reinforcing Sweden as a nation of knowledge



Akademiska Hus creates modern knowledge environments for students across the country.

“ Akademiska Hus Aktiebolag will own, develop and manage properties for universities and colleges where the primary focus is on education and research and it will carry on operations compatible therewith. Operations will be run on a commercial basis and generate a yield that is in line with the market by setting rents that take into account the operating risk. Akademiska Hus Aktiebolag will work to bring about long-term sustainable development of university and college campuses.”

“ Akademiska Hus will contribute to the creation of more student accommodation by making clear that the company’s focus includes the construction and management of student accommodation.”

ACCORDING TO THE BUDGET APPROVED BY  
PARLIAMENT FOR 2015

# Driving forces and challenges

A number of external factors affect the ability of Akademiska Hus to conduct its business, and these present challenges, as well as opportunities. By analysing developments in the world around us we can take advantage of the opportunities that arise. This allows us to contribute to the creation of attractive and modern knowledge environments for Swedish centres of education and to long-term sustainable development.

# 1

## Akademiska Hus – a key player in the growth of Sweden as a nation of knowledge

Akademiska Hus has an important role in the development of knowledge environments that provide good conditions for research and education. We will also contribute to the construction of student accommodation close to our campuses. Our size, unique skills and local presence enable us to be a proactive, long-term partner to our largest customers – Swedish centres of education. As

a state-owned company, we also have a special responsibility to lead the way for example in efficiency and sustainability. Our stable financial capacity enable us to invest in order to meet the needs of our customers even during periods of recession and economic uncertainty. This provides security for our customers and a guarantee for the growth of Sweden as a nation of knowledge.

# 2

## Changing conditions for research and education

Education and research are major contributors to the success of a society. Conditions for higher education and research are changing, and globalisation and new technology are playing an important role. International competition for research funds and talent is growing, but is accompanied by growth in international collaboration. Demographic factors such as the number of students and

researchers also affect centres of education. We depend on the activities of universities and colleges, so dialogue and collaboration between centres of education, their staff, students and property owners are vital in enabling us to deliver solutions that contribute to the success of centres of education in the long term.

# 3

## Technological development leads to demand for new premises.

Technological development opens up new opportunities for premises and campuses. It is increasingly common to combine distance learning with campus-based education, which among other things leads to new ways of using premises. Changing education patterns mean there is a greater need for flexible premises, while learning environments need to be inspiring, fit for purpose, and

stimulate education and development. The collective expertise of Akademiska Hus in campus development, our understanding of the needs of future knowledge environments and awareness of global developments in this sector enable us to meet these future challenges alongside our customers.

# 4

## Leading the way in sustainability

Adapting our operations in response to changes in society is vital to sustainability efforts. Growing urbanization brings new challenges and imposes different demands on community development, in which ecosystem services can be part of the solution. Climate change also means that campuses will need to adapt to meet new climatic conditions. Construction accounts for a significant pro-

portion of the total energy use of society. By taking active steps to use resources more efficiently and reduce emissions from properties during construction and use, Akademiska Hus is contributing to reduced climate impact. Achieving our ambitious sustainability goals requires large investments and innovative measures, as well as closer collaboration with customers.

# The cornerstones of our business

The foundation of operations at Akademiska Hus is the remit from our owner, the Swedish State. Guided by a forward-looking strategy, a customer-oriented business concept, clear values and a clear code of conduct, we have the tools to

achieve our business goals and our vision; to work closely with our customers to create leading knowledge environments. This enables us to make a significant contribution to the growth of Sweden as a nation of knowledge.

## Vision

Leading knowledge environments.

## Business concept

Working in collaboration with our customers, we develop, build and manage knowledge environments that further Sweden's success as a nation of knowledge.

Through our experience, expertise and size, we contribute to effective, sustainable environments for education, research and innovation.

## Code of Conduct

As a state-owned company we should seek to be exemplary in the way we work. Our Code of Conduct offers guidance on how we should work in order to act correctly in business and in other relationships.

A basic prerequisite for operations is that we act with due observance of international human rights principles, conventions and guidelines.

The Code of Conduct applies to all Akademiska Hus employees and representatives. A dialogue on compliance with the Code of Conduct takes place each year between employees and managers. We also encourage our partners to act in compliance with the Code, which is available on our website.

### ETHICAL COUNCIL

The Ethical Council provides support to our employees in situations that are linked to our code of conduct and other policies. The assignment of the council include giving practical guidance in situations that employees find difficult from an ethical perspective, and in dealings that involve any suspicion of irregularity.

The Ethical Council includes internal expertise in this field as well as an external lawyer.

## Values

The values of Akademiska Hus serve as a professional compass for our employees. They help us to achieve our business goals and steer us towards the correct decisions and action in our daily business.

### ATTENTIVE

Attentiveness and mutual understanding are essential for building strong, long-term relationships. At Akademiska Hus we treat everyone with respect, humility, tolerance and curiosity.

### COMMITTED

Wholeheartedness and commitment are reflected in everything we do. The starting point is our genuine interest in service, learning and people. Our strong commitment leads to customer satisfaction, motivated employees, more attractive campuses, a strong economy and long-term sustainable development.

### VALUE-ADDING

Together we take overall responsibility for building lasting success for customers, shareholders and each other.

By employing good business practice and decisiveness we find long-term solutions that are smarter, more sustainable and more effective. This benefits everyone – our customers, ourselves and the environment around us.

## Owner objectives

- Return on operating capital, excluding changes in value, should be at least 6.5 per cent.
- The dividend should amount to between 40 and 60 per cent of the net profit after tax after reversal of changes in fair value and related deferred tax.
- The equity ratio should be between 30 and 40 per cent.

# Our strategic model

## Strategy

The primary focus of our strategy is increased cooperation with our customers. We will continue to develop our dialogue with customers to promote insight and consensus on important issues such as sustainability and campus development. We believe that this will consolidate our ability in the future to provide attractive, modern knowledge environments and by doing so contribute to the success of the centres of education.

Our strategic model comprises an operational platform, which sets out the basic requirements for our business, as well as a 'development wheel' that will drive us forward towards our goals and vision.



### OPERATING PLATFORM

#### EMPLOYEES

Our employees are our most important asset — we work continuously to develop our expertise as an active, future-oriented partner and with a focus on constantly improving customer value.

#### COMMUNICATION

We have an open and effective communication with all stakeholders — we communicate openly and frequently and we are also good at listening.

#### AN EFFICIENT COMPANY

We improve the efficiency of our working routines, we make our processes and development programmes as consistent as possible and we quickly pass on our best practices and the lessons we have learned.

#### SUSTAINABILITY

We incorporate sustainability in everything we do — we aim to work sustainably and cooperate on sustainability with our customers, who also value it highly.

# Increased demand for community properties

The research and education sector shows continued strong demand for premises. Akademiska Hus retains a strong position in this market.

**T**he Swedish economy is relatively strong and the economy will continue to improve, thanks to domestic demand and consumer spending.

## THE SWEDISH PROPERTY MARKET

The Swedish property market has developed positively in 2014. There has been widespread demand, particularly in metropolitan areas. Yield targets have been cut back, especially for housing, but also for modern corporate offices and properties with reliable and consistent cash flows.

Growth in the community property sector has been strong, transaction activity has increased and thus led to an increase in turnover. Good finance opportunities, low interest rates and reduced yield targets have cut the time it takes to conclude deals. Transaction volumes in the community property sector amounted to approximately SEK 20 billion in 2014.

Demand for the development of new and existing knowledge environments mirrors the changing requirements of our customers. There is extensive new construction and redevelopment aimed at offering the best and most cost-effective floor space solutions and knowledge environments.

Universities and colleges are attractive tenants. They have good solvency margins and a long-term need for premises. There is strong interest in investing in community properties as well as good-quality properties with long leases. Capital is increasingly being directed towards types of property that offer safe and stable cash flows, and thus low risk.

## DEVELOPMENTS IN THE RENTAL MARKET

There is a steady trend towards property that can be operated more efficiently, which means that demand is highest for property that is modern, flexible and has a high sustainability profile. Although the rent per square metre for such premises is higher

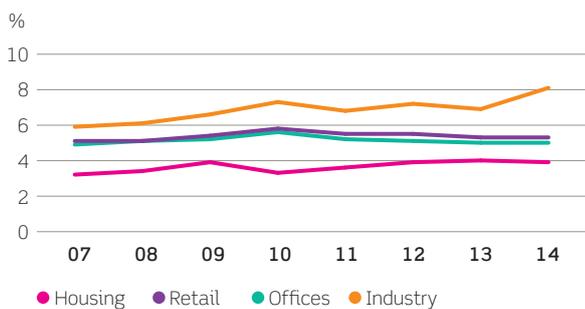
than for older premises, the cost per workplace is lower. In the metropolitan areas, investments are being made in new property as well as the modernisation of existing holdings.

Despite good demand for premises, there are no signs of significant rent increases. In regions where new development is taking place, however, rent levels for newly constructed premises are rising, while there is growing pressure on rents for existing holdings. Vacant space is likely to decline as the economy gradually recovers.

## STRONG MARKET POSITION

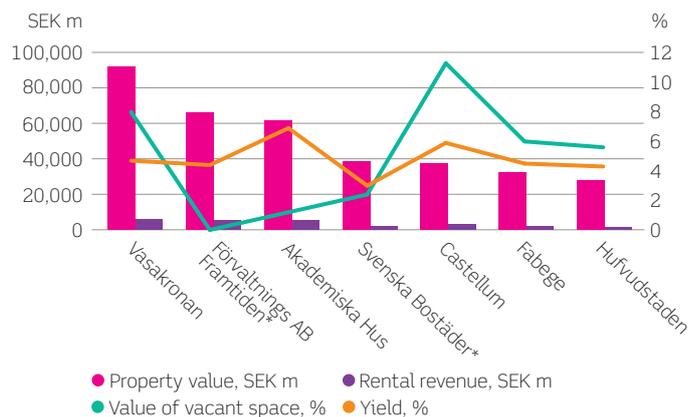
Akademiska Hus core operations are characterised by relatively long leases with an average duration of eleven years for newly signed contracts, while the average remaining lease term for all contracts at the end of 2014 was six years. There is a good spread of renewal dates on lease agreements. Akademiska Hus has a market share of 61 per cent in this sector.

YIELD TARGET  
- TREND 2007-2014



Source: IPD Swedish Property Index.

SOME OF SWEDEN'S LARGEST PROPERTY COMPANIES 2014



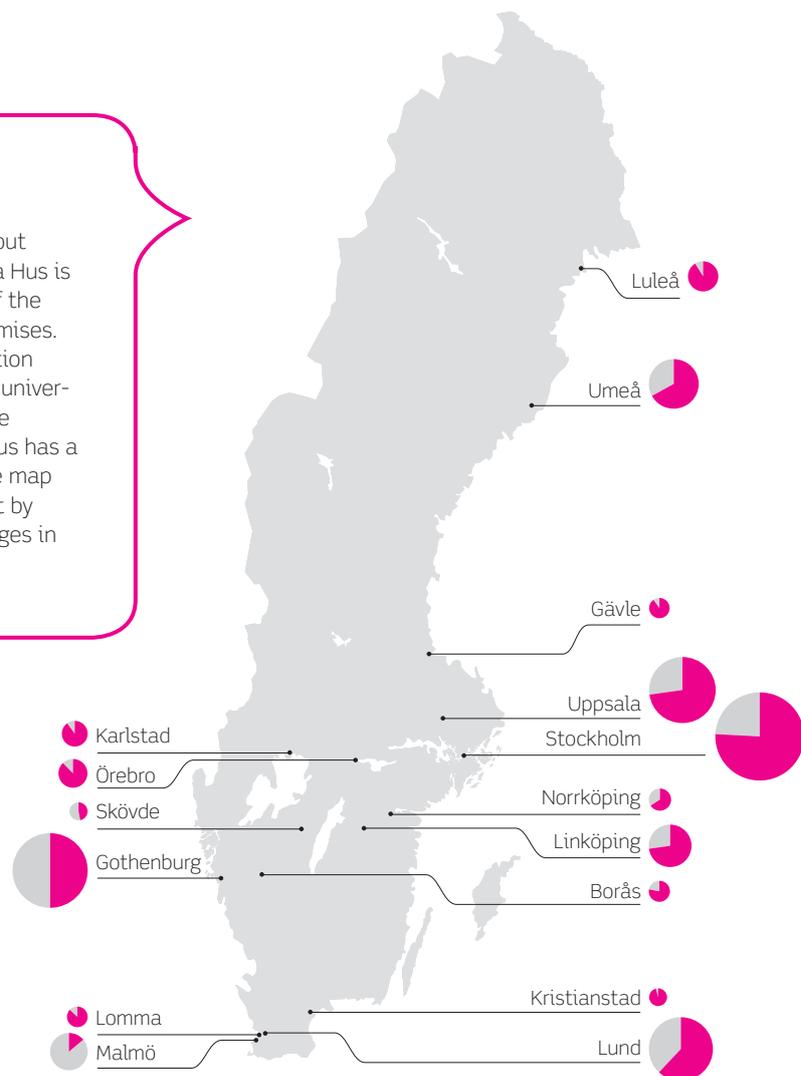
\* refers to 2013 figures

Source: Each company's year-end report 2014.

### Market share 2014

Akademiska Hus has a presence throughout Sweden. The market share of Akademiska Hus is 61 per cent, calculated as a proportion of the floor space for university and college premises.

In the development of Sweden as a nation of knowledge, the large, well-established university locations are of particular importance because of their research. Akademiska Hus has a stronger presence at these locations. The map shows the share of floor space leased out by Akademiska Hus to universities and colleges in our largest locations.



### MARKET SHARES BY REGION AND LARGER CENTRES OF EDUCATION, %

Regions	South	44	West	52	East	67	Uppsala	72	Stockholm	76	North	61
Market share, the largest customers of Akademiska Hus	Lund University	62	University of Gothenburg	50	Linköping University	73	Uppsala University	73	Stockholm University	78	Umeå University	67
	Malmö University	14	Chalmers University of Technology	60	Örebro University	88	Swedish University of Agricultural Sciences, Ultuna	91	Karolinska Institute	91	Luleå University of Technology Univ.	82
	University of Kristianstad	96	Karlstad University	90			University College Gävle	90	Royal Institute of Technology	91	Swedish University of Agricultural Sciences	70
	Swedish University of Agricultural Sciences, Alnarp	87	University of Borås	78								
			University of Skövde	47								

Source: Swedish National Financial Management Authority.

### LARGEST COMPETITORS

Regions	South	West	East	Uppsala	Stockholm	North
Competitors <sup>1)</sup> Board	Videum AB	Chalmers University of Technology	Östergötland County Council	National Property Board	Clara Foundation	Balticgruppen Design AB
	National Property Board	HIGAB	Akelius	Fastighets AB Hushagen	Fysikhuset i Stockholm	A4 Vasallen AB
	DIL Nordic Malmö	Trollhättans Tomt AB	Kungsleden	Förv.bol Högskolefastigheter	National Property Board	Gazette Camp AB
	Utvecklings AB Kranen	Alecta	Hemsö Fastigheter AB		Hemfosa Fastigheter AB	Fastighets AB Polaris
		Kulturfastigheter i Gbg AB				

<sup>1)</sup> Competitors according to region, with rented space in excess of 10,000 square metres, shown in descending order.

Source: Swedish National Financial Management Authority.

# Cutting edge education and research

**E**ducation and research are strong contributing factors to the success of a society. The way in which research and education are pursued evolves to keep pace with increased globalisation and technological developments, which affects activities at centres of education and thus market conditions.

The financial turmoil of recent years has resulted in lower employment and a greater interest in higher education. The number of applicants to Swedish universities and colleges has been record-high as a result of the weak labour market and the large number of young people in the 19–23 age group. The Swedish economy is relatively strong and will continue to improve, but the employment market has seen little change so far.

According to data from the centres of education, the number of full-time students admitted is expected to decline. An estimated 2,000 fewer full-time students enrolled in 2014 compared with 2013. Projections show that the number of full-time students will continue to decline, though apparently at a slower rate.

## STRONG FOCUS ON RESEARCH

Research grant levels have gradually increased in recent years. Sweden invests the equivalent of 4.1 per cent of GDP on research, of which around one quarter comes from the Swedish government. Other publicly funded research and industry funded research accounts for the remaining share. The combined investment in Sweden is among the highest in the world, per capita.

The increase in research funding has had a clear impact on Akademiska Hus construction projects. Current research is dependent on advanced, expensive equipment. Collaboration and co-funding for the research infrastructure across regional and national boundaries have become increasingly important. Akademiska Hus has good potential to contribute to the development of these new knowledge environments through our extensive experience of technologically advanced premises.

## GLOBAL COLLABORATIONS

The OECD regularly reports on developments in higher education in its member states. One clear trend is that education is

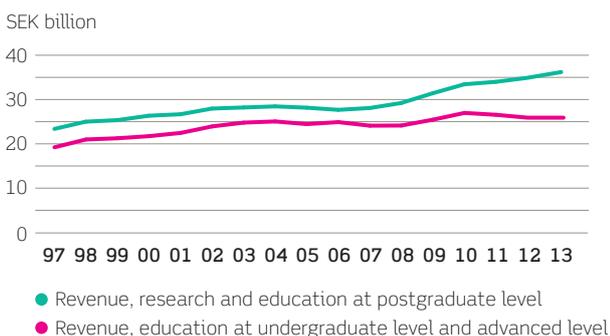


Sweden invests  
**4.1%**  
of GDP in research and development - giving us a world lead.

increasing in all countries. Another trend is the rapid rise in student mobility, with more choosing to study abroad. This means that universities and colleges from many different countries are competing with each other.

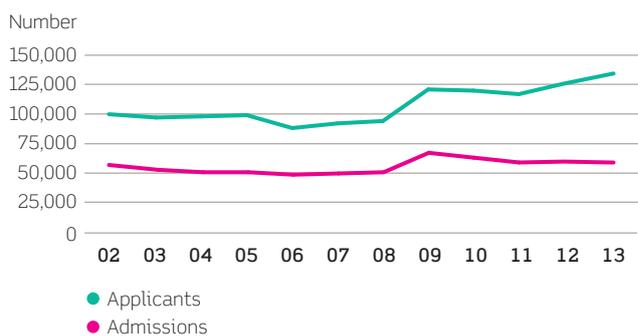
Greater mobility also entails more global collaborations in research and education.

EDUCATION AND RESEARCH REVENUE FOR CENTRES OF EDUCATION, BILLIONS OF SEK AT 2013 PRICE LEVELS



Source: Swedish Higher Education Authority

APPLICANTS AND ADMISSIONS DURING THE AUTUMN TERM, STUDENTS WITHOUT PREVIOUS HIGHER EDUCATION



Source: Swedish Higher Education Authority

**NEW FORMS OF LEARNING**

As regards pedagogical approaches and forms of education, we are facing major changes that will in all probability have implications for the way premises are planned. It is becoming increasingly common to combine studies on campus with distance studies.

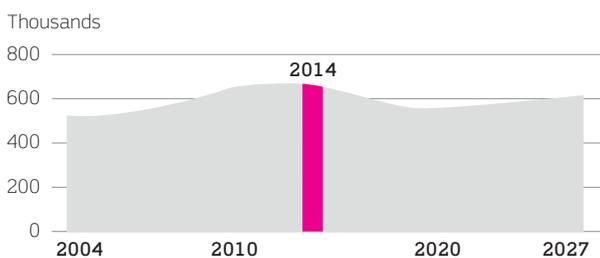
A very clear trend is for the pedagogical approach used for distance education to also be used for education on campus. This means that education can be made more efficient and thus cheaper. This is crucial as costs, and in particular personnel costs, are rising more than funding.

While we do not believe that there will be a decline in the popularity of campus-based studies, we feel that the environments for self-study and meeting points for intellectual exchange will be of growing significance, thereby placing new demands to plan premises that meet these needs efficiently and attractively, with a flexibility that meets changing needs. Creating knowledge environments with strong symbolic values and identity enhancement through architecture that offers a sense of belonging will become an important part of the offer and marketing of successful centres of education.



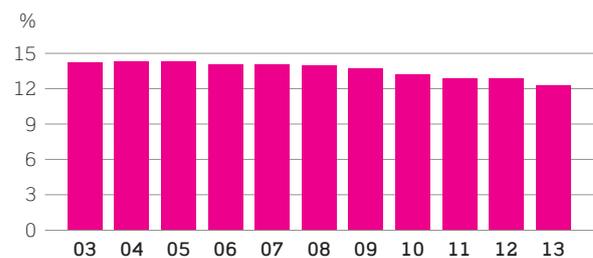
Student mobility is increasing.

**19-23-YEAR-OLDS IN THE POPULATION 2004-2013, FORECAST 2014-2027**



Source: Statistics Sweden

**PROPORTION OF COST OF PREMISES FOR SWEDEN'S CENTRES OF EDUCATION**



The proportion of total costs for centres of education that are attributable to premises has fallen steadily over the past ten years.

Source: Swedish Higher Education Agency

# Risk management safeguards sustainable development

Akademiska Hus works continuously with risk management to ensure effective implementation of our strategy and to achieve our short-term and long-term objectives.

**T**he business activities of Akademiska Hus involve a number of risks that affect the company to varying degrees.

Risks are defined as factors that affect the ability to achieve the mission and the set goals. Risks also entail opportunities and when appropriately managed, can be converted into a positive force.

Controlled risk management is essential for maintaining a sustainable business. Each year the Board of Directors addresses the Company's long-term strategy and decides on a new business plan. This work includes assessments of long-term trends, the competitive situation and the overall risk exposure of the Company's activities. Control documentation such as the sustainability policy, Code of Conduct, financial policy and procurement policy are established annually by the Board with the aim of consolidating their relevance and validity.

Financial, strategic and operational risks are described in the Administration Report on pages 64–66 and in Note 33. This section describes the risks that are linked to sustainability.

An internal risk inventory was carried out in 2014 to ensure consensus on the major risk areas for sustainability. This risk inventory then served as the basis for an in-depth stakeholder dialogue, with the aim of aligning our perceptions of the primary sustainability challenges with those of stakeholders.

## SUSTAINABILITY GOALS DEAL WITH RISKS

The sustainability goals that have been set out for the business are based on a number of previously defined challenges and are formulated as follows:

### COLLABORATION WITH OUR CUSTOMERS ON SUSTAINABILITY INITIATIVES.

In consultation with customers we agree on joint sustainability initiatives that engage both parties. The aim is to promote involvement and visibility on sustainability issues and to combine the knowledge of centres of education with our ambition to lead the way.

### TO HALVE THE AMOUNT OF ENERGY WE BUY BY 2025.

To secure a leading position we aim to reduce the amount of energy bought in 2025 by 50 per cent compared with the year 2000. The term bought energy includes heating, cooling and electricity, but also includes the electricity consumption of the tenants.

### CO<sub>2</sub> FOOTPRINT FOR OPERATION TO BE ELIMINATED

We will eliminate the CO<sub>2</sub> footprint for energy use in the operation of our buildings (heating, cooling and electricity). Achieving this goal will require extensive improvements in energy efficiency and collaboration with energy suppliers to eliminate the use of fossil fuels wherever possible. Evaluating the potential for small-scale energy production with low CO<sub>2</sub> emissions will also be an element in achieving this goal.

### ACCIDENT-FREE WORKPLACES

Job satisfaction and a safe and healthy workplace are factors for success, and will be given high priority in all our operations and the projects we manage. Our goal is to achieve workplaces that are totally free from accidents, which will require collaboration and cooperative agreements with all industry stakeholders.

## Risk inventory as a basis for sustainability initiatives

The primary sustainability risks that have been identified, in addition to those already covered by our sustainability goals, are:

### TRUST AND TRANSPARENCY

Akademiska Hus is a state-owned companies operating on market terms. The Company faces high demands for transparency on matters such as rent setting, planning and development of campuses, as well as the Company's sustainability efforts and the results of such efforts.

Akademiska Hus conducts a continuous dialogue with its stakeholders, on many different levels, to identify and understand the needs and expectations placed on us and the projects we deliver, and to provide the information that is required in a clear and credible way.

### CLEAR REQUIREMENTS IN DIALOGUE WITH SUPPLIERS

A large part of the impact that Akademiska Hus has on the surrounding community occurs indirectly by our suppliers of goods and services. The suppliers' initiatives related to the environment, human rights and working conditions are therefore important for Akademiska Hus. By continuously monitoring their work in these areas, we can avoid risk in the form of, for example, violations of human rights or environmental requirements. Akademiska Hus places demands on its suppliers and conducts inspections and audits to ensure compliance. Our ambition is to become even better in this area and we are currently implementing changes aimed at more structured and efficient follow-up procedures, while engaging in a more proactive development dialogue with our suppliers.

### CLIMATE CHANGE ADAPTATION

Today's society is adapted to prevailing climate conditions. Climate change is already affecting our property holdings and further shifts in temperature, precipitation levels and wind conditions are expected. Adapting and preparing the business based on the conditions resulting from climate change is a long-term major issue for Akademiska Hus, which must be able to ensure operation of the Company's premises. We do this by staying up to date regarding the scenarios painted by experts in the field. Such knowledge in turn serves as a basis for developing design guidelines and adapting existing buildings.

By striving to reduce consumption of resources during both the construction and the management phases, Akademiska Hus can also help to counteract the climate changes underway.



# In-depth dialogue with stakeholders

Understanding the views of stakeholders and the challenges they face is fundamental if we are to realise our ambition to contribute to reinforcing Sweden as a nation of knowledge. This is vital if we are to assume long-term responsibility – financial, social and environmental – that is in line with the expectations of the outside world.

**A**kademiska Hus stakeholders are the organisations and individuals who are affected by our operations and who can influence our potential to successfully discharge the task assigned to us.

We gather information about the views of our stakeholders through a variety of surveys and in open dialogue. This dialogue provides the opportunity for understanding and involvement, and creates added value for both parties. These insights enable us to prioritise correctly and thereby adapt our operations and develop our customer offer.

## GETTING FEEDBACK ON ISSUES

We regularly meet with the Association of Swedish Higher Education at different levels and in different groups, and try to build up a collective picture of the needs of our customers through collaboration and dialogue. We also meet representatives from colleges and universities in partnership and strategy meetings, to pick up on issues that are specific to a particular college or university. In parallel with this dialogue we keep up to date with developments in general in the area of higher education. We are also inspired by good examples from knowledge environments and campuses in other parts of the world.

Personal meetings with financiers, politicians and other decision-makers are another vital element in our dialogue with stakeholders.



Dialogue with our customers and stakeholders gives us a better understanding of the issues that are seen as particularly important.

## EXTENDED DIALOGUE

In autumn 2014 we conducted an in-depth dialogue with a selection of stakeholders, focusing on sustainability. The stakeholder group was chosen this year with the emphasis on cooperation. This dialogue was qualitative in nature and took the form of in-depth interviews with representatives from customers, owners, suppliers, creditors and our employees. All those invited agreed to take part, and the dialogues were unanimously appreciated. The dialogues followed a structured pattern and an agreed interview guide, but also gave opportunity for freer discussion.

During the interviews we discussed current and future sustainability challenges that stakeholders feel should be prioritised by Akademiska Hus, and how relevant our sustainability goals are. They were also able

to air their views on other sustainability issues identified by Akademiska Hus in its risk inventory.

The conclusion from the in-depth stakeholder dialogue was that there is strong motivation and willingness to cooperate with Akademiska Hus among the consulted stakeholders. Our sustainability goals are seen as relevant, well-balanced and correctly focused, but there are also other areas that were identified as relevant and urgent. The handling of sustainability challenges in the supply chain, good transparency, clear communication and the development of socially and environmentally sustainable campuses are all areas that were identified by our stakeholders as being especially important, in addition to the sustainability goals.

## FEEDBACK

Our stakeholders' views and objectives have a major influence when Akademiska Hus formulates the priorities for its business. The table below shows our key stakeholders and the issues that are seen to have the highest priority in dialogue with each stakeholder. The

table shows that expectations of Akademiska Hus vary between the various stakeholder groups, which gives us a broad insight. It will probably not be possible to satisfy everyone's desires in full, but we see it as a challenge and our duty to try to reach agreement and understanding on the way we conduct our business.

STAKEHOLDERS	MAIN AREAS OF INTEREST AND EXPECTATIONS
CUSTOMERS AND THEIR EMPLOYEES	Plan and create attractive knowledge environments and campuses that support customers in national and international competition. Contribute to the customer's long-term sustainability efforts. Contribute to increased construction of student accommodation. Clarity of the Akademiska Hus business model and rent setting. High resource efficiency and proactive sustainability efforts.
THE SWEDISH STATE, OUR OWNER	To contribute to the Government's objective of reinforcing Sweden as a nation of knowledge. High degree of resource efficiency. Increased customer benefit through collaboration with centres of education. Actively contribute to increased competition on campuses. Act as a forerunner in corporate social responsibility.
FINANCIERS	Financial stability. Stable, long-term operations with profitability and yield in accordance with objectives and strategies. Corporate social responsibility in all processes. Clear financial communication.
EMPLOYEES	An attractive employer that offers good working conditions. A safe and healthy working environment. Good opportunities for competence development. Understanding one's own role in the operations of Akademiska Hus.
SUPPLIERS	Clear and relevant procurement terms and conditions. Clear and ambitious requirements for the environment, health and safety, quality and social responsibility. Long-term relationships.
INDUSTRY	Active role in dialogue on the development of society and the region. Possibility of establishing operations on campus.
LOCAL COMMUNITY	Active participation in dialogue on how society and the region can be developed, e.g. in urban development projects Active contribution to the construction of student accommodation.
POLITICIANS	Contribute to the development of Sweden as a nation of knowledge, both nationally and regionally. Contribute to the long-term sustainable development of knowledge environments. Contribute to increased construction of student accommodation. Contribute to increased competition on campus.

This table is a summary of the stakeholder dialogue in 2014 and consultations from previous years. Industry, local community and politicians were not included in the in-depth stakeholder dialogue that took place during 2014.

# Essential questions for the future

Based on our customers' needs, our ongoing external analysis and consideration of other drivers, challenges and risks that affect us, we have built up a picture of the areas that are strategically important for our business. The materiality analysis is an overall assessment of these factors and those issues that stakeholders have identified as most important to them.



In summary, Akademiska Hus defines the areas that are most essential to the company's business as follows:

- Closer collaboration with customers
- Exceptional ability to deliver premises and knowledge environments
- Maintaining excellence in campus development
- Student accommodation
- Efficient use of resources
- A safe working environment
- Good supplier management
- High transparency
- Climate change adaptation
- Diversity and equality

# Sustainability efforts strengthen customer relations

By collaborating closely with customers, Akademiska Hus develops its operations and works towards its sustainability goals. Kerstin Lindberg Göransson, President, and Mia Edofsson, Sustainability Manager, discuss the key sustainability issues for Akademiska Hus.

## WHAT IS THE MOST IMPORTANT SUSTAINABILITY ISSUE FOR CUSTOMERS OF AKADEMISKA HUS RIGHT NOW?

**Kerstin Lindberg Göransson, President:** “There are many aspects that are important in different ways, but the single biggest issue is improving energy efficiency. This comes up in all the conversations we have with our customers. It is an issue that motivates people and leads to closer cooperation with tenants.”

**Mia Edofsson, Sustainability Manager:** “We believe in establishing common goals with our customers. Through collaborative projects we can pursue these issues together. Energy optimisation solutions lead to a better indoor climate and to savings in energy costs.”

**Kerstin:** “By collaborating closely with customers we can get a better understanding of their businesses and needs, and thus generate added value. This applies in other areas too, such as

our strategic efforts to create campus plans. A jointly developed campus plan that covers different aspects of sustainability guides us in the right direction when we plan future campuses.”

## AND THE NEXT BIG CHALLENGE?

**Kerstin:** “I would say that it is the diversity issue. I am convinced that strategic diversity efforts lead to profitability on several levels – in job satisfaction, efficiency and social equity. This is an area where we have a lot to do, internally and externally.”

**Mia:** “I believe it is important to measure progress, but diversity is more than a strategic goal or numbers on paper. It is about our attitudes and conduct, and it is about valuing and seeing the strengths of each individual based on his or her circumstances. Basically it is about what sort of society we want to build.”



Kerstin Lindberg Göransson, President, and Mia Edofsson, Sustainability Manager.

# Fulfilment of objectives

During 2014 we monitored and measured our progress against the new strategic model that was adopted at the end of 2013. The goals were developed to lead the business towards our vision and to meet the high expectations of our owner, the outside world and ourselves.

OBJECTIVE	FULFILMENT OF OBJECTIVE 2014
<b>OWNER OBJECTIVES</b>	
Return on operating capital, excluding changes in value should be at least 6.5 per cent.*	Return was 7.3 per cent. The owner's objective for return on operating capital was reformulated during the year.
The dividend should be between 40 and 60 per cent of the profit for the year after tax, after reversal of changes in value and with related deferred tax.	The proposed dividend is SEK 1,445 million, 50 per cent of the profit available for the payment of a dividend. The owner's dividend objective was reformulated during the year.
The equity ratio should be between 30 and 40 per cent.	The equity ratio was 48 per cent.
<b>PRIORITY BUSINESS GOALS</b>	
Energy purchased each year, in kWh/m <sup>2</sup> , will decrease at such a rate that there will be a 50 per cent reduction by 2025 compared with 2000.	The amount of purchased energy fell by 3.9 per cent, which is in line with the long-term reduction commitment. One of our four overall sustainability goals.
The objective for the Customer Satisfaction Index (CSI) is set at 70 per cent.	The Customer Satisfaction Index was 66 per cent.
The objective for initiating joint sustainability initiatives with customers is set at 10.	A total of 14 sustainability initiatives were completed during the year. One of our four overall sustainability goals.
The objective for the Employee Satisfaction Index (ESI) is set at 70 per cent.	The Employee Satisfaction Index was 66 per cent.
Our campuses should have campus plans that are less than five years old.	80 per cent of Akademiska Hus campuses have plans that are complete or currently being drawn up.
Accident-free workplaces.	Objective is under development, read more on page 41. One of our four overall sustainability goals.
Eliminated CO <sub>2</sub> footprint from operations.	Objective is under development, read more on page 29. One of our four overall sustainability goals.

\* Earnings before financial items, excluding changes in value in relation to average operating capital.

## Satisfied customers – but we want to do better

In 2014 we conducted a quantitative customer survey aimed at the property departments in centres of education, a group of customers who are in close touch with management and construction operations. The response rate was 55 percent, which is lower than in previous surveys.

The result of the survey was a combined Customer Satisfaction Index (CSI) of 66 on a scale of zero to 100, which is a good score for customer satisfaction in comparison with other government-owned companies, although we did not reach our goal, which is set at 70.

Customers are very satisfied with the way we manage our properties (74 per cent gave a rating of 4 or 5 on a 5-point scale), with

personal service and the availability of our managers and other staff being particularly strong areas. One encouraging result is that we are seen as being responsive, open and interested in our customer's activities. One area for improvement is our ability to take the initiative in developing premises and giving quick and clear answers.

The environment is the quality area where customers give us the highest rating, with a score of 77 per cent. Akademiska Hus is seen as taking active steps to save energy and showing care for the environment and the people who spend time on campus. On the subject of sustainability, which was introduced in this year's survey, almost half the respondents reported no opinion in the

survey, which indicates that we must provide clearer information on our efforts to improve sustainability. Among the customers who stated an opinion on this question, a majority of 70 per cent reported that they were satisfied on the whole with our sustainability efforts.

Out of the total number of respondents, 72 per cent are also satisfied with the way Akademiska Hus runs its construction operations, particularly in the case of small conversions and adaptations for tenants. The results show, however, that we need to improve our performance in construction and redevelopment projects by meeting promised deadlines and project costs more closely.



Personal service and high availability are key success factors.

# Development processes

Akademiska Hus conducts its business in close collaboration with customers, suppliers and other stakeholders. Together, we create leading knowledge environments. Our size and financial strength put us in a unique position to build and develop education and research environments that reinforce Sweden's long-term innovative capacity and competitiveness regardless of fluctuations in the economy. We have a stable owner and long-term customer relations, and we are an attractive borrower on the credit markets.



## Property and campus planning

An appealing campus contributes to attracting researchers and students to centres of education. In our strategic property development work, we analyse needs and have long-term plans in place for future campuses for education and research. Feedback from the development of previous campus plans provides valuable expertise.

→ Read more on pages 24-26

### KEY ISSUES IN CAMPUS PLANNING INCLUDE:

- Creating sustainable environments and vibrant campuses.
- Overall choice of materials and construction technology from the perspective of long-term sustainability.
- Efficient energy solutions that help us to achieve our long-term savings targets.

## Management and leasing

Property management is pursued with a firm focus on ensuring a high level of quality, resource efficiency and long-term sustainable development. By having a carefully considered strategy that covers aspects such as the customer needs for premises and energy supply, in combination with expertise in knowledge environments, we can maintain our properties to ensure they maintain a high standard in the long term. Effective management contributes to the satisfaction of centres of education and their employees, students and researchers.

→ Read more on pages 27-35

### KEY ISSUES IN MANAGEMENT INCLUDE:

- Integrated sustainability efforts that lead to reductions in the use of energy and resources, a good working environment and good relationships.
- Efficiency improvements in operation and maintenance that generate added value for our customers, immediately and in the long term.
- A good indoor environment for work, study and research.

## Construction process

Our construction projects vary in nature — from small-scale redevelopments through to new advanced research facilities and campus projects with a strong socio-ecological character. We carry out surveys, planning and construction work efficiently, based on our strategic property development plans.

→ Read more on pages 36-43

### KEY ISSUES IN CONSTRUCTION INCLUDE:

- A clear sustainability focus throughout the process, on aspects such as the working environment, purchasing and selection of materials.
- The use of effective, resource-efficient and sustainable systems.
- We build for the long-term management of our properties.

# Developing the campus environments of the future

Our university and college sites are more than places to work and study. During their study years, students today and in the future will spend a growing proportion of their waking hours at their chosen centre of education.

**T**he facilities that are offered on campus, aside from research and education, are important factors in attracting researchers and students. Our vision is to develop leading knowledge environments for current and future needs. This places demands on long-term planning and the strategic development of properties and entire campuses.

## AN ACTIVE ROLE IN NEIGHBOURHOOD DEVELOPMENT

Akademiska Hus has total landing holdings of 1.2 million square metres. Cities with universities or colleges are attractive, and our properties are often in very good locations. The work of universities and colleges is increasingly integrated and interacts with the communities that surround them. This is reflected on our campuses, where development is becoming more closely aligned with the issues that apply in a wider urban development context. Akademiska Hus is strongly committed to developing built environments that encourage cooperation and the exchange of knowledge between academia, industry and society in general.

Bringing together tenants, authorities, neighbouring businesses and other stakeholders as part of this process has proved to be a successful and much-valued approach. We invite stakeholders in to discuss and share information about planned developments and what is needed to make them a success. The result is that many people feel they are involved and working towards common goals.

Together with centres of education we also want to develop campuses that provide

space for people with different circumstances and life experiences, whether social, ethnic or cultural. Openness to people from different backgrounds, international contacts and the free exchange of ideas between cultures are strengths that a campus plan should include.

## CAMPUS PLANS – A KEY ELEMENT

We continually develop campus plans with our customers. Our work is always based on the requirements of the individual centre of education, and the goal is to create attractive campuses that cater to the needs of the whole individual; environments which, in addition to providing high-quality education and research, also offer access to services such as food, culture and sport. This means that we welcome projects for which we are not the main provider, but which are desirable for the overall good. As a consequence we sometimes sell or lease out land for purposes that supplement the education buildings.

Since 2011 it has been our goal that our campuses should have a plan that is no more than five years old. The timing of this goal has been chosen because we want to work more closely with tenants to benefit the common built environment. It is essential to maintain an ongoing dialogue on the development of our campuses, and to jointly lead the way in adapting to new developments and new needs.

Akademiska Hus has just over 40 campuses and there are currently plans in place or in progress for 33 of these. During the year we have continued working on the formulation, renewal and updating of campus plans in all our regions, in close cooperation with our customers.

## Campus development

During 2014 Akademiska Hus developed a methodology to ensure that campus plans follow a well-defined structure and thus ensure sustainable urban development. We were also involved in the evaluation of a certification system for districts under the framework of a broad development project initiated by Sweden Green Building Council.



Umeå Campus

### NEW DEMANDS FOR FLEXIBLE PREMISES

There are clear changes in the way that premises are used by centres of education and the demands they place on them. It is becoming increasingly important to create places to meet, as well as shared workspaces for different groups. The flexibility of premises is also important, and there are growing demands to develop common, functional spaces that can be used around the clock.

Campus-based education is facing new competition in the form of various types of distance learning. A new educational development in recent years is MOOC – Massive Open Online Courses – which is generally

free education and lectures on the Internet. This form of education is common in the USA, but also increasingly available in Sweden, where a growing number of universities and colleges are offering distance learning.

Akademiska Hus is involved in discussions with centres of education about how we can create attractive and efficient knowledge environments based on this growing trend, and is also discussing concrete solutions. One such solution is ALC – Active Learning Classrooms – which has been very successful at universities in the USA. ALC provides the opportunity for more effective teaching that involves more active partici-

pation by students. When fully implemented it requires significant investments in technology, but it is also possible to use simpler solutions.

Dialogue and collaboration between centres of education, personnel, students and property owners is vital for the success of such changes. We have therefore set up a “Learning Space” network where educators and planners can meet to discuss the design of premises for future education.



# Collaborating to create more student accommodation

The issue of student accommodation is important for the whole of society. In order to build up Sweden as a nation of knowledge, students and researchers must be able to live near centres of education.

**F**or some of Sweden's universities and colleges, lack of accommodation is a real threat to their core business. To help solve this problem Akademiska Hus is contributing to the construction of more than 6,000 student housing units on our own campuses, through measures such as selling or leasing out land, assisting with detail planning and incorporating accommodation for students and researchers in our campus plans. These efforts are mainly centred on the student cities of Stockholm, Uppsala, Lund, Gothenburg, Umeå and Luleå, but also extend to other locations. As well as helping to solve an accommodation problem, student apartments that are close to campus make the area more attractive and contribute to greater security and social activity for large parts of the day. On-campus accommodation also improves prospects for establishing supermarkets, restaurants and other services in the neighbourhood.

## CLEARER MISSION

In autumn 2014 our mission was clarified as follows: "Akademiska Hus will contribute to more student accommodation through clarification that the company's remit includes the construction and management of student accommodation." We now look forward to being able to take a more proactive approach, and in spring 2015 the Board of Directors of Akademiska Hus will decide on its future direction and how it will contribute to the creation of even more student accommodation.

In addition to the thousands of student accommodation that are being planned and built on our campuses we will take a driving role in other initiatives, such as Sthlm6000+, which aims to increase the number of student accommodation places in Stockholm by 50 per cent by the year 2017. Similar initiatives have now begun in several locations in Sweden and involve cooperation between a variety of stakeholders; municipalities, centres of education,

property owners, builders and other stakeholders are working systematically to achieve solutions that deliver real results.



Kjellander och Sjöberg

For students at Lund University's Faculty of Engineering, the accommodation shortage could soon be a thing of the past. The university, municipality and Akademiska Hus have combined their resources in a joint initiative that will provide 1,000 new accommodation units - and eliminate the accommodation shortage completely by 2020.



Utopia and Byggvesta are building student accommodation at KTH, the Royal Institute of Technology in Stockholm. A local plan for 600 new student accommodation units on KTH Campus was adopted in December 2014.

Utopia Arkitekter

# Long-term management is the foundation of our business

Property management is the core business of Akademiska Hus. We manage properties in a way that ensures high quality, resource efficiency and long-term sustainable development.

**M**anagement can be seen as an umbrella term that covers all the technical and financial measures carried out during the life of a building. By having a carefully considered strategy that covers aspects such as the need for premises and energy supply, in combination with expertise in knowledge environments, we can maintain our properties to ensure they maintain a high standard in the long term.

Akademiska Hus now manages almost 3.2 million square metres of rentable space, of which 45 per cent is education premises, 35 per cent laboratory premises and 20 per cent are other premises.

## COLLABORATION IN FOCUS

Each day our premises are used by around 300,000 people. It is during day-to-day management that we come into contact with our customers' activities and meet their operating needs, which are both proactive and long-term. Property manage-

ment is a process in which quality and content grow and change over time in line with customers' changing needs, which places high demands on the ability of premises to adapt.

## PROPERTIES IN OPERATION

The holdings of Akademiska Hus include many different types of premises, from offices to advanced laboratory environments with high energy demands and special requirements such as noise, vibration and electromagnetic radiation.

Most of our energy use arises from existing holdings. Knowledge of energy use in buildings is vital in order to improve efficiency and determine when technical systems require upgrading. Energy consump-

tion is reduced through maintenance measures and by optimising the operating efficiency of existing buildings, in close consultation with the customers who use the premises. Although we have a very large investment portfolio of new buildings that are modern and efficient, achieving our energy goals also requires a strong commitment to install new and more energy-efficient technical systems in existing buildings.

Variations in operating cost structure can occur for a number of reasons:

- Different degrees of passing on costs, particularly for energy, which provide different incentives for Akademiska Hus to carry out active efficiency improvement measures.

## Halving the amount of energy we buy

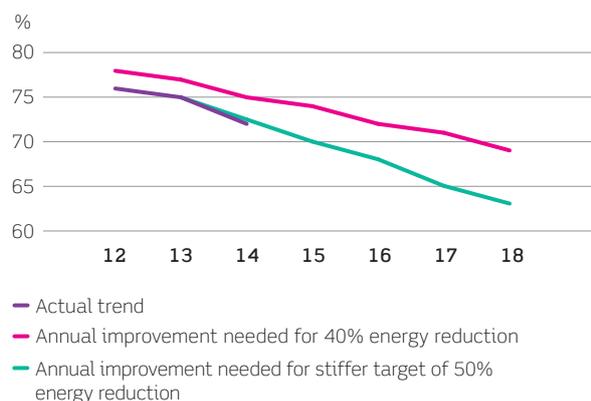
In 2008 Akademiska Hus set itself the goal of reducing energy consumption by 40 per cent by the year 2025, taking 2000 as the comparison year. This goal has led to intensive efficiency improvement measures to save energy, and means that we now use around 25 per cent less energy per square metre annually than we did in 2000.

In 2013 this target was raised and the ambition is now a reduction of 50 per cent against the same reference figure. The tougher goal corresponds to an average reduction rate of around 3.3 per cent per year between 2014 and 2025.

This goal has been broken down by region, divided on the basis of current regional use, so that high consumption requires a high reduction rate. Allowances are also made for the challenges that exist in each region, as well as the level of ambition and commitment shown by our customers. As a result the annual regional targets range from two to four per cent annually.

The annual reduction rate in purchased energy was achieved in 2014. The actual reduction is however slightly smaller than our results indicate, since the calculation model does not fully account for variations in weather. Progress towards the long-term goal is however going according to plan.

ENERGY EFFICIENCY



**Maintenance costs\*** are all the technical, administrative and operational measures carried out during the lifetime of a unit with the aim of maintaining the unit or restoring it to such a condition that it can perform the required function. Maintenance costs are divided into:

- Remedial maintenance. Maintenance carried out after an operational fault has been discovered and with the aim of restoring the unit to a condition in which it can carry out the required function. An example of remedial maintenance is repairing a roof leak.
- Preventive maintenance. Maintenance carried out at pre-set intervals or in accordance with pre-set criteria with the aim of reducing the probability of a fault in a unit or functional deterioration. An example of preventive maintenance is planned replacement of a ventilation unit.
- Project maintenance. Maintenance measures in conjunction with redevelopment projects.
- Tenant adaptations. Measures carried out for a new tenant or the renewal of a lease.

\*) Source: Property Management Information Association, Property Glossary 2008

- The age structure of building holdings is of some importance, as older buildings often require more energy due to inferior external shells.
- Locations with technical and medical research and development generally have higher energy use due to the higher proportion of laboratories. Laboratories often require more ventilation and generally also use more electricity than a typical office building.

An energy strategy is currently being developed to provide a common approach for Akademiska Hus and enable us to continue helping customers to reduce their energy use.

#### COLLABORATING TO REDUCE ENERGY USE

Our statistics and goals cover all the energy that is used in our buildings, including that used by tenants. This varies greatly between different buildings and activities, but on average it is estimated at one-third of the total energy consumption.

Day-to-day work on energy follow-up provides a good basis for making decisions regarding improved efficiency and optimisation. The Energy Portal is an IT system for collation, monitoring and analysis that provides a clear overview of energy use.

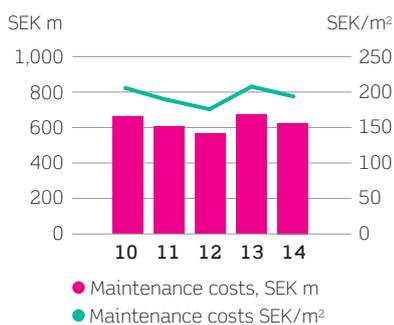
## Package of measures gives energy savings

Södra Huset on Campus Frescati in Stockholm consists of a total of 66,000 square metres divided between offices, lecture halls, computer rooms and convenience stores. During the year, a comprehensive package of energy-saving measures for buildings was identified, with top priority assigned to air conditioning, heating and cooling systems. The exterior shell is also being upgraded through investments in new entrance doors and windows. A total of around 5,500 window frames will be replaced, leading to a considerable improvement in insulation performance.

The system is based on automated energy readings, allowing action to be taken on different levels and permitting the effect of investments to be measured.

Close collaboration with our customers is a prerequisite if we are to succeed in reducing energy use. The aim is to split the energy cost between Akademiska Hus and customers in a way that offers an incentive to both parties to make energy savings.

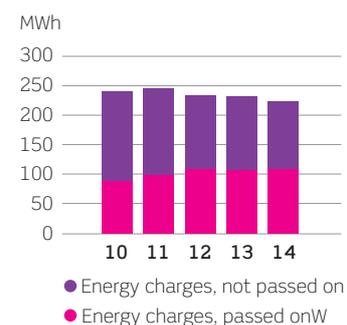
#### MAINTENANCE COSTS



#### TOTAL ENERGY USE



#### ENERGY CHARGES PASSED ON



We believe that the most effective rent-setting approach to reduce energy use is to offer tenants rental agreements that include their individual operating costs, but where these costs are charged separate. This gives tenants a clearer picture of the effect of reducing their consumption while giving us as property owners the opportunity to make major investments in supply systems.

### TECHNICAL SOLUTIONS THAT REDUCE CLIMATE IMPACT

Akademiska Hus is firmly committed to the development of technical solutions that will increasingly enable buildings to produce their own energy and thus become self-sufficient.

One of our sustainability goals is to reduce the carbon footprint from operating our buildings to zero in the long term. This work is based on using the full range of energy efficiency measures. We also encourage our energy suppliers to eliminate fossil fuel use to the full extent possible. Akademiska Hus already buys guarantees of origin for all the electricity used in our buildings and we require that these guarantees relate to renewable resources.

To fully achieve a zero-carbon footprint in our operations we may consider carbon offsetting of any remaining emissions when all financially feasible efficiency improve-

ment measures have been taken. The plan is to use carbon offsets under the Clean Development Mechanism (CDM), a CO<sub>2</sub> reduction project that is defined and regulated under the Kyoto Protocol. A CDM project entails investment in CO<sub>2</sub> reduction projects in a developing country and is regulated by strict requirements relating to methodology, transparency and traceability, etc.

### COORDINATED ACTION PLANS

Achieving the energy goals that Akademiska Hus has set up requires a combination of simple and more complex measures in property management. Skilled property technicians whose professional duties involve close contact and cooperation with tenants make a major contribution to this work, for example by continually adjusting run times, temperatures and flow rates.

In addition to ongoing maintenance, energy efficiency improvements are implemented as special measures. One model for ensuring the profitability of our improvement measures is a portfolio study in which a building or group of buildings is analysed collectively as a Total Measure Concept (TMC) project.

This model means that the most profitable measures to some extent support the cost of less profitable measures, but the portfolio as a whole meets the yield target.

This allows us to ensure that as many as possible of the identified efficiency improvement measures are included, which is likely to be necessary to meet our energy efficiency goal.

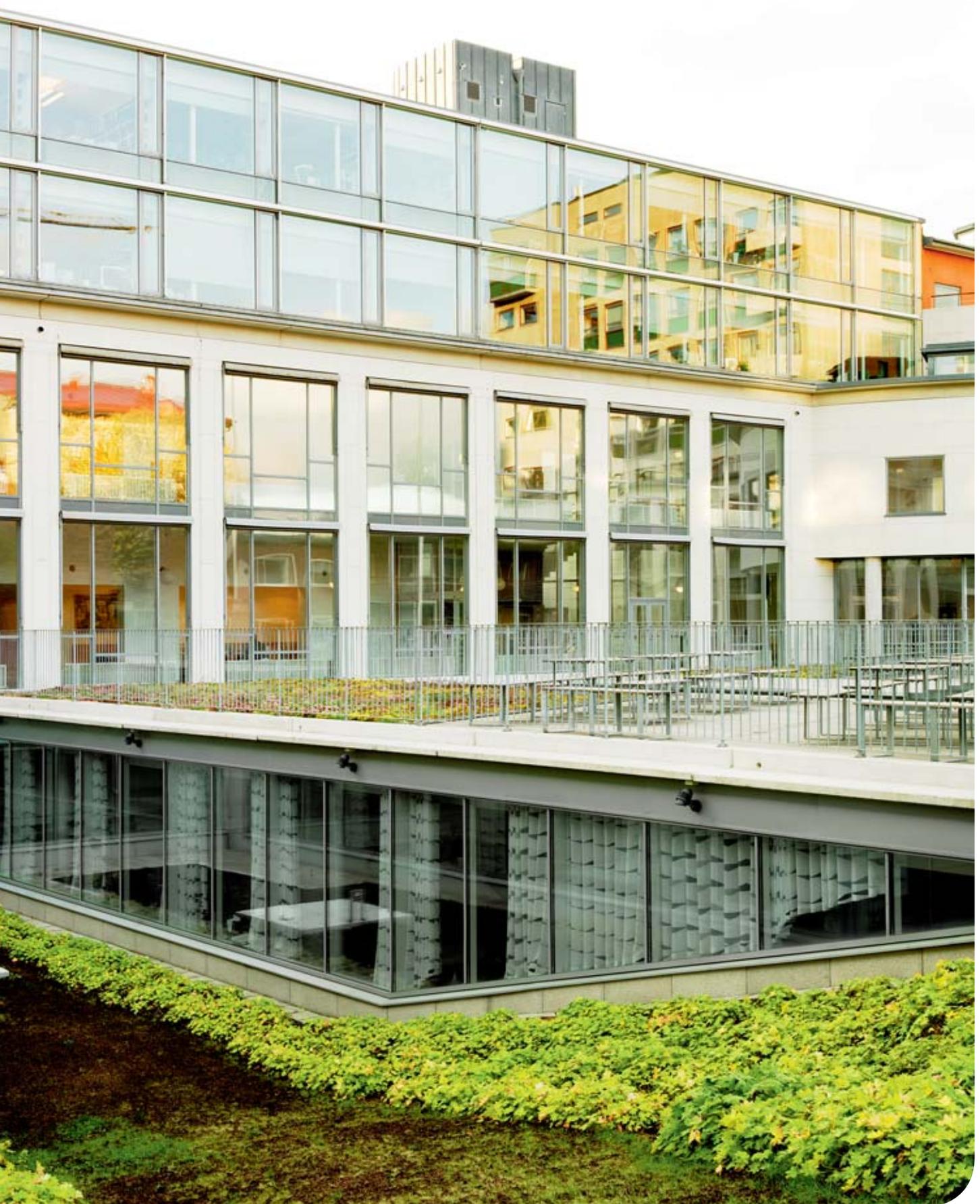
**Operating costs\*** are costs incurred to keep a property, installation or similar facility functioning. Operating costs are divided into:

- Media provision. This covers the supply of electricity, water, fuel, gas, compressed air, district heating and cooling as well as television, radio, telecommunication and computer signals.
- Monitoring. This covers monitoring the functioning of a managed building as well as fittings, equipment and reporting of possible deviations. Examples of supervision include various forms of inspection or patrols.
- Service. Includes adjustment or care of a managed building: fittings, equipment and replacement or supply of consumables. Examples of service include changing drive-belts and air filters, cleaning and less complicated removal of graffiti.

\*) Source: Property Management Information Association, Property Glossary 2008

### OPERATING COSTS

SEK m	South	West	East	Uppsala	Stockholm	North	Total
Electricity	48	46	39	69	94	30	326
Heating	24	24	20	33	65	11	177
Water	4	4	2	7	6	3	26
Cooling	5	1	5	3	15	1	30
Steam	2	0	0	0	6	0	8
<b>TOTAL MEDIA PROVISION</b>	<b>83</b>	<b>75</b>	<b>66</b>	<b>112</b>	<b>186</b>	<b>45</b>	<b>567</b>
Supervision and service	38	43	19	46	88	22	241
<b>TOTAL OPERATING COSTS</b>	<b>121</b>	<b>118</b>	<b>85</b>	<b>158</b>	<b>274</b>	<b>67</b>	<b>808</b>
Operating costs in SEK/m <sup>2</sup>	253	235	237	264	300	189	252
of which media provision, SEK/m <sup>2</sup>	173	149	184	187	204	127	177
Proportion of energy cost passed on	35%	29%	38%	64%	49%	29%	45%
Proportion of utility cost passed on	49%	45%	50%	89%	71%	40%	63%



# Setting rents on market terms

Akademiska Hus want to be a long-term partner in the development of operations at Swedish centres of education by offering unique expertise, local presence and inspiring, functional campuses.

**A**kademiska Hus follows the remit assigned to us by the Swedish Government, which means that we operate in a free market and must provide premises for universities and colleges in competition with other property companies, at market rent levels.

When setting rents, we therefore weigh in the risk and costs associated, for example with construction and management, in the same way as other property companies. We also take into account the counterparty risk and general market rent level for the city, location, type of property, lease length and similar factors, as well as the risks of prop-

erty ownership. Increased operating and maintenance costs as well as possible vacant space when a lease comes to an end are aspects that we take into account.

We strive for openness in negotiations with customers, and thanks to long experience and effective collaboration we can often help the customer to use premises as efficiently as possible.

We regularly review the variables on which our rental model is based to ensure that we are in line with developments in the local market and the outside world.

This ensures quality and security for both parties.

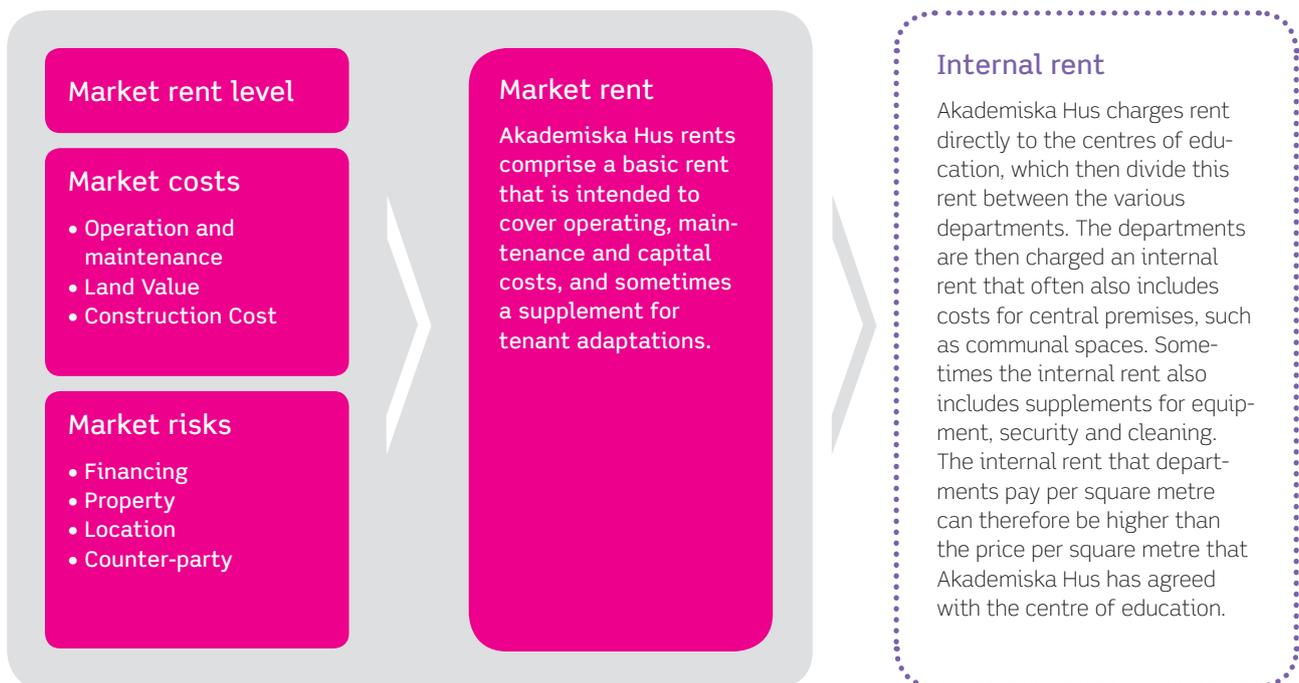


## Increased transparency

In 2014, Akademiska Hus carried out a review of rent levels, and among other things this has resulted in greater transparency regarding rent setting.

Some elements in the rental model were also reduced, including the standard costs for administration and operation, the standard risk assessment for vacancy at the end of the rental period and the cost of capital during construction, while the standard cost for maintenance was raised.

## How Akademiska Hus sets rents



Market rent level

Market costs

- Operation and maintenance
- Land Value
- Construction Cost

Market risks

- Financing
- Property
- Location
- Counter-party

Market rent

Akademiska Hus rents comprise a basic rent that is intended to cover operating, maintenance and capital costs, and sometimes a supplement for tenant adaptations.

Internal rent

Akademiska Hus charges rent directly to the centres of education, which then divide this rent between the various departments. The departments are then charged an internal rent that often also includes costs for central premises, such as communal spaces. Sometimes the internal rent also includes supplements for equipment, security and cleaning. The internal rent that departments pay per square metre can therefore be higher than the price per square metre that Akademiska Hus has agreed with the centre of education.

# Rental revenue, leases and vacant space

Rental revenue for 2014 totalled SEK 5,459 million compared with SEK 5,359 million in 2013. The increase is largely due to several new buildings being brought into use during the year.

**R**ental revenue amounts to an average of SEK 1,715/m<sup>2</sup> (1 664). The rent level throughout the country varied from SEK 1,438/m<sup>2</sup> (1,373) in the Northern Region to SEK 2,147/m<sup>2</sup> (2,068) in the Stockholm Region. Market conditions and the composition of the premises vary between the regions. A higher proportion of laboratories means higher rent levels. On average, the proportion of laboratories is 35 per cent but with regional variations. The Western Region has 24 per cent laboratories whilst the figure in the Uppsala Region is 49 per cent.

SEK 176/m<sup>2</sup> (176) or around 10 per cent of the rent level can be attributed to the customer's specific requirements, i.e. a supplement for either tenant adaptations or media provision.

Renegotiation of existing leases during the year has generally resulted in unchanged rent levels. Renegotiations refer essentially to specialist buildings where the initial lease has repaid a large proportion of the investment within the initial lease period.

During the year, property holdings in Sundsvall and Kiruna were disposed of, along with Konradsberg Campus in Stock-

holm and the Forum property in Kista. The loss of rental revenue from these properties amounted to around SEK 80 million.

## LEASES

A characteristic feature of Akademiska Hus is long leases with universities and colleges. The average term of a newly signed lease is eleven years. At the end of 2014, the average remaining lease term was 6.0 years (5.3). A large proportion of the leases are for specialist buildings for research and laboratory operations and the assessment is that the probability of lease renewal is higher at Akademiska Hus compared with other property companies. For complex specialist buildings for laboratory and research operations, a lease is normally required where a large proportion of the investment is repaid within the term of the lease, which means leases of ten years or more. In the case of new construction and redevelopment, we try in the main to build general premises – premises that can be adapted easily to other activities if the tenant chooses to move.

## LEASING AND VACANCY LEVELS

Expansion in recent decades at centres of education, with a subsequent need for

premises, has led to a very high leasing level of 96.4 per cent of the floor space. However, with large property holdings, even a very low percentage of vacant space results in considerable volumes without a tenant. Akademiska Hus is following developments on the regional markets very closely in order to minimise vacant space.

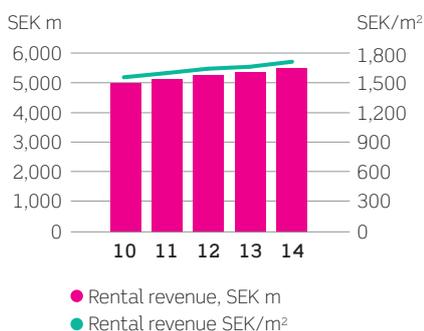
Holdings at the end of 2014 totalled 3,150,329 square metres, of which 3,037,454 square metres have been leased.

Vacant space has risen from 67,999 square metres to 112,875 square metres, equivalent to 3.6 per cent, compared with 2.1 per cent the year before. The loss of rental revenue resulting from vacant floor space is valued at SEK 70 million, giving a financial level of vacant space of 1.2 per cent (0.9). A large proportion of the vacant space is in simpler premises with a lower than average rental value. We believe that vacant space will remain at similar levels over the next few years.

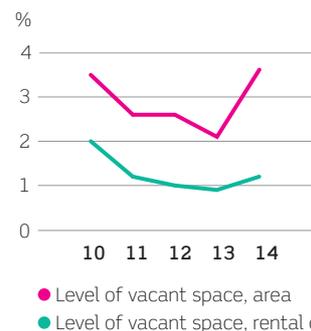
## VACANT SPACE PER REGION

The region that has the highest proportion of vacant floor space is Uppsala, with approximately 11 per cent. On the Ultuna campus, which accounts for the highest pro-

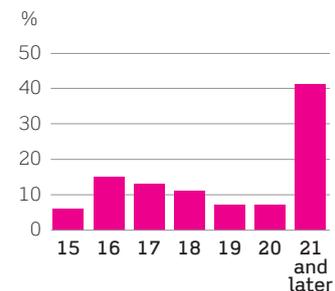
RENTAL REVENUE



LEVEL OF VACANT SPACE



LEASE RENEWAL STRUCTURE, PROPORTION OF LEASE VALUE



# 3.6%

The level of vacant space is still low and reflects the high demand for knowledge environments.

portion of this space, parts of the holdings are in poor condition and will be demolished as a new campus gradually emerges.

In the Western and Stockholm regions, vacant space levels are less than two per cent. The Southern Region has a 3.5 per cent share of vacant space.

The Eastern Region and Northern Region have the lowest levels of vacant space, at less than one per cent.



Kåkenhus, Norrköping

#### VACANT SPACE 31-12-2014

Property	Location	m <sup>2</sup>	Loss of rental revenue, SEK m	Vacant since
Ultuna By, Soil Science	Uppsala	8,870	5.3	2014-08
Clinical Centre Building 2	Uppsala	7,639	1.5	2014-11
Clinical Centre Building 1	Uppsala	5,984	1.1	2014-11
Stora Institutionen	Uppsala	5,351	0.0	2012-01
Tyskbackshagen SLU Infrastructure	Uppsala	5,060	3.0	2014-09
Mathematical Sciences Centre	Gothenburg	4,522	5.4	2006-01
SVA, Central Block	Uppsala	4,328	2.3	2006-11
Clinical Centre Building 6	Uppsala	3,692	0.7	2014-11
Teologen	Lund	3,588	3.6	2014-07
Clinical Centre Building 4	Uppsala	3,294	0.0	2006-07
Clinical Centre Building 5	Uppsala	2,780	0.5	2014-11
Clinical Centre Building 3	Uppsala	2,593	0.0	2004-07
Clinical Centre Building 7	Uppsala	2,551	0.5	2014-11
Other properties	Other vacant space	52,623	45.8	
<b>TOTAL</b>		<b>112,875 (3.6%)</b>	<b>69.7 (1.2%)</b>	

# Profitability and yield

The yield from property management is stable. Akademiska Hus properties have a strong net operating income, stable cash flows and a low rental risk, characterised by long leases and tenants with a good credit rating.

The geographically extensive portfolio offers a good risk spread that can benefit from growth in strong regional markets, such as university and college towns and cities. The larger university centres are growing through investment in research and development and the systematic upgrading of their use of premises. These properties are regarded as relatively secure investments with a stable yield over time.

## NET OPERATING INCOME

The net operating income, i.e. rental income with a deduction for administrative costs, totalled SEK 3,717 million, compared with 3,506 the previous year. During 2014, property management income increased by SEK 93 million compared with the previous year and at the same time property management costs decreased by SEK 118 million. The increase in rental revenue can be attributed mainly to the completion of new build-

ings, redevelopment projects and retro-active rent. The decrease in operating costs is mainly attributable to lower costs for snow removal and heating because of the mild winter combined with our systematic energy reduction efforts, but is also an effect of properties sold. Maintenance costs have fallen, mainly due to lower maintenance costs for projects. The net operating income ratio has increased by two per cent to 65 per cent.

Expressed in SEK/m<sup>2</sup>, the net operating income was SEK 1,160/m<sup>2</sup> (1,089) and varies between the regions from SEK 827/m<sup>2</sup> in the Northern Region to SEK 1,562/m<sup>2</sup> in the Stockholm Region. The net operating income ratio varies from 56 per cent in the Northern Region to 72 per cent in the Eastern Region and Uppsala.

## YIELD AND TOTAL YIELD

Yield was 6.9 per cent (6.8) of the fair value. The increase is explained by relatively strong growth in net operating income relative to the change in property value.

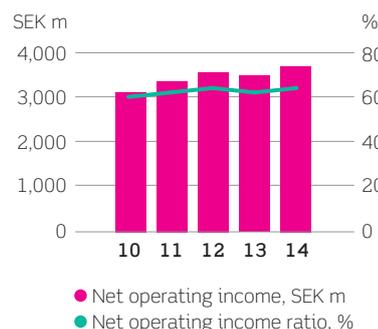
Total yield for 2014 was 13.4 per cent (7.2), where the difference compared with the direct yield is 6.5 percentage points (0.4) and comprises the change in the fair value of investment properties, which totalled SEK 3,494 million (365) in 2014. The total yield for 2014 according to the SFI Property Index was 8.1 per cent, of which the change in value was 2.9 per cent and the yield 5.1 per cent.

## RETURN ON OPERATING CAPITAL

One of the owner's economic objectives is that return on operating capital excluding changes in fair value should be at least 6.5 per cent. The yield on operating capital in 2014 was 7.3 per cent (7.2). Net operating income rose by SEK 211 million and contributed to a slightly increased return on operating capital.

The owner's objective for operating capital was thus met in 2014.

NET OPERATING INCOME



RETURN ON OPERATING CAPITAL



TOTAL YIELD



# Forecast for the next few years

Akademiska Hus continues to invest in new and existing properties in order to develop its customers' business. Investments during the past years have resulted in a significant expansion in the property holdings.

**D**emand for new premises is greatest in those centres of education that focus on research. The investment portfolio includes new construction, redevelopment and refurbishment of existing properties. The bulk of the project portfolio is therefore located in Uppsala and Stockholm, and consists to a large extent of properties that contain specially-adapted laboratory premises which require an initial lease term of 20–25 years. As the investment portfolio is gradually completed, it is expected that the average remaining lease term will increase, since the properties added to our property holdings have long leases.

In the project portfolio, it is the approved projects, at a value of almost SEK 12 billion, that will affect the financial statements in the immediate future. At the end of the year just over SEK 5 billion had already been invested.

The sector of the property market in which Akademiska Hus operates is characterised by limited variation in rent levels

and vacant space compared with the commercial property market. As the average lease length is considerably longer than in the property market in general, changes in yield targets will have an impact although with a certain time lapse and a greater spread over time. One of the challenges is to find alternative uses for the more specialised properties when the leases expire.

## FORECAST

Akademiska Hus makes annual forecasts of long-term operating trends. The analysis is an integral part of ensuring that our property operations are pursued with a high degree of efficiency and cost awareness. In the forecast we take into account the projects that are gradually being completed.

No changes in the fair value of investment properties are forecasted and nor are acquisitions or sales.

Future yield is also expected to remain stable at almost seven per cent. The developed property holdings will become

increasingly efficient and it is expected that economies of scale can be utilised.

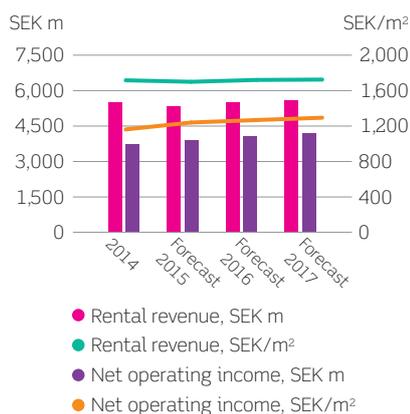
During the construction period, the large project portfolio will result in a charge on the cash flow in the form of interest expense and interest charges. Despite this, the interest coverage ratio is strong and will increase as the new properties begin generating rental revenue.

The table below shows the forecast for the next three years.

## FORECAST ASSUMPTIONS

	2014	2015	2016	2017
Increase in cost		0%	2%	2%
October index, CPI	314.02	0%	2%	2%
Salary increase		3%	3%	3%
Cost of capital		2.25%	2.50%	2.50%

## PROPERTY OPERATIONS



## FORECAST

### PROPERTY HOLDINGS

	2014	Forecast 2015	Forecast 2016	Forecast 2017
Average rentable floor space, 1,000 m²	3,204	3,150	3,200	3,250
Property values, SEK m	61,437	64,500	68,000	71,500
Net investment in properties, SEK m	252	3,500	3,500	3,000

### KEY FIGURES

Net operating income, SEK/m²	1,160	1,238	1,266	1,292
Yield, properties, %	6.9	6.6	6.5	6.4

### FINANCIAL KEY FIGURES

Rental revenue, SEK m	5,495	5,550	5,700	5,800
Net operating income, SEK m	3,717	3,900	4,050	4,200
Profit before tax, SEK m	6,261	3,500	3,600	3,650
Equity ratio, %	48	49	49	48
Return on operating capital, %	7.3	7.1	6.9	6.8
Interest coverage ratio, %	671	1,100	900	850

# Long-term investments in knowledge environments

The project portfolio of Akademiska Hus is still large, although it has decreased since last year. We are continuing to develop premises for higher education and research in collaboration with our customers. Projects for the coming years are focused on Stockholm and Uppsala with several large new construction projects, although there are also major current or planned projects in Gothenburg and Lund.

**D**uring 2014 we completed several large projects, including the Skandion Clinic, which is a new facility for the Association of Local Authorities Advanced Radiotherapy (KAS) in Uppsala, Sweden. At the end of the year, projects in progress totalled approximately SEK 5.4 billion. The Centre for Veterinary Medicine and Animal Science (VHC) in Ultuna, outside Uppsala, is included in ongoing projects, but is now in the final stage and will be completed in 2015. The focus of investments is primarily in Stockholm, where new construction projects for Karolinska Institute are the largest element, totalling SEK 3.8 billion.



decision criteria. Investments exceeding SEK 30 million are decided by the Board of Directors.

## OUR CONSTRUCTION PROJECTS

Many projects have a long planning horizon and extend over many years. The starting point in property development is normally the campus plans, where we have a systematic, future-oriented dialogue with the tenants. One common approach, in consultation with the customer, is to identify

concept projects that could possibly be completed within a five-year period. The project then progresses to a more concrete stage, during which an agreement is normally reached between Akademiska Hus and the customer regarding the division of costs incurred if the project fails to materialise. The project is then classified as a planned project. Approved projects are those that are under construction.

## INVESTMENT PROCESS

Akademiska Hus investment operations are pursued in accordance with a systematic evaluation process. From the point at which a project is identified together with the customer it passes through different decision gates. At each stage the project is analysed in increasing detail according to established

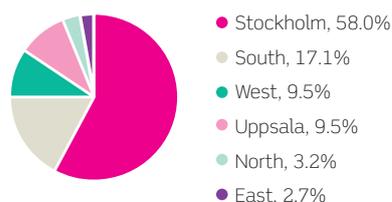
## PROJECT PORTFOLIO

SEK m	31-12-2014	31-12-2013
Decided projects	11,800	12,400
of which already invested in current projects	-5,400	-4,500
<b>Remainder for investment in decided projects</b>	<b>6,400</b>	<b>7,900</b>
Planned projects	9,200	8,800
<b>Remainder of decided and planned projects</b>	<b>15,600</b>	<b>16,700</b>
Concept projects	4,200	4,400
<b>Total remaining projects</b>	<b>19,800</b>	<b>21,100</b>

The different investments are categorised as:

- Decided projects are projects that have a project framework that has been decided using a delegation procedure.
- Planned projects are projects with an inquiry or planning framework, where some form of arrangement or agreement exists between the Company and the tenant.
- Concept projects are projects which, following a discussion with the customer or an analysis by the Company, are considered probable within a five-year period.

## TOTAL PROJECT PORTFOLIO



## Our largest projects

Listed below are our largest approved projects that are under construction, together with larger projects that were completed in 2014 and now form part of the property portfolio.

The project portfolio has a value of

SEK **21** bn

in approved and planned projects.

### APPROVED PROJECTS, DECEMBER 31, 2014 > SEK 100 M

Project name	Location	New construction/ redevelopment	Total investment, SEK m	Customer	Lease, years	Annual rent, SEK m
Biomedicum	Solna	New construction	2,822	Karolinska Institute	20	184
Centre for Veterinary Medicine and Animal Science	Uppsala Ultuna	New construction	1,525	Swedish University of Agricultural Sciences	20	104
Biomedicum Comparative Medicine	Solna	New construction	889	Karolinska Institute	20	50
Royal College of Music	Stockholm	New construction and redevelopment	834	Royal College of Music	20	44
Niagara	Malmö	New construction	745	Malmö University	10	52
Segersted Building	Uppsala	New construction	725	Uppsala University	20	42
Ull Building	Uppsala Ultuna	New construction and redevelopment	630	Swedish University of Agricultural Sciences	20	52
Arrhenius Buildings NPQ	Stockholm	New construction	517	Stockholm University	10	38
School of Architecture and the KTH Campus Entrance	Stockholm	New construction and redevelopment	436	Royal Institute of Technology	20	26
V-Building	Lund	New construction and redevelopment	326	Lund University	10	26
A-Building	Luleå	New construction and redevelopment	166	Luleå University of Technology	10	12
Vision Library	Stockholm	Redevelopment	153	Stockholm University	10	43
Education Building	Stockholm	New construction	130	Royal Institute of Technology	10	8
Civil and Architectural Design	Stockholm	Redevelopment	121	Royal Institute of Technology	10	8
Parking level, Solna Campus	Solna	New construction	117	Karolinska Institute	—	6
Humanities Theatre	Uppsala	New construction	116	Uppsala University	20	8

### APPROVED PROJECTS, DECEMBER 31, 2014 > SEK 50 M

Project name	Location	New construction/ redevelopment	Total investment, SEK m	Customer	Lease, years	Annual rent, SEK m
Skandion Clinic	Uppsala	New construction	704	Association of Local Authorities, Advanced Radiation Treatment	25	45
LUX	Lund	New construction	411	Lund University	10	32
ICT School	Kista	Redevelopment	205	Royal Institute of Technology	10	20
Wallenberg Laboratory Animal Facility	Solna	New construction and redevelopment	168	Karolinska Institute	10	16
BMC SciLifeLab	Uppsala	New construction	158	Uppsala University	10	6
Humanities Building	Umeå	New construction and redevelopment	117	Umeå University	10	7
ABE School	Stockholm	New construction and redevelopment	100	Royal Institute of Technology	10	9
KTH management	Stockholm	Redevelopment	84	Royal Institute of Technology	10	4
BMC energy optimisation	Uppsala	New construction and redevelopment	74	Uppsala University	20	7
Ångström district cooling	Uppsala	New construction and redevelopment	67	Uppsala University	10	6
Geothermal storage	Karlstad	New construction	51	Akademiska Hus	—	—

# One of Sweden's largest property developers

We see a continued steady demand for premises and currently we have a portfolio of SEK 21 billion, with ongoing, approved and planned projects. This makes us one of the biggest property developers in Sweden.

**A**kademiska Hus is a key party in the development of the campuses and knowledge environments of the future, where together with others we will contribute to dialogue and collaboration based on our respective areas of expertise. The projects vary from car parks to high-tech facilities and urban development projects with social and ecological overtones. All projects are developed to permit long-term management of Akademiska Hus' buildings, which gives us excellent opportunities to invest in sustainable and innovative solutions.

We develop campuses with buildings that are competitive and usable in the long term. The buildings are characterised by good architecture, good construction techniques and good installation technology.

They have a high degree of generality and they are energy and environmentally efficient. We work with technical solutions that are at the very forefront in technology, but which have been tried and tested sufficiently to assure the function of the buildings and the indoor environment in the long term.

By building multi-purpose environments it will be possible to adapt premises to different activities. In recent years, Akademiska Hus has followed a deliberate strategy to ensure that new buildings offer a variety of potential uses and can generally be adapted to provide good office environments.

## SYSTEM SOLUTIONS AND MODELS THAT PROVIDE SUPPORT

Akademiska Hus has developed a common platform for choosing technical system solutions and materials where focus is on effective, resource-efficient and sustainable systems. Through feedback based on experi-

ence, combined with technical and economic analysis, solutions and materials can be chosen to achieve maximum efficiency, quality and material management in construction.

For a long time, we have been carrying out impact assessments in our construction projects when choosing systems and materials. Each study includes a variety of assessment criteria, including management aspects, lifecycle cost analysis, design and functionality. To achieve the best outcome, the final choice should be made at an early stage in the project and thus influence planning during the subsequent construction documentation stage.

Using the Building Information Modelling (BIM) process method, there is enormous potential to establish a more efficient construction process, particularly by optimising material use in projects. With simpler, more efficient reporting of material volumes, the amount of waste and the number of variants can be kept to a minimum. Akademiska Hus is currently running a number of projects based on BIM methodology, which includes analysing material quantities.

## ENVIRONMENTAL ASSESSMENT OF CONSTRUCTION PRODUCTS

Akademiska Hus uses what is known as the 'Byggvarubedömning' (BVB) system to evaluate construction products. The basic premise is that products that are assessed as 'To be avoided' must not be used unless there are particular reasons or arguments for doing so. We stipulate that sub-suppliers, including both consultants and contractors, use the BVB system.

Environmental assessment of materials according to the BVB declarations is relatively extensive and apart from chemical content, the system also covers the materials and material components included as well as information regarding manufacturing, transport, packaging and handling of the material at the user, waste disposal and demolition states.

This provides an overall picture of the total environmental impact that a material or product generates during its life cycle. One development potential to become more comprehensive is to allow the assessments to encompass social responsibility among our suppliers. We began this project in 2014 under the BVB system, along with other industry players.

## CERTIFICATION OF BUILDINGS AND NEIGHBOURHOODS

Sustainability certification is an assessment of how environmentally sustainable a building or neighbourhood is. The aim is to ensure planning and implementation that is sustainable from several dimensions and that can also serve as a guarantee that the building or neighbourhood meets the requirement levels agreed.

Akademiska Hus is **certified** in accordance with ISO 14001.

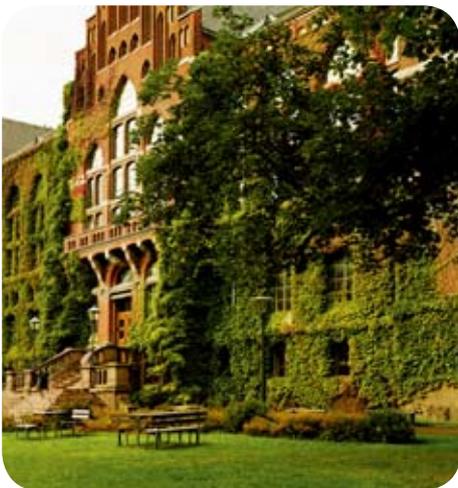
## Thermal energy storage solves heating and cooling needs

Increasing production of renewable energy is fundamental to the development of the sustainable society of the future. Akademiska Hus is taking several measures in order to reach its sustainability target of reducing the volume of purchased energy per square metre by 50 per cent through to 2025 compared with 2000. For example, with each new project at least one alternative delivery system is studied, usually as an alternative to district heating and cooling.

Taking advantage of bedrock to heat and cool buildings as needed is one of the energy solutions that Akademiska Hus is working on. In larger cohesive property areas we have the opportunity to create an effective energy solution using geotechnical engineering. We already obtain around 20,000 MWh of heat from the projects that have already been implemented or are in progress. Geothermal heat provides slightly more than five per cent of our total heating requirements, with the remainder coming from district heating. The same plants also provide free cooling equivalent to approximately 5,000 to 10,000 MWh.

In 2014 the geothermal energy plant at Karlstad University went into operation. The new energy solution consists of 203 drill holes at a depth of 240 metres and covers a large proportion of the total cooling and heating needs for the entire university campus (100,000 m<sup>2</sup>).

Karlstad University



University Library, Lund University

## Positive effects of ecosystem services

Ecosystem services are an important part of sustainable urban development. Since 2009 Akademiska Hus has worked with the Stockholm Resilience Centre to create a model that includes ecosystem services in the planning process, which has positioned us at the forefront of the field. Knowledge of ecosystem services is a valuable asset and our ambition is to further integrate this issue in future projects.

Ecosystem services encompass a variety of values, from environmental and economic to social and cultural. The theory of ecosystem services is based on the understanding that urban greenery and water quality have a strong positive impact on biodiversity and climate regulation, which in turn lead to improvements in public health and quality of life. Ecosystem services also have a role in reducing the impact of expected climate changes.

### CERTIFICATION OF BUILDINGS AND NEIGHBOURHOODS

Sustainability certification is an assessment of how environmentally sustainable a building or neighbourhood is.

The aim is to ensure planning and implementation that is sustainable from several dimensions and that can also serve as a guarantee that the building or neighbourhood meets the requirement levels agreed.

There are several certification systems appropriate for different types of buildings and property owners. All our new construction projects, as well as major renovation projects, must qualify for environmental certification according to the 'Miljöbyggnad' certification system and achieve at least a Silver rating. Eleven buildings were certified in 2014, and Akademiska Hus now has a total of 20 certified buildings. Verification of the certificate takes place approximately two years after the building has been brought into use.

The system rewards low energy consumption with low environmental impact, a healthy indoor environment and good material choices, as well as phasing out of hazardous substances. We gain the added value of good knowledge of what is built into the building, something that is very important for future adaptation and disposal.

The certification system also requires a high proportion of energy from renewable sources. This alone has applied pressure on several district energy suppliers to gradually increase the proportion of renewables, because otherwise entire communities and cities would lose the potential to have buildings certified for sustainability.

### HIGH ENERGY AND ENVIRONMENTAL REQUIREMENTS

During new construction Akademiska Hus specifies, among other things, material properties and environmental requirements, which are presented in a way that very low energy consumption is achieved during the operating phase. Our basic specifications apply the stipulations laid down in 'Miljöbyggnad' to secure silver level certification, although they can also be made stricter depending on the conditions that are present.

Energy consumption during the production phase is one aspect that remains to manage in the construction process. With the low operating energies currently possible, relative energy consumption during the construction phase is substantial, estimated at the energy needs equivalent to 10–15 years of operation. Consequently energy consumption during the production phase

needs to be integrated into the process in the long term.

### SUSTAINABLE PROCUREMENT PROCESS

Sustainable procurement is a challenge, but also an opportunity to achieve greater clarity about expectations and objectives. At Akademiska Hus, we see development potential in generating interest and commitment to sustainability issues in procurement both internally and with our contractors, as well as other stakeholders and partners. Akademiska Hus is a major property developer and may therefore be a model for the industry with respect to accountable procurement. It is important to pursue an ongoing dialogue with suppliers

The new addition to the ABE School on the KTH Campus garnered the highest rating, Gold, in the Miljöbyggnad environmental certification system. Through close collaboration with KTH we were able to optimise energy consumption, the indoor environment and construction materials from a sustainability standpoint.



ABE School, KTH Campus, Stockholm



Photo: Lennart Johansson, photo montage: BSK Arkitekt

Aerial photo of Albano, Stockholm

on opportunities for improvement and not just verify that they meet the requirements.

The procurement policy of Akademiska Hus describes the fundamental values that underlie purchasing and procurement. All suppliers with whom we sign agreements have to meet requirements in a number of areas, including the environment, quality and health and safety. Cross-functional collaboration makes it possible to encompass requirements from several parts of the business. In the autumn of 2014 a Purchasing Council was established with representatives from construction and management to promote a company-wide sourcing initiative.

Akademiska Hus currently has a relatively wide procurement portfolio that includes many different types of services and suppliers. Our largest procurement volumes are in outsourcing, architectural and technical consulting services, and energy provision, and it is these three areas that are the focus of our supplier monitoring and development.

To monitor compliance with the requirements Akademiska Hus carries out random internal environment and occupational safety audits. Suppliers are monitored for compliance with established quality and

sustainability requirements, among other requirements. A process to monitor suppliers more closely, based on more criteria, is under development.

#### AN ACCIDENT-FREE WORKPLACE

As one of Sweden's largest property developers, we have a responsibility to consider occupational health and safety issues. One of the objectives of Akademiska Hus is to provide an accident-free workplace for our own employees and for everyone we engage on our projects. The key to success in our view is to create a healthy safety culture in which everyone understands the value of acting responsibly and always putting safety first.

Incidents and accidents must be investigated and analysed so that we can take the correct actions and improvement measures in order to learn lessons and prevent recurrence. Our construction projects represent a large share of our business and entail significant risks. Compliance with the requirement to report incidents and accidents, and to take appropriate measures, is therefore important during these projects. Work has commenced on improving the process of incident reporting, and a suitable system

The Albano project, which is now at the planning stage, was selected in 2014 by the National Board of Housing, Building and Planning, the Swedish Research Council Formas and Sweden Green Building Council to represent Sweden at the SB14 Barcelona conference as a project that has high ambitions for sustainable construction and social ecological planning, where eco-system services represent an essential component.

will be selected and a working approach will be developed over the coming year.

During the year Akademiska Hus has also taken the initiative to develop this area together with other players in the industry. The focus will be on issues such as risk management, cooperation initiatives, leadership and the specification of requirements. In 2014, we drafted an action plan that addressed both internal and external perspectives. In 2015, we intend to continue working towards these clearer objectives and start measuring our progress.

# Construction process that is close to the customer

The Akademiska Hus construction process takes place close to the customer. We have a well-developed construction process and specific procedures for planning that bring in the right skills and are based on the customer's requirements and the complexity and size of the buildings. We have developed this working approach together with our tenants over many years.

**T**he process varies depending on the type of project and contract. Collaborative contracts ensure greater cooperation between Akademiska Hus and the contractor. They improve the efficiency of projects and enable us to draw on the skills and experience of contractors.



Nyréns Arkitektkontor AB

Centre for Veterinary Medicine and Animal Science (VHC), Uppsala.

## Phases in process:

### INITIAL PHASE - Case preparation

The initial stage of the construction process involves managing and investigating issues. This is initiated when a need for premises is identified. A description of activities and a summary of practical requirements are drawn up for the new premises to define the type of premises needed and to identify the needs of the customer and the property owner.

### PROGRAMME PHASE - Programme documents

Programme documents for the project were prepared during the programme phase, where key decisions were needed on aspects such as the building size, technical standard and design in general. The programme documents give a summary of the requirements for a project and provide collective information for reaching decisions on planning.

### SYSTEM PHASE - System documents

This stage involves investigation into which technical systems, materials, etc., provide the best solutions to meet project requirements. System documents provide a picture of the planned building, its construction and its technical systems, and form the basis for costing the work involved. The environmental plan and health and safety plan for the project are also agreed at this stage.

## → CASE | Centre for Veterinary Medicine and Animal Science (VHC):

There had been extended discussions between Akademiska Hus and the Swedish University of Agricultural Sciences (SLU) on the need for new premises, the main question being whether to renovate or build new premises. Eventually it was decided to build new premises. The project was submitted to a number of architectural agencies for proposals, and Nyréns Arkitektkontor was judged to have the best proposal.

SLU began the planning process, and after about a year Akademiska Hus was brought in and the planning documents were completed.

Preparation of the system documents was relatively complicated since the buildings are very special and house laboratories, stables and other specialist premises. Staff were very much involved in this process, which contributed to an excellent partnership between Akademiska Hus and SLU. The system documents were completed in March 2010.

Åke Eison Lindman



## → A successful project in close collaboration

VHC - the Centre for Veterinary Medicine and Animal Science on Ultuna Campus in southern Uppsala was opened in September 2014. VHC is an integrated centre that provides 53,000 square metres of space for world-class research, education and animal care.

Key priorities throughout the project were compactness, closeness, openness and opportunities to meet, and these elements were frequently discussed during the design of the buildings. Many of the research and education spaces are located in a circular building, with high-tech equipment installed in the centre and surrounded by the research spaces. This ensures efficient use of technology and space.

### CONSTRUCTION DOCUMENTATION PHASE - Construction documents, procurement

The system documents are then used to prepare the construction documents, which are the execution instructions that contractors use to produce their tenders. Procurement of contractors then takes place.

### CONSTRUCTION PHASE - Production

The construction phase involves the physical erection of the project buildings and installations. Great emphasis is placed on testing technical functions, so called coordinated testing, before the final inspection that concludes the construction phase.

### HANDOVER PHASE - Follow-up, management

When the project is completed the premises are handed over to the customer, and the building then moves into the management phase. Follow-up meetings are also held to deal with any outstanding issues and take advantage of opportunities for feedback into future projects.

Because the project involved a complex building and construction process, the decision was made to use a collaborative contract. An invitation was sent out, and following an evaluation process that consisted mainly of interviews with prospective project partners, Skanska was contracted for the project. A collaborative agreement was signed and work began on negotiating and planning aspects such as the budget, schedule and financial monitoring.

The construction documents were compiled in a package that formed the basis for procurement of subcontractors and materials. Skanska submitted comments during the specification process.

During the production phase regular construction meetings were held on aspects such as production planning, and regular committee meetings were held with representatives of Akademiska Hus and Skanska to discuss important issues such as quality, the environment, health and safety, and manning. A number of changes were made during the course of the project, which were jointly handled by Akademiska Hus, Skanska and SLU.

After the customer had completed fitting out and installing equipment at the start of the year, moving in took place in May 2014. Evaluation of the project showed that all the parties were very satisfied. The main success factors were excellent collaboration between SLU, Akademiska Hus and Skanska, compliance with the schedule and cost budget, and a completed building that sets a high standard of quality throughout.

# Property valuation

The fair value of Akademiska Hus investment properties as at December 2014 was SEK 61,437 million (57,577). Investment in new construction and redevelopment totalled SEK 2,904 million (2,750) and acquisitions amounted to SEK 100 million (4). The value of properties sold at the time of sale amounted to SEK 2,752 million (375).

**T**he fair value has been calculated by means of an internal property valuation covering all the Company's properties. The unrealised change in value for the year is SEK 3,494 million (365). The fair value per square metre is SEK 17,471 (16,188).

## MARKET DEVELOPMENT

The property market has experienced growth during 2014. There has been growth in interest in the community property segment, which has led to a corresponding increase in the number of transactions and turnover.

Demand remains high in the rental market for modern, flexible and efficient premises with good environmental performance. Large investments are being made in the metropolitan areas in the new construction and redevelopment of office properties. Demand for premises is good, but no significant rent increases have occurred. In metropolitan and growth regions the level of vacancies is likely to fall.

It is probable that transaction volumes for community properties will continue to increase, partly thanks to a growing proportion of public sector sellers who need capital. More property owners are contributing to competition in the segment, which should lead to greater appreciation among tenants and the market for the added value offered by professional management.

## AKADEMISKA HUS MARKET SEGMENT

The properties fall into a market segment that is normally designated community properties.

A characteristic feature of Akademiska Hus is very long leases with stable customers with a good credit rating. Around 90 per cent of income comes from the dominant customer group, universities and colleges, which are backed by the Swedish Government and therefore have high credit ratings. The average remaining lease term is 6.0 years (5.3).

## RESIDUAL VALUE RISK

Akademiska Hus operates in a specific segment of the property market, which means that our properties are more adapted to specialist uses and consequently they have a slightly more uncertain residual value than for more general properties, such as office buildings and residential buildings. The risks are quantified mainly as charges in the cash flow rather than in the yield target.

## VALUATION METHODS

Akademiska Hus valuation models comply with good market practice in the property industry and the cash flows and yield targets that are used are justified based on both property-specific conditions and industry-specific conditions. The properties have been valued individually without taking portfolio effects into account.

The estimated market value is composed of three parts consisting of: properties valued according to an internal cash flow valuation (95%), valued expansion reserves (2%)

## INVESTMENT PROPERTY

Change in property holdings, in SEK 1,000	South	West	East	Uppsala	Stockholm	North	31-12-2014	31-12-2013
							Group	Group
Opening fair value	7,094	6,955	4,648	11,050	23,633	4,177	57,557	54,677
+ Investment in new construction and redevelopment	597	161	12	591	1,470	73	2,904	2,750
+ Acquisitions	—	—	—	—	100	—	100	4
+ Capitalised interest expense	22	2	—	71	38	1	134	136
- Sales	—	—	—	—	-2,193	-559	-2,752	-375
+/- Change in fair value, unrealised	177	335	273	746	1,490	473	3,494	365
Of which change in value due to a change in the cost of capital and yield requirement	186	403	309	407	1,446	319	3,070	105
Of which change in value due adjusted value index (valuation status, average remaining term, property type)	-5	-18	3	—	-158	6	-172	162
Of which capitalised interest expense	-22	-2	—	-71	-38	-1	-134	-136
Of which other change in value	18	-48	-39	410	240	149	730	234
<b>Closing fair value</b>	<b>7,890</b>	<b>7,453</b>	<b>4,933</b>	<b>12,458</b>	<b>24,538</b>	<b>4,165</b>	<b>61,437</b>	<b>57,557</b>

SEK 58,309 million (95 per cent) of the fair value has been set by means of an internal cash flow valuation. Other properties have been valued individually using the most appropriate valuation method.

and properties with uncertain future cash flows (3%). Read Note 15 for more detailed information.

All property valuation involves an element of estimation, and the normal degree of uncertainty in property valuation is between five and ten per cent, which in our case would correspond to an increase or decrease of up to SEK 6,200 million.

### VALUATION CONDITIONS 2014

The average cost of capital was 8.1 per cent (8.5) and the average yield target was 6.0 per cent (6.4) after adjustment for stamp duty.

Yield requirements and cost of capital declined by between 0.1 and 1.43 percentage points during the year, due to general price-driving factors in the property market for community properties. Overall, the positive change in value attributable to changes in yield requirements and cost of capital in 2014 amounted to SEK 3,070 million.

### EXTERNAL VALUATION

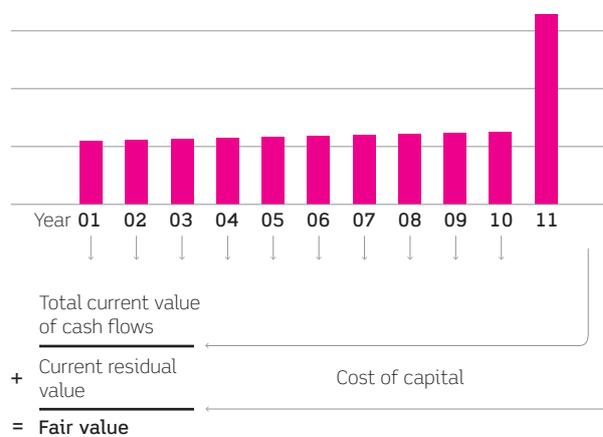
To assure the internal valuation, selected properties are also valued each year by external valuation companies. As at September 30, 2014, 24 valuation buildings/

sellable units at a fair value of SEK 9,760 million were valued externally, corresponding to approximately 16 per cent of the Akademiska Hus total fair value. The external valuations in 2014 were carried out by DTZ as a benchmark for the internal cash flow valuations. DTZ's valuers are authorised by the Swedish Society of Real Estate Economics. The external valuations confirm the reliability of the internal valuation model.

### VALUATION ASSUMPTIONS

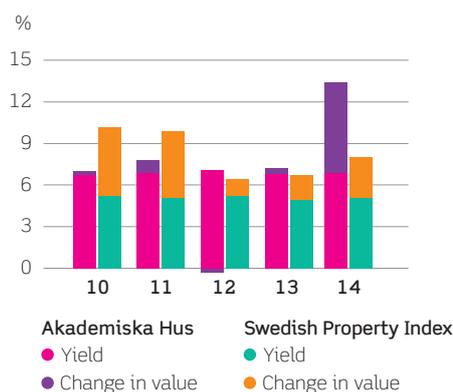
Division into town, city, location	25 towns, cities, locations
Special adaptation/ type of premises	Installation-intensive premises/non-installation- intensive premises
Lease term	> 10 years > 6 years =< 6 years
Calculation period	10 years
Inflation assumption, year 1	0.0%
Inflation assumption, years 2-10	2.0%
Vacant space	Actual and/or 5%
Deduction for stamp duty	4.25%
Property administration	SEK 45/m <sup>2</sup>
Maintenance costs, non-installation- intensive premises	SEK 100/m <sup>2</sup>
Maintenance costs, installation- intensive premises	SEK 140/m <sup>2</sup>

### CASH FLOW MODEL

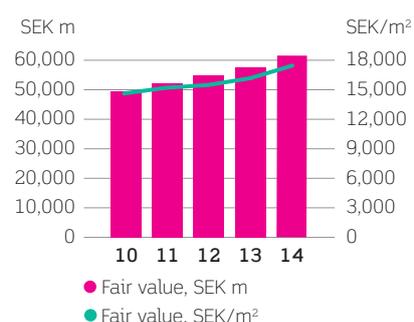


The yield target is used to capitalise the cash flow for the remaining periods.

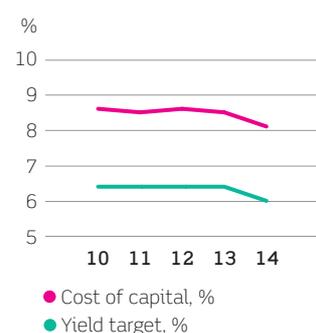
### TOTAL YIELD



### PROPERTY VALUE



### AVERAGE YIELD TARGET AND COST OF CAPITAL



# With a focus on future skills

Talented and motivated employees are essential for the success of Akademiska Hus. We are constantly working to leverage and further develop the skills available internally, as well as to contribute to the development of the industry and ensure future skills.

**I**n 2014, we carried out an extensive project to define a common set of values for Akademiska Hus. The project was designed to meet the need to formulate a platform establishing common values, processes and products for all of the company's regions and businesses.

Our values serve as a professional compass, which will help us to achieve our business goals. They will guide us towards the correct decisions and action in our daily business. Through sensitivity, commitment and by generating value, we contribute to the enduring success of our business to benefit shareholders, customers and one another.

In 2015, we will focus on involving all employees in an initiative to embrace the core values throughout the organisation.

## SECURE FUTURE SKILLS

According to an analysis by the Property Industry's education committee, the industry has a strong need for training moving forward. Demand is particularly strong for technical expertise, project management, customer service and leadership. As a major player, Akademiska Hus has a responsibility to contribute to the development of the industry, including through ensuring that future skills can be met.

Increased competition for skills also requires us to attract future employees from outside the industry and to encourage young people to apply for training aimed at property and the built environment.

Akademiska Hus collaborates with several vocational colleges in the country and is engaged in training programmes. We accept interns from vocational colleges and from 'Tekniksprånget' (Technology Leap), and are committed to student programmes and trainee programmes.

Akademiska Hus is also a member of various industry advisory committees and participates with seven mentors in Mitt Livs



Chans (Chance of My Life), a mentor programme run by Mitt Liv (My Life), a social company that works with diversity and integration on the Swedish labour market.

**EMPLOYEE DEVELOPMENT**

Ongoing competence development is vital if we are to satisfy our customers’ needs. We have an established leadership development programme for managers and project managers. Our core processes have ‘cross-functional fora’, which are aimed at developing and refining our working methods.

During the year we continued to focus on internal experience feedback to take advantage of the knowledge available internally and learn from one another. For example, we launched learning projects in our internal fora.

Akademiska Hus’ goal is for all employees to conduct regular appraisal discussions with their immediate supervisors. During the year, 88 per cent (90) of employees have

had appraisal discussions. The remaining share consists largely of people who are newly hired or on long-term leave. The discussions are documented in an individual action plan and contain clear, challenging, time-bound and measurable goals. Other topics discussed include the Company’s business plan, Code of Conduct, management and relationships at work, as well as how the employee perceives the balance between work and leisure.

**GOAL TO REFLECT SOCIETY**

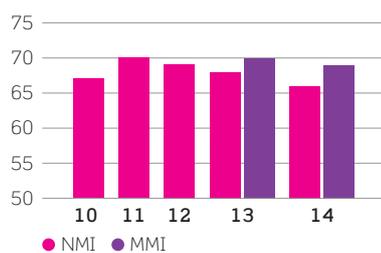
Equality and diversity are of great importance to Akademiska Hus, and the Company has the goal of reflecting society. To do so, we need to increase the share of women and employees with a foreign background. Akademiska Hus reviews its workforce profile annually based on relevant diversity indicators, which enables us to take proactive measures. We believe that a strategic diversity initiative generates profitability on

many levels – in job satisfaction, efficiency and social capital – which ultimately can also be translated into financial profitability. One key area for improvement is the recruitment process, where great added value is created by paving the way for a more inclusive culture and organisation. Deliberate and structured work is necessary to leverage the potential inherent to diversity. Here we see great potential for improvement in our business.

**SYSTEMATIC APPROACH TO OCCUPATIONAL HEALTH AND SAFETY**

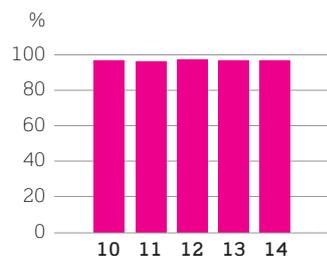
Occupational safety is integral to our daily work at Akademiska Hus. Safety committees and work environment networks are some examples of collaborative fora where we discuss and work on improvements, while creating consensus and commitment to health and safety issues. We have been certified in systematic work environment management, AFS 2001:1, for many years.

**SATISFIED EMPLOYEE INDEX (NMI) AND MOTIVATED EMPLOYEE INDEX (MMI)**



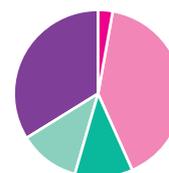
2013 was the first year for the MMI.

**ATTENDANCE**



Absenteeism due to illness during the year was 3.1 per cent (2.5), of which long-term absenteeism due to illness was 1.6 (0.8) percentage points. Akademiska Hus works actively with health issues.

**EDUCATION LEVEL**



The majority of employees belong to the operating technician category with relevant vocational training or experience. Management staff frequently have an academic education.

- Secondary school, 3%
- High school/vocational college, 41%
- Vocational training/operations/property technicians, 11%
- Academic education, more than 30 credits, 12%
- Academic qualification, 34%



## Motivation is the wellness theme for the year

In our AKAFrisk initiative, employees use the app to record their physical activities, providing motivation for exercise and a healthier lifestyle.

Our construction projects receive continuous feedback based on knowledge about the working environment obtained in management. For example, the management organisation reviews construction documents and drawings with the project team to arrive at the best solution.

Akademiska Hus works actively to inspire employees to pursue a healthier lifestyle. Each region has special wellness coaches. In addition, all employees have an annual wellness allowance of SEK 3,000, which can be used for personal wellness activities.

We have a procedure for disability and rehabilitation management that is consistent

with the programme offered by the Swedish Social Insurance Agency. Absenteeism due to illness during the year was 3.1 per cent.

Forty-six employees (11 per cent) are engaged in formal health and safety committees that exist within the company.

### EMPLOYEE SURVEY PROVIDES BASIS FOR IMPROVEMENT

Creating a business in which employees thrive and evolve is paramount for Akademiska Hus. An annual employee survey is conducted to monitor the situation. The Employee Survey is an important means for the Executive Management and other managers to monitor and develop operations, especially the Company's own working group. The main issues are employees, duties, skills, leadership, employee empowerment communication, cooperation and organisation.

Employees feel a high level of motivation in their work and many also welcome the development work that is taking place and feel they are contributing to it.

Employees rate their immediate manager more highly than in the 2013 survey and the leadership index has risen by two percentage points to 82. Confidence in immediate managers has also risen, while employees' confidence in higher managers has fallen for the second year in succession. 27 per cent

## Highly ranked employer

Our consistent efforts to improve our employer branding show results. Two years in a row we have been named newcomer of the year in surveys held by employer branding company Universum. In 2014, we climbed into the top 100 list among Sweden's most attractive employers and we were also named this year's 'rocket' in relation to university students and young professionals. We were also nominated as one of the Employer Branding companies of the year.

experience frequent or constant stress that affects them negatively in their work, which is in line with the previous year's result.

The Employee Satisfaction Index for 2014 was 66, compared with 68 for the previous year. Despite the two-point fall we still have a higher score than the average for Swedish companies.



A large proportion of Akademiska Hus employees feel pride in the company.

# Regional overview

In Sweden there are 51 centres of education in 29 towns and cities. Akademiska Hus is the single largest property owner in this customer segment, with about 61 per cent of the total floor space leased by universities and colleges.

**A**kademiska Hus is divided into six regions and can be found throughout Sweden, from our largest customer, Lund University in the south, to Luleå University of Technology in the north. Stockholm is our largest region with approximately one third of our leasable floor

space, while the Northern Region is the smallest. Campuses in the different locations vary in appearance, from urban campuses integrated into the city, to more secluded campuses. Common to them all is that we manage our buildings with high resource efficiency and we promote constant development in all our regions.



Utopia Arkitekter

Student accommodations Teknikringen, KTH Campus, Stockholm

Akademiska Hus' operations are **divided into six regions**. An overview of the key figures for the different regions and the whole of Akademiska Hus can be found in the tables below.

## INCOME STATEMENT 2014 (SEK M)

REGION	South	West	East	Uppsala	Stockholm	North	Other operations	2014	2013	Change
Rental revenue	717	753	539	1,019	1,958	509		5,495	5,359	136
Other property management income	28	50	10	19	61	17	1	186	229	-43
Total income	745	804	549	1,038	2,018	526	1	5,681	5,588	93
Costs	-271	-270	-155	-291	-593	-233	-151	-1,964	-2,082	118
Net operating income	475	533	394	747	1,425	293	-150	3,717	3,506	211
Yield	7.1%	7.6%	8.5%	8.4%	6.4%	7.2%		6.9%	6.8%	0.1
Net operating income ratio	64%	66%	72%	72%	71%	56%		65%	63%	2

## KEY DATA

Fair value, SEK m	7,889	7,454	4,933	12,459	24,537	4,165		61,437	57,557	3,880
Fair value, SEK/m <sup>2</sup>	14,629	14,311	13,345	15,369	26,460	12,046		17,471	16,188	1,283
Rentable floor space, m <sup>2</sup>	481,836	503,202	358,413	626,062	843,692	337,124		3,150,329	3,220,294	-69,965
of which teaching premises	49%	65%	45%	30%	36%	57%		45%	47%	-2
of which laboratory premises	32%	24%	36%	48%	37%	29%		35%	34%	1
Vacant space, area	3.5%	1.8%	0.9%	11.1%	1.4%	0.8%		3.6%	2.1%	-1.5
Net investment, properties, SEK m	597	161	12	591	-623	-486		252	2,379	-1,517

# Corporate Governance

In the spirit of the Code, rules and routines are developed that ensure transparency, a clear allocation of responsibility between different Company bodies and that the Board discharges its duties efficiently.

**A**kademiska Hus applies the Swedish Corporate Governance Code (the Code), including statements from the Swedish Corporate Governance Board ([bolagstyrning.se](http://bolagstyrning.se)) and the guidelines laid down by the Government in its ownership policy for state-owned companies ([regeringen.se](http://regeringen.se)). Akademiska Hus is wholly owned by the Swedish State. The owner takes a long-term view of its ownership. Akademiska Hus shall own, develop and manage properties for universities and colleges, where the primary focus is on education and research, as well as activities compatible therewith. Operations will be run on a commercial basis and generate a yield that is in line with the market by setting rents that take into account the operating risk. Akademiska Hus will work to assure the long-term, sustainable development of university and college campuses.

State-owned companies are of considerable value and are owned ultimately by the people of Sweden, which requires open, professional provision of information. The companies should act as a role model with regard to corporate social responsibility – state-owned companies must carry on operations in a way that benefits sustainable development according to the Brundtland Commission's definition of corporate social responsibility, which covers the environment, human rights, working conditions, anti-corruption and business ethics as well as equality and diversity.

This Corporate Governance Report, which was adopted by the Board on March 16, 2015, describes the structure and processes for Group management and control.

## OWNER OBJECTIVES

The owner's financial objectives are as follows:

- Return on operating capital excluding changes in value of at least 6.5 per cent (see definition on page 132).
- The ordinary dividend should amount to between 40 and 60 per cent of the net profit after tax after and reversal of changes in fair value and related deferred tax. When deciding on a dividend, consideration should be given to the Group's capital structure and capital requirements.
- The equity ratio should be between 30 and 40 per cent.

Return on operating capital was 7.3 per cent (7.2). The equity ratio as at 31 December 2014 amounted to 48.0 per cent (46.8) for the Group and 27.0 per cent (24.0) for the Parent Company. Dividends paid to shareholders in 2014 totalled SEK 1,374 million (1,355).

## DEVIATIONS FROM THE CODE

The Code has been prepared for companies with a spread of ownership. At such companies, the election committee is in the first instance a body for shareholders to prepare decisions regarding

## GOVERNANCE STRUCTURE



### External governance rules:

- Companies Act
- Accounting Act
- Annual Accounts Act
- IFRS
- Swedish Corporate Governance Code

### Overall control:

Government Ownership Policy 2013

### Internal control:

- Articles of Association
- Rules of procedure, Board of Directors
- Instructions to the President
- Allocation of responsibility and authority
- Management system
- Strategy documents
- Decisions by the President
- Policies
- Guidelines
- Business Plan

appointments. For state-owned companies, the rules regarding an election committee are replaced by principles governing a structured nomination process according to the Government's ownership policy.

**Appointment of a Board of Directors and auditors (Code rules 2.1-2.7)**

Akademiska Hus does not apply the rules in the Code regarding the appointment of a Board of Directors and auditors.

**Reporting of the independence of Board members (Code rule 4.5)**

Akademiska Hus does not apply the rules in the Code regarding the reporting of the independence of Board members.

**Nomination process for Board members and auditors**

The owner adopts a structured nomination process in conjunction with the appointment of Board members and auditors. The nomination process is conducted and co-ordinated by the state ownership unit at the Ministry of Enterprise and Innovation. Members are selected from a broad recruitment base.

The nomination process is presented in the Government's ownership policy. Board membership requires a high level of expertise within relevant current business operations, business development, industry know-how, financial issues, or in other relevant areas. In addition, there should be a strong sense of integrity and a capacity to act in the Company's best interests. The composition of the Board should be such that the Board always has knowledge of the industry or other know-how relevant to the Company. The composition should also be such that a balance is achieved in terms of background, age and gender. The Articles of Association do not contain any stipulations regarding appointment or dismissal of Board members.

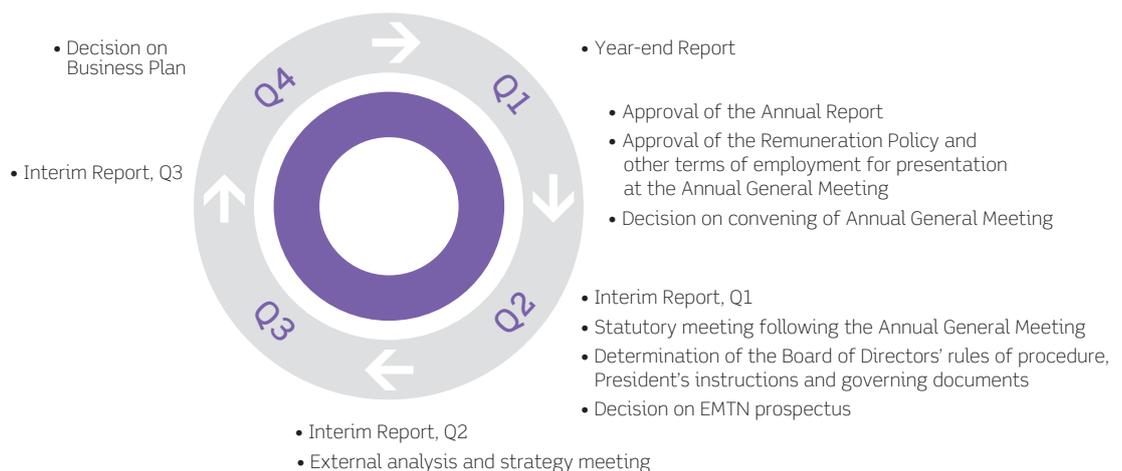
**ANNUAL GENERAL MEETING**

The Annual General Meeting must be held before April 30 each year. The notice is published on the Company's website. At the Annual General Meeting, the shareholders elect, among others, the Board of Directors and auditors and decide on discharge from liability for the Board of Directors and the President. The Meeting decides on guidelines for remuneration to persons in leading positions and, where applicable, amendments to the Articles of Association. The Annual General Meeting was held on April 28, 2014. The meeting was opened by Eva-Britt Gustafsson, who was appointed to chairman the proceedings. Also present were Erik Tranaeus (shareholder representative), President Kerstin Lindberg Göransson, Vice President Michael Walmerud, authorised public accountant Harald Jagner and Carolin Åberg Sjöqvist, secretary, as well as other members of the Board.

**Decisions at the 2014 Annual General Meeting**

- Adoption of the voting list. It was noted that the Meeting had been duly convened.
- Adoption of the Statement of Comprehensive Income and the Statement of Financial Position as well as the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position for the 2013 financial year.
- Decision regarding the payment of a dividend of SEK 1,374,000,000 to the owner.
- The Board of Directors and the President were granted discharge from liability for the 2013 financial year.
- Adoption of the principles presented for remuneration and other terms and conditions of employment for senior executives according to the 'Guidelines for terms and conditions of employment for senior executives in state-owned companies', passed by the Government on April 20, 2009.

**BOARD OF DIRECTORS – WORKING CYCLE**



- Amendment of the articles of association due to change in corporate purpose.
- Determination of changing economic objectives.
- Election of members of the Board of Directors up to the end of the next Annual General Meeting. Election of an auditor. Decision regarding fees to the Board of Directors and the auditor.
- Decision to reduce the share capital by SEK 1,000,000,000 to SEK 1,135,000,000.
- Decision to increase the share capital from SEK 1,000,000,000 to SEK 2,135,000,000 through a bonus issue. The decisions to reduce or increase the share capital were prompted by the company's need to create distributable funds.

### BOARD OF DIRECTORS

The Board of Directors is ultimately responsible for the organisation of Akademiska Hus and management of its operations. The work of the Board is governed by the rules of procedure adopted by the Board of Directors each year. These rules dictate the Board's own working methods as well as providing instructions for its committees. The Board comprises eight members elected at the Annual General Meeting and two members who represent the employees in the Company.

Two new members were elected to the Board and two members resigned at the annual general meeting on April 28, 2014. Other members were re-elected.

Of the eight members elected at the Annual General Meeting, one member is an employee at the Swedish Government Offices.

The other duties of the Board of Directors are presented on pages 56–57.

The Chairman of the Board leads the work of the Board and represents the Board and the Company in dealings with the owner. The Chairman is also responsible for an evaluation of the work of the Board.

The Board is required to meet at least five times a year, of which one meeting should be devoted to matters of a long-term, strategic nature. Extraordinary meetings are held as necessary. The Group's auditors take part in at least one Board meeting during the year and on one occasion the Board meets the Company's auditor without the President or other person from the Executive Management being present.

The work of the Board follows an annual cycle to ensure that the Board takes due account of all the areas of responsibility and attaches sufficient importance to key, strategic issues. As a rule, the following factors are discussed and dealt with at an ordinary meeting of the Board of Directors, see figure on page 53.

### WORK OF THE BOARD OF DIRECTORS

The Board held thirteen (13) meetings during the year at which minutes were taken. The attendance by the members of the Board of Directors is presented in the tables on pages 56 and 57. The main items addressed during the year were:

1. Consideration of new economic objectives.
2. Year-End Report 2013. Investments. Decision on remuneration to senior executives.
3. Annual Report 2013. Sustainability Report 2013. Investments. Proposed dividend.
4. Questions prior to the Annual General Meeting.
5. Interim Report January–March 2014. Investments.
6. Statutory meeting. Examination of the rules of procedure, Instructions to the President and the Attestation and Delegation Procedure. Adoption of policy documents. Election of committees.
7. International bond prospectus (EMTN prospectus). Internal audit plan 2014.
8. Property sales.
9. External analysis and strategy issues. Investments. Property sales.
10. Interim Report January–June 2014.
11. Investments.
12. Interim Report January–September 2014. Internal Audit Report. Investments.
13. Business Plan. Investments. Mission statement, Ethical Council. Visit to Ultuna campus.

### Evaluation of the work of the Board of Directors in 2014

According to the Code, the Board of Directors evaluates the work of the Board and the President using a structured, systematic process. Evaluation takes place once a year with the aim of developing the working forms and efficiency of the Board of Directors. The chairman leads the evaluation, which is carried out by all members of the Board. The owner, through the Government Offices, is informed about the results of the evaluation. The work of the Government Offices related to the Board nomination process also includes an ongoing evaluation of the boards of all Government-owned companies. There is continuous evaluation of the work, composition and competence of the Board.

### Board committees

The Board shall, without otherwise affecting the responsibility and duties of the Board Directors, appoint committees. The Board of Directors has appointed three committees.

- *The tasks of the Finance Committee* are to:
  - represent the Board of Directors in ongoing issues related to financing,
  - support and follow up financing activities,
  - annually evaluate and propose changes to the Finance Policy,
  - evaluate, prepare and report on matters to be decided by the Board.
- *The Audit Committee* will supervise the Company's financial reporting and:
  - with regard to the financial statements, monitor the efficiency of the Company's internal control systems, internal audit and risk management.

- remain informed about the audit of the annual accounts and the consolidated accounts.
- examine and monitor the impartiality and independence of the auditor and in doing so be particularly attentive if the auditor provides the Company with services other than auditing services.
- assist in the preparation of proposals for the election of auditors at the Annual General Meeting.
- *The tasks of the Remuneration Committee* are to:
  - prepare decisions regarding terms and conditions for salaries and employment for the President and the Executive Management.
  - monitor and evaluate the application of the guidelines for remuneration to senior executives, which will be decided at the Annual General Meeting, along with the applicable remuneration structure and remuneration levels within the Company.

The Group's President, Vice President CFO, and Treasurer can attend the meetings in the capacity of presenters. The Board receives feedback on the work of the committees. At each Board meeting there is an examination of the minutes from the meetings of each of the committees.

## COMPANY MANAGEMENT

The Akademiska Hus vision is implemented each year in the form of a Business Plan. The Business Plan, together with policy documents, comprises the overall basis for control of the Company.

The Company is led by the President and the Executive Management. The Regional Directors, Vice President, CFO, Human Resources Director, Corporate Communications Director, and Senior Counsel report directly to the President.

The Executive Management comprises the President, Vice President, the six Regional Directors, the CFO, the Corporate Communications Director and the Human Resources Director.

The Group Management is a forum for information, discussion and decisions regarding joint strategic Company matters. The Executive Management is also the steering committee for the prioritised processes.

The Company's head office is responsible, among other things, for the financial statements, financing, property issues, communication, human resources, legal matters, planning and other matters of an overall nature. The property area includes IT, purchasing/procurement, sustainability and process responsibility for construction, property management and property development.

## Regions

Each region has a regional management team. Investment matters are initiated and prepared by the regional management and are then reviewed by the Executive Management. In the case of major investments, a matter, after receiving the support of the Executive Management, passes to the Board of Directors for a decision.

## Auditors

Procurement of auditors took place in 2013/2014. At the 2014 Annual General Meeting it was decided to elect KPMG AB as auditors for the period up to the end of the 2015 Annual General Meeting, with authorised public accountant Björn Flink as auditor in charge. The fee to the auditors for the year is payable as billed.

## Internal auditor

Akademiska Hus has an internal audit function comprising an employed internal auditor. The internal auditor reports directly to the Company's Board of Directors.

The work of the internal audit function is based on a risk analysis that is made at least once a year and which is updated as necessary. An internal audit plan is adopted by the Board of Directors prior to each financial year.

## REMUNERATION

Remuneration and other terms and conditions of employment for persons in an executive position are in accordance with the Government's 'Guidelines for terms and conditions of employment for senior executives'.

### Principles for remuneration to the Board of Directors and senior executives

- A fee is paid to the members of the Board of Directors according to a decision reached at the Annual General Meeting. The members of the Board of Directors who are employed within Akademiska Hus and the Government Offices do not receive any fee for this work.
- Remuneration for committee work was set at the 2014 Annual General Meeting.
- Payment to the President and other senior executives comprises a basic salary and a pension. Pension expenses refer to the cost charged to the profit for the year. All amounts are stated excluding social insurance charges and payroll tax. Payment to the President is decided by the Board of Directors following a recommendation from the Remuneration Committee. Payments to other senior executives are decided by the President following consultation with the Remuneration Committee. Remuneration comprises a basic salary and a defined contribution pension based on the ITP premiums according to a collective agreement. To ensure compliance with the owner's guidelines, an external enquiry was conducted in 2011. The enquiry showed that Akademiska Hus is following the guidelines. No variable or bonus-based remuneration is paid. Salary surveys are conducted to make a comparison with other property companies. No changes will be proposed regarding the principles for remuneration to the Board of Directors and senior executives for 2015.

For a detailed description of remuneration, pensions, periods of notice, severance pay and fees to auditors, see the administration report on page 70 and Notes 9 and 10.

# Board of Directors



<b>Name and title</b>	<b>EVA-BRITT GUSTAFSSON</b> Chairman since 2007 Chairman of the Finance Committee and Remuneration Committee Born 1950	<b>BRITTA BURREAU</b> Member since 2014 Born 1964	<b>OLOF EHRLÉN</b> Member since 2011 Chairman of the Audit Committee Born 1949	<b>THOMAS JENNINGER</b> Employee representative (Ledarna) since 2008 Born 1956	<b>ANDERS LARSSON</b> Employee representative (SEKO) since 2009. Born 1963
<b>Position and other assignments</b>	President of Apoteksgruppen i Sverige Holding AB and Apoteksgruppen i Sverige AB.  Other positions: Member of the board of Svenska Spel AB.	President of Nordea Liv since 2004.  Other positions: Board member of Svensk Försäkring and Nordea Liv Fastighet Holding AB.	Other positions: Board member of Win-group AG; Chair of Faveo Management AS; Chair of the Town Planning Sector Ethics Committee and Chairman of Svevia AB.	Operating manager Akademiska Hus Uppsala.	Operating engineer Akademiska Hus Stockholm.
<b>Previous positions</b>	Bank Director, Nordbanken; President of Venantius AB; President of Apoteket Omstrukturering AB.	Accenture 1992–2004.	President and CEO of NCC AB.		Employee representative (SEKO) Akademiska Hus Stockholm AB 1998–2009.
<b>Education</b>	MBA.	MSc and MBA.	MSc Eng.	Production engineering studies.	
<b>Attendance at Board meetings</b>	12 of 13	8 of 8	12 of 13	12 of 13	10 of 13
<b>Attendance at Finance Committee</b>	3 of 3	2 of 2			
<b>Attendance at Audit Committee</b>			6 of 6		
<b>Attendance at Remuneration Committee</b>	3 of 3				

				
<b>INGELA LINDH</b> Member since 2014 Born 1959	<b>LEIF LJUNGVIST</b> Member since 2012 Born 1971	<b>PIA SANDVIK</b> Member since 2011 Born 1964	<b>GUNNAR SVEDBERG</b> Member since 2009 Born 1947	<b>INGEMAR ZIEGLER</b> Member since 2007 Born 1947
Deputy city manager and CEO of Stockholm Stads-hus AB.  Other positions: Board member of Sustainable Innovation, board member of Royal College of Music, Chairman of Nordic Building Forum (Nordisk Byggdag), Chairman of Stockholm Building Forum (Stockholms Byggnads-föreningen).	Company manager at the State Ownership Unit at the Ministry of Enterprise and Innovation.  Other positions: Board member of Apoteket AB and Samhall AB.	President of Länsförsäkring Jämtland.  Other positions: Chairman of RISE AB. Member of the board of the Strategic Research Council, Länsförsäkringar AB and the IVA Industry Council. Member of the board of IVA.	Other positions: Board member of Kemakta Konsult AB and Göran Gustafsson Foundation for scientific and medical research. Member of the board of IVA and KVVS in Gothenburg.	Other positions: Board member of Infranord AB, Stockholm Concert Hall and the Clara Foundation.
Director of City Planning, Stockholm. President of AB Stockholmshem.	Board member of AB Svensk Bilprovning, Vasallen AB and AB Bostadsgaranti. Stock market analyst Kaupthing Bank, Nordiska Fondkommission and Hagströmer & Qviberg.	Vice-Chancellor of Luleå University of Technology and Pro Vice-Chancellor of Mid Sweden University.	President of Innventia AB, Vice-Chancellor of Gothenburg University and Mid Sweden University and Deputy Vice-Chancellor of the Royal Institute of Technology.	President of AB Storstockholms Lokaltrafik, Locum AB, Diösförvaltning, Stockholms Mark- och Lokaliseringsbolag. Finance Secretary, City of Stockholm.
Architect MSA.	MBA.	PhD.	PhD. Professor of Energy Technology.	B.A.
6 of 8	13 of 13	11 of 13	12 of 13	12 of 13
		1 of 3		
	6 of 6			6 of 6
	3 of 3		3 of 3	

**AUDITORS**
**KPMG AB**
**BJÖRN FLINK, LEAD AUDITOR**

Born 1959 MBA. Lead auditor at Akademiska Hus since 2014. Authorised public accountant. Other audit assignments, selection: GE Capital Real Estate and AMF Fastigheter.

Directorships: Member of the board of KPMG AB, FAR, the trade association for accounting consultants, auditors and advisers.

# Executive Management



<b>Name and title</b>	<b>KERSTIN LINDBERG GÖRANSSON</b> President since 2011 Born 1956	<b>MICHAEL WALMERUD</b> Vice President Employed 2012 Born 1967	<b>PETER BOHMAN</b> Regional Director, Uppsala Employed 2013 Born 1972	<b>DAVID CARLSSON</b> Regional Director, North Employed 2003 Born 1976
<b>Other assignments</b>	Chairman of AB Svensk Bilprovning, member of the board of Byggherrarna and SGBC.			
<b>Previous positions</b>	Airport Director, Swedavia Stockholm-Arlanda Airport; Accounting and Finance Director and Vice President of the Scandic Group.	President, Projektgaranti AB; Head of transactions, Catella Swedebroker AB; Property Manager, Postfastigheter AB; Project Manager, NCC Fastigheter AB.	Terminal Manager and on-call Airport Director, Stockholm-Arlanda Airport. Various management positions within Swedavia. Business developer/property developer.	Regional Director, Uppsala, Head of Property Management and Property Manager, Akademiska Hus Uppsala; Business Developer, SP Production AB.
<b>Education</b>	MBA.	MSc.	BSc. in Business Administration with focus on real estate	MSc and MBA

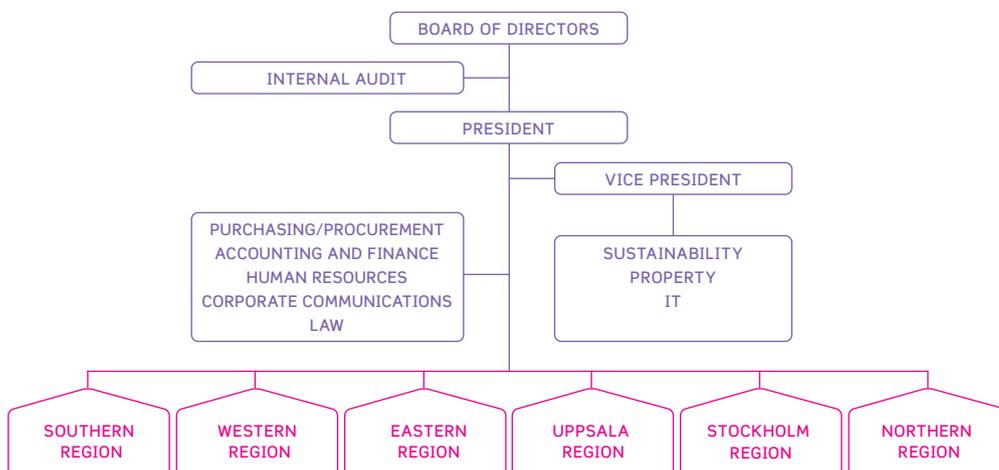


<b>Name and title</b>	<b>LARS HAGMAN</b> Regional Director, East Employed 2012 Born 1953	<b>BIRGITTA HOHLFÄLT VAN DALEN</b> Regional Director, West Employed 2005 Born 1958	<b>KRISTINA KORSGREN</b> Human Resources Director Employed 2010 Born 1969	<b>CECILIA NIELSEN</b> Director of Communications Employed 2012. Born 1969
<b>Other assignments</b>	Board Member of Linköpings Expo AB.		Board member Almega Fastighetsarbetsgivarna.	
<b>Previous positions</b>	Business developer, JM AB; Company coordinator, President of a subsidiary of Vattenfall AB. Regional Manager, Partena Security AB.	Planning adviser, Akademiska Hus Head Office; Head of property supply and operating manager, Karlstad University; Planning Manager, Property Department, Karlstad Municipal Authority.	HR positions within the Volvo Car Corporation and Volvo Truck Corporation.	Head of Corporate Communications SP Sveriges Tekniska Forskningsinstitut AB.
<b>Education</b>	MBA.	BA Soc. Admin.	Human resources specialist	BA.



<b>Name and title</b>	<b>JONAS RAGNARSSON</b> CFO Employed 2014. Born 1962	<b>TOMAS RINGDAHL</b> Regional Director, South Employed 2013 Born 1960	<b>STEN WETTERBLAD</b> Regional Director, Stockholm Employed 2008 Born 1957	<b>CAROLIN ÅBERG SJÖQVIST</b> General Counsel (secretary for Executive Management and Board of Directors) Employed 2004. Born 1968
<b>Other assignments</b>			Chair of Hagastadens fastighetsägarförening; Board member of the Stockholm Construction Association. Chair of Sthlm6000+ (Student Housing Fair 2017).	
<b>Previous positions</b>	CFO at Tradedoubler, CFO at EQT Partners AB, acting CFO at Swedish Space Corporation (SSC). Accounting and Finance Manager, Radisson SAS Hotels & Resorts, Administrative Manager and Vice President, Grand Hotel Holdings AB.	Division Director for Residential Construction, Skanska Sverige AB; Vice President, Skanska Sverige AB; Chairman of Myresjöhus, Chairman of BoKlok AB, Head of Development, Nordic Region, Skanska AB; President, LB Hus.	Property Director, City of Stockholm; Market Hall Director, City of Stockholm; Vice President, Stockholm Parkering; Property Manager, Kullenberg Fastigheter i Stockholm AB; Site Manager/Project Manager, Platzer Bygg AB.	Lawyer, Advokatfirman Glimstedt; Associate Judge of Appeal, Court of Appeal for Western Sweden.
<b>Education</b>	MBA.	MSc Eng.	MSc Eng.	LLM.

**COMPANY STRUCTURE**



# Internal control of financial reporting

The responsibility of the Board of Directors for internal control is governed by the Swedish Companies Act and the Swedish Corporate Governance Code.

**T**his report has been prepared in accordance with Section 6, sub-section 6 of the Annual Accounts Act and is thus limited to internal control of financial reporting, which is a central component of corporate governance at Akademiska Hus.

## INTERNAL CONTROL OF FINANCIAL REPORTING

The purpose of internal control of financial reporting is to provide reasonable assurance regarding the reliability of external financial reporting in the form of interim reports and annual reports, and to ensure that external financial reporting complies with the relevant laws, regulations, accounting standards and the specific guidelines for external reporting that apply to state-owned companies.

The description of internal control of financial reporting at Akademiska Hus is based on the five components of internal management and control as defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) in its framework for internal management and control.

## CONTROL ENVIRONMENT

The Board of Directors has overall responsibility for internal control of financial reporting. The Board of Directors has adopted rules of procedure that clarify the responsibility of the Board of Directors and govern the internal work allocation within the Board of Directors and its committees. The basis for internal control comprises the control environment with the organisation, decision procedures and responsibility as stated in control documents such as policies and guidelines.

The overall Business Plan describes the way Akademiska Hus works, deals with customers, handles assets and addresses the future. The Business Plan contains the vision, business concept and values. Using the Business Plan as a basis, a number of decisions, policies and guidelines are drawn up for certain areas within Akademiska Hus, such as property valuation, financing, investment, accounting and reporting. Manuals and descriptions of routines are available for each area. Guidelines for financial reporting are updated in the event of a change in legal requirements, stock exchange listing requirements and/or accounting standards.

Akademiska Hus has a structured management system that contains strategy, planning and follow-up processes.

The joint Business Plan includes the strategic objectives towards which the Group is guided. The strategy process includes an external analysis, as well as an analysis of customers, locations, market segments, financing and so on. The Company has processes in place to prevent and discover irregularities that could impact on the Company's financial reporting.

## RISK ASSESSMENT

Risk assessment aims to identify and evaluate the most material risks that affect financial reporting. The risk assessment identifies items for which the risk of significant errors is highest. These are items where the value of the transactions is high or where the process is extremely complex and there is a need for strong internal control. Identified risk areas are:

- Property valuation
- Projects
- Financing
- IT operations

### CONTROL ACTIVITIES

Control activities that are designed to prevent, detect and correct errors and deviations are incorporated in the financial reporting process used by Akademiska Hus. These controls have been designed to deal with the most significant identified risks that can arise in financial reporting, and include both general and detailed checks. Control activities take place at several different levels in the company and include approval of transactions, account reconciliations and analytical follow-up.

All IT systems that are used for financial reporting include a number of built-in automatic controls to ensure reliable financial reporting. Control measures also take place in the general IT environment, in the form of well-developed regulations that govern system permissions, system updates and backup procedures.

### INFORMATION AND COMMUNICATION

External financial information is published in direct association with the Board meeting in question. In the case of interim reports, this takes place on the website and in the case of the Annual Report, a printed publication is also produced. Other information channels, apart from the Board meetings, are committees appointed by the Board, meetings of the Executive Management and other information meetings.

Financial reporting takes place through a common reporting system with a common reporting package.

Within the Company, established routines ensure that employees meet regularly at network meetings in order to develop a common view on different issues. Systems and routines are in place to provide the Board of Directors and the Executive Management with reports in relation to established objectives.

The company's governing documents are available to all employees on the intranet. Guidelines and other instructions relating to final account events are distributed to all concerned employees through a shared files area.

### FOLLOW-UP AND EVALUATION

Internal management and control of financial reporting are monitored and evaluated continuously by the Board of Directors, President, Executive Management and the accounting and finance department to ensure that procedures are appropriate and efficient. Shortcomings in the system must be reported to the relevant person to ensure that improvements can be made.

At each Board meeting, the Board receives financial information and an analysis, as well as a report from the most recent meetings of the different committees. The Audit Committee follows up audit matters and more extensive matters of principle with regard to financial reporting, including property valuation.

The internal audit unit is instructed by the Board of Directors to independently review and evaluate the company's internal management and control procedures, including internal control over financial reporting.

Akademiska Hus continuously reviews and updates internal management and control procedures within the company, for example, to take into account and implement measures and recommendations by the internal auditor and the company's external auditors.

It is the opinion of the Board of Directors that the follow-up that is reported according to this document is sufficient to assure the efficiency of the internal control system with regard to financial reporting.

# Auditor's report regarding the Corporate Governance Report

To the Annual General Meeting of the shareholders of  
Akademiska Hus AB (publ), Reg. no. 556459-9156

The Board of Directors is responsible for the Corporate Governance Report for the year 2014 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

We have read the Corporate Governance Report and based on this reading and our knowledge of the Company and the Group, we feel that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report has a

different orientation and is significantly more limited in scope compared with the orientation and scope of an audit according to International Standards on Auditing and generally accepted auditing standards in Sweden.

We consider that a Corporate Governance Report has been prepared and that its statutory information is consistent with the annual accounts and consolidated accounts.

Gothenburg, 16 March 2015  
KPMG AB

Björn Flink  
Authorised Public Accountant

# Administration Report

The Board of Directors and the President of Akademiska Hus AB (publ) Reg. no: 556459-9156, hereby submit the annual accounts and consolidated accounts for financial year 2014.

## GENERAL INFORMATION

Akademiska Hus AB (publ) is a limited liability company registered in Sweden. The Company's registered office is in Gothenburg. Akademiska Hus is wholly owned by the Swedish State.

The Company is the parent company in the Akademiska Hus Group, the principal task of which is to own and manage university and college properties.

The Parent Company's functional currency is SEK.

All amounts are in SEK 1,000 unless stated otherwise. Figures in parentheses refer to the previous financial year. A corporate governance report has been prepared and can be found on pages 52–61.

## ADOPTION OF THE ANNUAL REPORT

The Annual Report and consolidated accounts were adopted by the Board and approved for publication on March 16, 2015. The Income Statement and Balance Sheet for the Parent Company and the Group will be the subject of adoption at the Annual General Meeting on April 28, 2015.

## YEAR IN BRIEF

### GROUP

#### Income

The Group's turnover for 2014 was SEK 5,681 million (5,588). Of this figure, rental revenue accounted for SEK 5,495 million (5,359). The revenue level increased due to completion of new buildings and retroactive rent. The sales of properties carried out during 2014 had a negative impact on rental revenue of just over SEK 80 million. Rental revenue per square metre increased primarily as a result of completion of new buildings that contain a higher degree of specialised premises.

### Profit

- Net operating income was SEK 3,717 million (3,506) and the net operating income ratio has increased to 65 per cent (63). Increased rental revenue and reduced costs, mainly for operation and maintenance, have resulted in an increase in net operating income. Property management income rose by SEK 93 million, while property management expenses fell by SEK 119 million, mainly due to lower costs for heating and snow removal, as well as reduced costs for maintenance initiatives in projects.
- Profit before financial items totalled SEK 7,200 million (3,665). The improvement is mainly attributable to changes in property fair values, which had a positive impact on profit of SEK 3,529 million compared with 2013, when the change in fair value was SEK 232 million.
- Net financial income and expense amounted to SEK –939 million (–390). This figure includes changes in fair value of financial instruments totalling SEK –548 million (17). Most of the changes in fair value are unrealised.
- Profit before tax was SEK 6,261 million (3,275). The increase is mainly attributable to changes in property fair values.

### Property values

The Group makes use of an internal valuation model, which forms the basis for determining the fair value. This value was set at SEK 61,437 million (57,557). To assure the internal valuation, selected properties are also valued each year by external valuation companies.

### Investments

Net investments in properties and new construction in progress in 2014 amounted to SEK 252 million (2,379). The decrease is attributable to the properties sold during the year. The major projects completed in 2014 included Skandion Clinic in Uppsala and Lux, which is a new construction and redevelopment project at Lund University.

### Sales

Properties worth SEK 2,752 million (375) on the balance sheet were sold in 2014. All property holdings in Sundsvall and Kiruna, the Forum building in Kista and Campus Konradsberg in Stockholm were sold. The total floor space of these properties is 130,000 square metres. These sales will have a negative impact on income of SEK 226 million on a full-year basis.

### Cash flow

The Group's cash flow from current operations amounted to SEK 3,161 million (3,061). Cash flow from financing totalled SEK -439 million (-2,460). The change is mainly attributed to property disposals, which added a cash flow of SEK 2,797 million (243). Investments increased by SEK 250 million to SEK 3,004 million. Cash flow from financing totalled SEK -853 million (-1,159). This includes a dividend of SEK -1,374 million (-1,355) paid to the shareholder. Cash flow for the year amounted to SEK 1,869 million (-558).

## PARENT COMPANY

### Income and profit

The Parent Company's income for 2014 was SEK 7,227 million (5,831). The profit before financial items was SEK 4,044 million (2,226). Net interest income and expense was SEK -1,073 million (-527). Profit after financial items was SEK 2,971 million (1,699).

The gross investment in investment property totalled SEK 3,004 million (2,754) and investment in machinery and equipment totalled SEK 3 million (4).

Equity amounted to SEK 8,167 million compared to the figure of SEK 6,058 million at the previous year-end.

Share capital comprises 2,135,000 shares at a par value of SEK 1,000 per share and with one (1) vote per share.

### SUSTAINABILITY

By taking active steps to use resources more efficiently and reduce emissions from properties during construction and use, Akademiska Hus is contributing to reduced climate impact. Achieving our ambitious sustainability goals requires large investments and innovative measures, as well as closer collaboration with customers.

### HEALTH AND SAFETY

Occupational safety is integral to our daily work at Akademiska Hus. Safety committees and work environment networks are some examples of collaborative forum where we discuss and work on improvements, while creating consensus and commitment to health and safety issues. We have been certified in systematic work environment management, AFS 2001:1, for many years.

Akademiska Hus has a procedure for disability and rehabilitation management that is in compliance with the Swedish Social Insurance Agency's guidelines. Absenteeism due to illness during the year was 3.1 per cent.

### EVENTS AFTER THE YEAR-END

In late January we were notified that the Administrative Court of Appeal in Sundsvall confirmed that Akademiska Hus is considered to be contracting authority, and thus is covered by the Public Procurement Act (LOU). The ruling concerns a case in which the Swedish Competition Authority has initiated proceedings requesting that Akademiska Hus be ordered to pay a public procurement fine for a general construction project regarding the new Skogishuset on the Umeå Campus. Case law is unclear in this area since the Administrative Court of Appeal in Stockholm recently ruled that state-owned Sveaskog is not a contracting authority, while the Administrative Court of Appeal in Sundsvall now, without any reported reasons, made the opposite assessment of Akademiska Hus. Therefore there is no uniform case law. Akademiska Hus has therefore decided to appeal the ruling of the Administrative Court of Appeal in order to get a final ruling from the Supreme Court.

The Group's current equity ratio is 48 per cent. The owner's capital structure objectives specify that the Group's equity ratio should be 30-40 per cent. To facilitate the future harmonisation of the capital structure with the owner's equity ratio target, the Board proposes that resolutions be passed at the Annual Shareholder's Meeting to reduce the share capital by SEK 5,000 million for allocation to non-restricted equity. It is also proposed that bonus issues for the same amount are implemented to reinstate the share capital to its original level. The bonus issues will be implemented by means of a revaluation of investment properties.

Following the proposed measures and the Board's proposed dividend, the Parent Company's non-restricted equity will amount to SEK 7,457 million.

### FUTURE DEVELOPMENTS

Demand for new premises is strong, especially at the major universities. Consequently, Akademiska Hus has a project portfolio with approved investments of nearly SEK 12 billion. This means that the property portfolio is expected to increase by 5 per cent annually over the next few years. Together with economies of scale and efficiency work, net operating income will also increase. As new properties are completed, the interest coverage ratio will improve.

### RISKS AND RISK MANAGEMENT

All business activities are associated with risk. By creating awareness of operational risks they can be managed and the negative effects can be limited, while allowing opportunities to be seized.

Akademiska Hus focuses on property ownership in the Swedish property market. According to its brief, operations are to be carried out on market terms. The business will achieve its yield target over time by taking advantage of and managing both opportunities and risk exposure in accordance with risk policies and the business plan.

The risks are analyzed based on probability and impact, in both financial and more qualitative terms.

### Risk management

The Company's overall risk identification is done in conjunction with the annual business planning process, which is based on the Company's operations together with past experience and current intelligence.

Executive Management assesses risks based on the impact on financial results and reputation, and the likelihood that they will occur. The major risks are managed in the business plan through objectives and activities. Implementation and outcomes are continuously monitored during the year.

Each year the Board of Directors addresses the Company's long-term strategy and decides on a new business plan.

Risks have different scope and character.

*Strategic risks* entail external factors that cannot be controlled, but the negative impact may be limited; examples include economic conditions and political governance.

*Operational risks* are related to internal processes and include, for example, deficiencies in internal procedures and systems, as well as employees' actions. This definition includes legal risk and risk within regulatory compliance. These risks can usually be managed and limited through proactive risk management and clear procedures and instructions to employees and other stakeholders.

*Financial risks* arise from the Company's financial operations. These risks are affected by both our internal processes and external factors.

### Risk areas

Akademiska Hus monitors global conditions to identify our areas of risk, a necessary prerequisite for preventing and responding to changing conditions.

#### Political risks

Our operations are affected by the Government policies in general and the education policy in particular, but also by other factors such as growth in the Swedish economy and the situation on the labour market.

Akademiska Hus' objective is to own, develop and manage properties for universities and colleges with a primary focus on education and research. A change in this objective could entail both risks and opportunities for Akademiska Hus.

Changes in domestic and international energy policy could have an impact on Akademiska Hus financial performance because the Company is a major energy user.

#### Income and Vacancy Risk

Major investments in knowledge environments have shaped Akademiska Hus campuses. The majority of Akademiska Hus leases have long terms and the counterparties are customers who are backed by the Swedish government. The risk of reduced income over time and non-payment is therefore low.

Akademiska Hus strives to achieve generally designed facilities that can be redesigned for alternative usage for a broader customer base. Specially adapted buildings for research and development often have long lease terms with a high probability of renewal. Taken together, this gives a low risk of vacancy.

#### Tax risk

Changes in tax laws and their interpretation may affect Akademiska Hus, both positively and negatively. Income tax, VAT, property tax and stamp duty are examples of taxation that can result in changed conditions.

#### Facilities risk

Several of our customers have advanced and sensitive activities; consequently disruptions in operations, both temporary and long-term, can have serious consequences. Akademiska Hus works systematically with risk analysis to minimise and prevent risks while ensuring high reliability.

#### Brand risk

Reputation affects the brand and can therefore have an impact on financial performance. Confidence in Akademiska Hus relies heavily on the actions of its employees. To prevent and limit brand risk, we work proactively with our values and our corporate culture.

#### Risk within compliance

As a state-owned company we should seek to be exemplary in the way we work. Our Code of Conduct offers guidance on how we should work in order to act correctly in business and in other relationships. The Code of Conduct applies to all Akademiska Hus employees and representatives. A dialogue on compliance with the Code of Conduct takes place each year between employees and managers. We also encourage our partners to act in compliance with the Code.

#### Electricity price risk

Electricity trading at Akademiska Hus is regulated in the guidelines for purchasing electricity. To limit the risks, energy trading prices are hedged gradually over a four-year period to a final price hedging level of 80 per cent. Price hedging is undertaken on the financial electricity exchange Nord Pool via discretionary management. This strategy limits fluctuations in Akademiska Hus electricity costs, while achieving good predictability regarding future costs.

### *Project risk*

Each year Akademiska Hus invests billions of SEK to build new and develop existing properties. Investments begin only after we have agreements with tenants that justify the investment.

Risks linked to the physical design and implementation are minimised by project briefings, thereby ensuring good governance and monitoring of projects. A high level of expertise and structured sustainability initiatives ensure cost effectiveness and quality. Construction cost risk is limited to the greatest extent possible contractually in relation to both entrepreneur and tenant.

In order to further improve governance and control over contract negotiations and purchasing, an initiative is underway to develop and strengthen the purchasing organisation.

### *Sustainability risk*

Sustainability is a top priority and is an integral part of the Akademiska Hus strategy. Akademiska Hus has conducted dialogues with its stakeholders and identified a number of key sustainability areas which, if not addressed, could be viewed as risks. Areas identified as particularly important include transparency, resource efficiency, occupational health and safety, and supplier management, which are handled in the Company's continuous improvement initiatives.

### *Skills supply risk*

One factor for success for Akademiska Hus is the ability to attract and retain skilled and dedicated employees. Managing an increase in staff turnover as a result of retirements and greater mobility on the labour market is a challenge. Today there is strong competition and high demand for skills in property management as well as in construction and project management. To address this, we work to ensure attractive working conditions and strengthen our brand.

### *Property valuation risk*

Changes in the fair value of the investment properties can have a major impact on the Group's financial performance, but such changes represent unrealised profit and therefore do not affect cash flow. The property valuation process is based on following how the property market develops. Akademiska Hus checks frequently with external valuers. The valuation parameters that serve as the basis of the valuations are established by the President and CFO.

### *Financial risks*

In its capacity as a net borrower, Akademiska Hus is exposed to financial risks. Financing operations are regulated by a financial policy that is adopted annually by the Board of Directors. The policy states the long-term strategic orientation, allocation of liability, the Group's approach to financial risks and the mandates to handle these risks.

The risk plan for managing financial risks justifies annual mandates for financial risk management in the light of the risk scenario and existing exposure. The Risk Plan also includes analysis of developments in financial markets, including both opportunities and challenges from the point of view of liability management.

The Company's financial management is managed by a common Treasury Department, which facilitates effective and co-ordinated financial risk management. Akademiska Hus' risk control department reviews outcomes and reporting of the Treasury Department and monitors compliance with mandates.

For a more detailed description of the Company's financial risk management, please see Note 33 on page 102.

A sensitivity analysis has been prepared to show how profit before tax, return on operating capital and fair value would be affected in the event of changes in different variables. The sensitivity analysis can be found in Note 2 on page 86.

## **FINANCING**

While the global economy does demonstrate growth, the outlook is negatively impacted by structural problems, geopolitical unrest, falling oil prices and problematic low inflation expectations. Central banks have been forced to continue with extraordinary monetary stimulus measures and interest rates have fallen to historic lows.

### **Financial market in 2014**

Developments in the financial markets became diametrically different from the picture drawn before 2014. Fixed income markets in particular have been forced to reconsider earlier optimistic expectations of increased economic growth, which in turn would have caused monetary tightening. The biggest challenge for central banks has been the unusually low inflation, combined with expectations of continued low inflation. As the central banks' efforts to stimulate inflation have failed, doubts about the effectiveness of monetary policy have increased, even though more and more extraordinary measures

have been introduced. The problems emanate from structural problems, global overcapacity, and increased geopolitical risks. There is also an imbalance between too high savings at the same time that the somewhat subdued growth is generating too low investment demand. There are also elements in the course of development that could be called a currency war: each currency is expected to weaken through interest rate cuts and contribute to the recovery. The dramatic fall in oil prices, especially during the fourth quarter, served as yet another disinflation effect. The hope so far has been that the US would be able to provide the counterforce of a good economic recovery. However, market expectations in the new year have shifted toward a delay in tightening monetary policy in the US due to developments abroad.

Investors in this low interest rate environment face the dilemma of achieving returns without increasing risk. As a result of the low interest rate environment, investors seek out longer fixed interest periods, leading to a much flatter yield curve. There is reason to believe that moving forward, interest rates will be established below what, according to previous frames of reference, was considered to be “normal”.

The Riksbank's recent repo rate cut to -0.1 per cent represented the recognition that Swedish inflation is expected to be alarmingly low for a long period, which is problematic in combination with declining inflation expectations. In addition to the rate cut, in order to further stimulate the economy, the Riksbank will buy government bonds in the secondary market.

#### Liability management in 2014

Developments in the fixed income market have posed challenges not only for fixed income fund managers, but also for debt managers. In response to the trend of falling market interest rates during most of the year, the focus has been on analysing the fixed income market and reviewing previous positions. Since interest rates could be regarded as extremely low already at beginning of the year, the decline in interest rates has been extraordinary. This decline has largely been without any backlash, with new “all-time lows” recorded month after month. In addition to declining interest rates, credit spreads on corporate bonds have also narrowed, which can be attributed to solid demand in the low interest rate environment.

Akademiska Hus has sold properties for SEK 2,797 million during the year. These sales roughly correspond to investments in property

development projects that were completed, totalling SEK 3,004 million. In addition, cash flow was good in the low interest rate environment, even if index-linked increases in rents were virtually non-existent. As a result, refinancing mainly occurred in the ECP market on competitive terms with short-term fixed interest rates. Although strong demand was observed for Akademiska Hus bonds, no issues were implemented because access to liquidity was adequate as a result of the property sales. Since no fixed-interest bonds were issued, the fixed interest period has been balanced with interest rate derivatives to maintain the fixed interest period during the year. The declining interest rates have resulted in a substantial decline in the value of the interest rate derivatives portfolio.

#### Outlook for financing activities in 2015

Akademiska Hus' assessment is that 2015 will be yet another year with many persistent challenges for financial markets. Many factors must be considered. The most important for analysing interest rate trends involves identification of both risks and opportunities in the form of inflationary tendencies and growth. However, as always the picture is multifaceted, where the attitudes of central banks towards developments and the ability of markets to manage expectations about possible discontinuation of monetary stimulus measures become critical.

In 2015, there is a refinancing need for both maturing bonds of SEK 4,700 million as well as short-term financing in the ECP market of SEK 3,000 million. Investments in the property projects portfolio are estimated at about SEK 3,500 million.

#### Financing policy, strategies and objectives

Akademiska Hus carries on active liability management where the strategy is to weigh up the financial risks against the desired low financing cost over time. The two key policy documents adopted by the Board are:

- *Finance Policy*: Describes the long-term strategic orientation, the Group's approach to financial risks and the mandate to handle these risks, as well as the allocation of liability.
- *Plan for handling financial risks (Risk Plan)*: Justifies annual mandates for financial risk management in the light of the risk scenario and existing exposure. Also includes analysis of developments in financial markets, including both opportunities and challenges from the point of view of liability management.

The financing objectives are:

- Use centralised financial management to facilitate utilisation economies of scale and the efficient handling of exposure to financial risks within the Group.
- Use the strong financial position and good rating, within the framework of the risk mandate, to achieve as low a financing cost as possible.
- To maintain, through the public financing programmes, stable and continuous access to cost-effective financing in relevant markets.

**Risk management**

‘Risk’ in this case refers to a possible negative impact due to future external events. Risk generally is not unequivocally negative with cost-driving effects, but rather is an expression of uncertainty. There is also a dimension of potential and opportunities that can be exploited.

The exposure to financial risks derives from the capital structure; i.e., the distribution between loans and equity. Financing activities mainly involve exposure to interest rate and refinancing risk. The finance policy clarifies that the important positions adopted for interest rate and refinancing risk ultimately address risk preferences and a propensity to assume the costs of eliminating uncertainty. Financial markets generally trade long-term fixed interest periods and maturities at higher risk premiums than the short-term equivalents. The objective of risk management is therefore to balance the additional costs of long-term fixed interest periods and maturities, and thus limited uncertainty, against savings of more short-term fixed interest periods and maturities, and accept greater uncertainty. The risk analysis also includes identifying and utilising opportunities that arise on the market.

**RENEWAL STRUCTURE FOR FIXED INTEREST PERIODS AND NET DEBT MATURITY AS AT 31-12-2014**

Year	Maturity, SEK m	Fixed interest, SEK m
2015	6,579	7,984
2016	2,418	1,714
2017	1,000	900
2018	2,608	1,300
2019	120	1,120
2020	650	650
2021	1,579	850
2022 and later	3,769	4,205
<b>TOTAL</b>	<b>18,723</b>	<b>18,723</b>

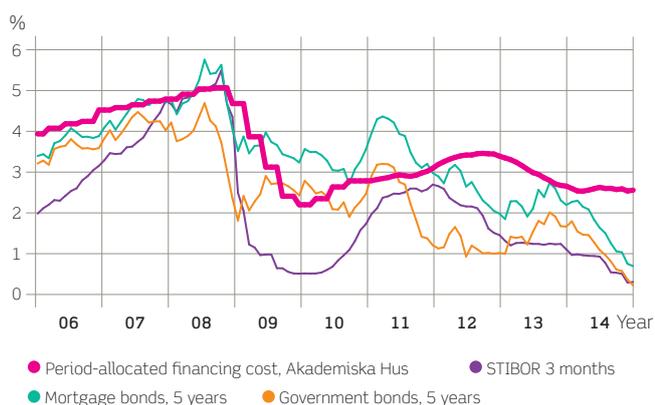
**Financial risks**

Exposure to the various financial risks is managed within each mandate adopted annually in the risk plan. The impact on net interest income and expense is greatest through exercising of mandates for the basic portfolio and through the long bond portfolio with fixed interest periods and maturities of more than 15 years.

**RISKS AND FINANCIAL RISK MANAGEMENT**

Financial risk	Definition of risk exposure	Mandate
Interest risk	Risk that the Group's profit will vary because of changes in market rates.	Fixed interest mandate for the basic portfolio: 2-5 years. Long-term bond portfolio: maximum of 20 per cent of total portfolio
Refinancing risk	The risk that the cost is higher or financing potential is limited when loans are due to be refinanced.	A maximum of 50 per cent of the total loan volume may fall due for renewal within a 12-month period.
Credit and counterparty risk	The risk of a loss because a counterparty does not meet its undertakings.	A limit is based on the rating and the term of the commitment. ISDA agreements are always signed before derivative transactions are carried out. CSA agreements are desirable.
Currency exposure risk	Risk that exchange rate changes affect the Income Statements and Balance Sheets.	When financing in a foreign currency, the exchange rate risk must be eliminated.

**INTEREST RATE TRENDS AND AKADEMISKA HUS' FINANCING COST**



**COMPARISONS, DIFFERENT CALCULATIONS OF FINANCING COST**



### Fixed interest period and maturity

The total interest rate risk of the debt portfolio is measured for both loans and interest rate derivatives. According to market practices, risk is expressed in terms of change in present value for an interest rate change of 0.01 per cent, or one basis point, with a parallel shift in the yield curve.

#### FIXED INTEREST PERIOD AND MATURITY

	SEK m	Fixed interest, years	Fixed interest, years	Maturity, years	Maturity, years
		Dec-14	Dec-13	Dec-14	Dec-13
Long-term portfolio	3,155	25.6	26.5	25.6	26.5
Basic portfolio	14,800	3.4	3.4	1.6	2.9
Total portfolio		7.1	7.5	5.8	6.8

### Forms of financing and rating

Since 1996, Akademiska Hus has had a long-term rating from Standard & Poor's of AA with a stable outlook and a short-term rating of A1+/K1. In the midst of the uncertainty that has continued to characterise the credit markets, the value of having highly diversified financing sources has been particularly obvious. The high proportion of long-term bond financing reduces the need for committed credit lines with banks.

#### FINANCING PROGRAMMES AND RATING

	Rating Standard & Poor's	Framework 31-12-2014	Utilised nominal 31-12-2014	Financial covenants
Commercial paper	A1+/K1	SEK 4,000 m	0	—
ECP (Euro Commercial Paper)	A1+	EUR 1,000 m	EUR 533 m	—
EMTN (Euro Medium Term Note)	AA/A1+	EUR 3,000 m	EUR 1,469 m	Owner clause
MTN (Medium Term Note) <sup>1)</sup>	AA	SEK 8,000 m	SEK 2,261 m	Owner clause
Bank (confirmed)		SEK 2,000 m	0	—
Bank (unconfirmed)		SEK 1,200 m	0	—

1) Not updated since 2009.

### Financing cost

The net interest income/expense was SEK -939 million (-390), following a deduction for capitalised interest expense of SEK 134 million (136). This is equivalent to an interest cost, including changes in the value of financial derivatives, of 5.04 per cent (2.62) during the period. The increase can mainly be attributed to changes in fair value of financial derivative instruments. The interest coverage ratio, calculated on the cash flow impact of net interest income and expense, amounted to a reasuring 671 per cent (647).

#### FINANCING COST, BREAKDOWN

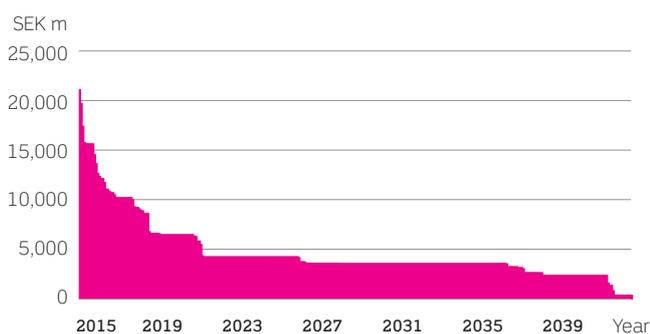
	2014	2013	2012	2011	2010	2009
Loan financing cost, including charges, %	2.01	2.24	2.75	2.78	1.21	1.72
Interest swaps, net interest, %	0.42	0.39	0.40	0.44	0.96	0.60
<b>Financing cost, %</b>	<b>2.43</b>	<b>2.63</b>	<b>3.15</b>	<b>3.22</b>	<b>2.17</b>	<b>2.32</b>
Changes in value, financial derivatives, %	2.61	-0.01	1.06	-0.23	-0.33	1.31
<b>Total financing cost, %</b>	<b>5.04</b>	<b>2.62</b>	<b>4.21</b>	<b>2.99</b>	<b>1.84</b>	<b>3.63</b>

Since derivative financial instruments account for a significant proportion of the fixed interest period, variations in the outcome of net interest income and expense will become noticeable during periods of major interest rate changes. Below is a comparative calculation in which the present value effect of changes in value, both realised and unrealised, is placed against the remaining term of the instruments.

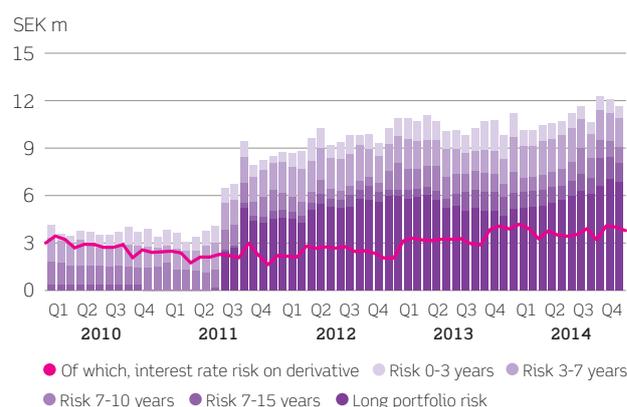
#### NET INTEREST INCOME AND EXPENSE, BREAKDOWN

	01-01-2014-31-12-2014	01-01-2013-31-12-2013
Interest cost, net loans and financial assets	-423	-457
Net interest derivatives	-89	-81
Change in fair value, standalone financial derivatives		
- unrealised	-364	84
- realised	-165	15
Changes in fair value, fair value hedges	-19	-82
Other interest costs	-13	-5
Capitalised interest expense, projects	134	136
<b>Reported net interest income and expense</b>	<b>-939</b>	<b>-390</b>

#### DEBT MATURITY



#### INTEREST RISK, NET LOAN LIABILITY, SEK MILLION PER BASIS POINT



● Of which, interest rate risk on derivative 
 ● Risk 0-3 years 
 ● Risk 3-7 years 
 ● Risk 7-10 years 
 ● Risk 10-15 years 
 ● Long portfolio risk

## PAYMENTS TO SENIOR EXECUTIVES

### Principles for remuneration to the Board of Directors and senior executives

Akademiska Hus follows the owner's guidelines governing terms and conditions of employment for senior executives. Remuneration to the President and other senior executives comprises a basic salary and a pension. Pension expenses refer to the cost charged to the profit for the year. Remuneration to the President is decided by the Board following a recommendation by the Remuneration Committee. Remuneration to other senior executives is decided by the President of the Parent Company following consultation with the Remuneration Committee. Remuneration comprises a basic salary and a defined contribution pension based on the ITP premiums according to a collective agreement. No changes are proposed regarding the principles for remuneration to the Board of Directors and senior executives for 2015.

A fee is paid to the members of the Board of Directors according to a decision reached at the Annual General Meeting. Board members who are employed in the Akademiska Hus Group, or who work at the Government Offices, do not receive any fee for this work.

Remuneration for committee work was set at the 2014 Annual General Meeting.

### Pensions

Akademiska Hus has taken out an individual occupational pension solution for the President, Kerstin Lindberg Göransson, where the agreed retirement age is 65 years. Akademiska Hus allocates 30 per cent of Kerstin Lindberg Göransson's fixed monthly salary, which is paid into an occupational pension insurance plan according to a special agreement drawn up with a pension company.

The pension package includes a sickness and early retirement pension, a retirement pension and optional survivor's pension and/or repayment cover.

Other senior executives have similar defined contribution agreements with a maximum allocation of 30 per cent, or what is termed a high-income earner solution with an opt-out premium that is costneutral compared with traditional, collectively agreed ITP.

### Periods of notice and severance pay

An agreement has been reached with the President, Kerstin Lindberg Göransson, regarding a mutual period of notice of six months. In the event of notice being given by the Company, severance pay is payable for a further 18 months. The severance pay shall be considered to include payment for holidays and pension benefits. The severance pay is reduced by any amount Kerstin Lindberg Göransson may receive from other employment or through other activities.

Other senior executives within the Group have an agreed period of notice of between six and twelve months depending on when the agreements were signed. Agreements entered into after 2009 follow government guidelines with a period of notice of six months and in the event of notice being given by the Company, severance pay is payable for a maximum of eighteen months. Agreements entered into before 2009 stipulate a period of notice of twelve months and severance pay for twelve months. All agreements, however, fall within the framework of twenty-four months, including the period of notice. Salary payable or remuneration for work performed during the time severance pay is received shall be set off on a krona-by-krona basis.

Other information about salaries and remuneration can be seen in Note 9 on pages 89 and 90.

## PERMITS AND REPORTING REQUIREMENTS

A number of facilities within the Group require a permit or need to be reported to a supervisory authority in order to be used. These facilities have been reported and applications for permits (as required) were submitted to the supervisory authorities concerned and have been granted. The facilities in question are as follows:

Two boilers for combustion technology research, two boilers for heating and power generation and a number of geoenery facilities and sewage facilities.

**PROPOSED APPROPRIATION OF PROFITS**

According to the owner's financial targets for Akademiska Hus, which were adopted at the Annual General Meeting on 28 April 2014, the dividend should amount to between 40 and 60 per cent of the net profit after tax after reversal of changes in fair value and related deferred tax. When deciding on a dividend, consideration should be given to the Group's capital structure and capital requirements (equity ratio 30 to 40 per cent). The other economic objectives are that the return on operating capital should be at least 6.5 per cent and the Group's equity ratio should be 30 to 40 per cent. The average yield on operating capital over five years was 7.6 per cent whilst the target was 6.5 per cent. Return on operating capital in 2014 was 7.3 per cent. At the end of 2014, the equity ratio was 48.0 per cent for the Group and 27.0 per cent for the Parent Company. After the proposed dividend, the equity ratio is 46.8 per cent for the Group and 24.3 per cent for the Parent Company.

Available for allocation at the Annual General Meeting:

Retained earnings	SEK 1,439,714,005
Profit for the year	SEK 2,457,426,209
Total	SEK 3,897,140,214

The Board of Directors propose that the profit be allocated in such a way that SEK 1,445,000,000 is paid to the shareholder and SEK 2,452,140,214 is carried forward. For details of the financial results and the financial position in general, reference can be made to the following financial statements.

**PROFIT USED FOR CALCULATION OF DIVIDEND**

	Outcome consolidated results	Changes in value in the Group	Profit used for calculation of dividend
Income from property management	5,681		5,681
Property management expenses	-1,964		-1,964
<b>Net operating income</b>	<b>3,717</b>		<b>3,717</b>
Central administration costs	-46		-46
Changes in fair value, investment property	3,529	-3,529	0
<b>Profit before net financial income/expense</b>	<b>7,200</b>	<b>-3,529</b>	<b>3,671</b>
Total, financial items	-939	548	-391
<b>Profit/loss before appropriations and taxes</b>	<b>6,261</b>	<b>-2,981</b>	<b>3,280</b>
Tax/current tax	-1,046	656	-390
<b>Profit after tax</b>	<b>5,215</b>	<b>-2,325</b>	<b>2,890</b>
Dividend, 50% of the profit available for the payment of a dividend.			1,445

The dividend as decided at the Annual General Meeting held on April 28, 2014 was SEK 1,374 million.

**STATEMENT BY THE BOARD OF DIRECTORS PURSUANT TO SECTION 18, SUB-SECTION 4 OF THE COMPANIES ACT**

The Board of Directors is of the opinion that the Company's liquidity can be maintained securely. On observance of the relationship between the Company's assets, liabilities and equity, and with due consideration given to profit forecasts and investment requirements as of this date, we believe that the proposed dividend is justifiable in the light of the demands that the nature, extent and risk of operations make on the level of equity. The proposed dividend is thus acceptable in the light of the Company's consolidation requirements, liquidity and position in general.

The dividend does not affect the Company's capacity to discharge its short-term and long-term obligations or to implement necessary investments. It is also the opinion of the Board of Directors that the Company's financial position, in the light of the proposed dividend, is secure for the creditors. Nor can the Board of Directors identify any other circumstances that indicate that the dividend ought not to be paid in accordance with the proposal presented by the Board of Directors. The proposed value transfer can thus be justified in the light of what is stated in Section 17, sub-section 3, paragraphs 2–3 of the Companies Act.

# Five-year summary

	Graph	2014	2013	2012 <sup>4)</sup>	2011	2010
<b>INCOME STATEMENTS, SEK M</b>						
Property management income		5,681	5,588	5,511	5,378	5,176
Operating costs		-808	-889	-870	-885	-939
Maintenance costs		-621	-668	-564	-603	-657
Property administration		-326	-272	-278	-268	-249
Net operating income		3,717	3,506	3,588	3,389	3,134
Change in fair value, investment property		3,529	232	-291	361	87
Central administration costs		-46	-73	-66	-45	-37
Profit before financial items	1	7,200	3,665	3,231	3,704	3,184
Net financial income/expense		-939	-390	-682	-452	-263
Profit before tax	1	6,261	3,275	2,549	3,252	2,921
<b>PROFIT FOR THE YEAR</b>		<b>5,215</b>	<b>2,568</b>	<b>3,149</b>	<b>2,394</b>	<b>2,124</b>
<b>STATEMENT OF FINANCIAL POSITION, SEK M</b>						
Fair value, investment property	2	61,437	57,557	54,677	52,071	49,497
Other assets		8,282	5,785	6,955	9,002	4,029
Equity		33,432	29,614	28,336	26,521	25,406
Interest-bearing liabilities		26,082	23,860	24,212	24,693	18,973
Other liabilities and provisions		3,828	9,868	9,084	9,859	9,147
<b>CASH FLOW, SEK M</b>						
Cash flow from current operations		3,161	3,060	2,126	2,017	2,444
Cash flow from investments	3	-439	-2,459	-2,388	-1,898	-1,459
Cash flow before financing		2,722	601	-262	119	985
Cash flow from financing		-853	-1,159	-1,081	3,779	-1,175
Cash flow for the year	3	1,869	-558	-1,343	3,898	-190
<b>PROPERTY-RELATED KEY FIGURES</b>						
Total yield, properties, %		13.4	7.2	6.8	7.8	7.0
of which direct yield, % <sup>1)</sup>		6.9	6.8	7.1	6.9	6.7
of which change in value, %		6.5	0.4	-0.3	0.9	0.3
Rental revenue, SEK/m <sup>2</sup>		1,715	1,664	1,644	1,599	1,557
Operating costs, SEK/m <sup>2</sup>		252	276	272	277	293
Maintenance costs, SEK/m <sup>2</sup> (including tenant adaptations)		194	208	176	189	205
Net operating income in relation to administration income, %		65	63	65	63	61
Net operating income, SEK/m <sup>2</sup>		1,160	1,089	1,120	1,059	979
Level of vacant space, area, %		3.6	2.1	2.6	2.6	3.5
Level of vacant space, rent, %		1.2	0.9	1.0	1.2	2.0
Fair value, properties, sek/m <sup>2</sup> <sup>2)</sup>	2	17,471	16,188	15,504	15,220	14,645
Energy use kWh/m <sup>2</sup>	4	224	231	235	239	241
CO <sub>2</sub> , kg/m <sup>2</sup>	4	11	12	12	9	9
<b>FINANCIAL KEY FIGURES</b>						
Return on equity after standard tax, %		15.5	8.8	6.9	9.2	8.6
Return on operating capital, % <sup>3)</sup>	5	7.3	7.2	7.8	8.0	7.7
Return on total assets, %		10.9	6.1	5.6	7.0	6.5
Interest-bearing net loan liability, SEK m		18,871	19,278	18,528	16,778	15,726
Equity ratio, %		48.0	46.8	46.0	43.4	47.5
Interest coverage ratio, %	6	671	647	558	619	662
Interest cost in relation to average capital in interest-bearing liabilities, %		5.0	2.6	4.2	3.0	1.8
Loan-to-value ratio, %	6	30.7	33.5	33.9	32.2	31.8
Internal financing level, %		278	124	93	112	151
Dividend, SEK m		1,445	1,374	1,355	1,245	1,207
<b>PERSONNEL</b>						
Average number of employees		408	407	403	396	401
Satisfied Employee Index (NMI)		66	68	69	70	67

1) Excluding properties under construction.

2) Excluding the value of properties under construction and expansion reserves.

3) The owner's yield target is that the return on operating capital, excluding changes in value should be at least 6.5 per cent.

4) 2012 recalculated according to IAS 19R.

## COMMENTS

### 1. Profit

Property management is developing positively and profits are stable. Rental revenue increased due to completion of new buildings and retroactive rent. Sales carried out during the year had a negative impact on rental revenue of just over SEK 80 million in 2014. Net operating income amounted to SEK 3,717 million (3,506). The increase is mainly due to reduced operating and maintenance costs. Profit before tax was SEK 6,261 million (3,275). The improved profit is largely due to the fact that changes in the fair value of investment property had a positive impact of SEK 3,529 million (232). Net interest income and expense amounted to SEK -939 million (-390). The profit before tax, excluding the change in fair value of investment property, was SEK 2,732 million (3,043). Profit for the year amounted to SEK 5,215 million (2,568).

### 2. Fair value, investment property

The fair value of the investment properties was SEK 61,437 m (57,557). The unrealised change in fair value was positive and amounted to SEK 3,494 million (365). Reductions of between 0.25 and 1.95 percentage points were made in the yield target and cost of capital in all of our locations during the year. The market focus continues to be on properties with stable cash flows and low rental risk (long leases, tenants with a good credit rating). These factors are to Akademiska Hus's advantage.

### 3. Investments and cash flow

Net investments for 2014 totalled SEK 254 million (2,383). Gross investments in properties totalled SEK 3,004 million (2,754). Campus Konradsberg in Stockholm, Campus Sundsvall, Forum in Kista and the property in Kiruna were sold during the year.

The total sales sum for the year was SEK 2,797 million (243). Profit before tax amounted to SEK 6,261 million (3,275). Adjustments for items not included in the cash flow in respect of, among other things, unrealised changes in property values, totalled SEK -3,222 million (-400). Following a decrease in current receivables and an increase in current liabilities, cash flow from current operations was SEK 3,161 million (3,061).

Investments had a negative impact on cash flow to the amount of SEK -439 million (-2,460). The dividend for 2014 was SEK 1,374 million (1,355) and reduced the cash flow from financing operations. The raising of interest-bearing debt changed the cash flow from financing operations by SEK 521 million (196). Cash flow for the year amounted to SEK 1,869 million (-558).

### 4. Energy use and CO<sub>2</sub>

Energy use per square metre fell during the year from 231 kWh to 224 kWh. We are performing well in relation to our savings target. Carbon dioxide emissions are slightly lower than the previous year.

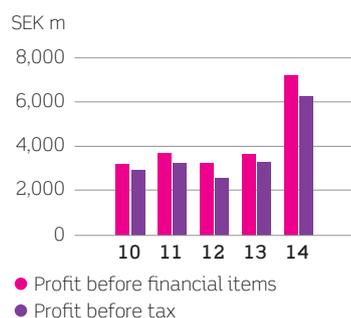
### 5. Return on operating capital

Return on operating capital was 7.3 per cent (7.2). The owner's objective is that the return, excluding changes in fair value, should be at least 6.5 per cent.

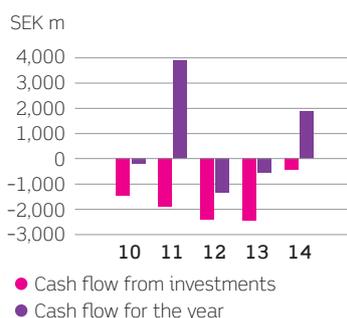
### 6. Interest coverage ratio and loan-to-value ratio

The interest coverage ratio was 671 per cent (647). The internal financing ratio was 278 per cent for the year (124); the increase is mainly due to the property sales. Net financial income and expense amounted to SEK -939 million (-390), of which SEK -548 million (2) referred to the change in the fair value of financial derivatives not included in the computation basis for the interest coverage ratio.

#### 1. PROFIT



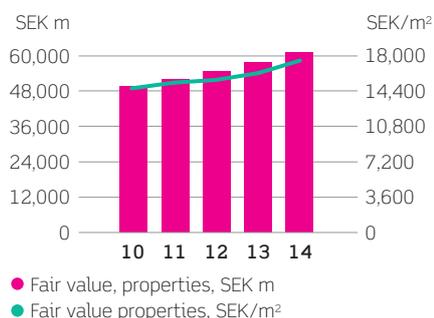
#### 3. INVESTMENTS AND CASH FLOW



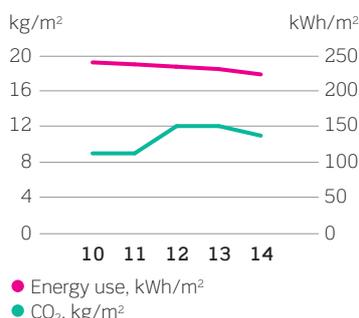
#### 5. RETURN ON OPERATING CAPITAL



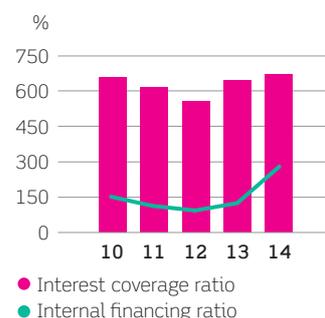
#### 2. FAIR VALUE, INVESTMENT PROPERTY



#### 4. ENERGY USE AND CO<sub>2</sub>



#### 6. INTEREST COVERAGE RATIO AND LOAN-TO-VALUE RATIO



# Income Statements

Amounts in SEK 1,000	Note	Group		Parent Company	
		2014	2013	2014	2013
<b>INCOME FROM PROPERTY MANAGEMENT</b>					
Rental revenue	5	5,494,934	5,359,277	5,494,934	5,359,277
Other property management income	6	185,743	228,709	1,732,355	471,471
<b>Total property management income</b>		<b>5,680,677</b>	<b>5,587,986</b>	<b>7,227,289</b>	<b>5,830,748</b>
<b>PROPERTY MANAGEMENT EXPENSES</b>					
Operating costs	8	-807,816	-889,194	-808,788	-907,052
Maintenance costs		-621,415	-668,331	-624,710	-668,331
Property administration	8	-325,430	-272,253	-312,050	-260,260
Other property management expenses	7	-209,395	-252,786	-215,305	-419,166
<b>Total property management expenses</b>	<b>4</b>	<b>-1,964,056</b>	<b>-2,082,564</b>	<b>-1,960,853</b>	<b>-2,254,809</b>
<b>NET OPERATING INCOME</b>		<b>3,716,621</b>	<b>3,505,422</b>	<b>5,266,436</b>	<b>3,575,939</b>
Central administration costs	4	-45,928	-72,828	-45,928	-72,828
Depreciation and impairments as well as reversed impairments in property management	8	—	—	-1,176,518	-1,277,421
Changes in property fair values, positive		4,147,532	1,891,916	—	—
Changes in property fair values, negative		-618,564	-1,659,903	—	—
<b>Total changes in property fair values</b>	<b>15</b>	<b>3,528,968</b>	<b>232,013</b>	<b>—</b>	<b>—</b>
<b>PROFIT BEFORE FINANCIAL ITEMS</b>	<b>9, 10, 28</b>	<b>7,199,661</b>	<b>3,664,607</b>	<b>4,043,990</b>	<b>2,225,690</b>
Financial income		56,767	160,239	56,767	160,239
Financial expense		-995,829	-550,351	-1,129,786	-686,767
<b>Total, financial items</b>	<b>11, 27, 28</b>	<b>-939,062</b>	<b>-390,112</b>	<b>-1,073,019</b>	<b>-526,528</b>
<b>PROFIT AFTER FINANCIAL ITEMS</b>		<b>6,260,599</b>	<b>3,274,495</b>	<b>2,970,971</b>	<b>1,699,162</b>
Appropriations	12	—	—	-243,332	-203,477
<b>PROFIT BEFORE TAX</b>		<b>6,260,599</b>	<b>3,274,495</b>	<b>2,727,639</b>	<b>1,495,685</b>
Tax	13	-1,045,938	-706,982	-270,213	-315,162
<b>PROFIT FOR THE YEAR</b>	<b>14</b>	<b>5,214,661</b>	<b>2,567,513</b>	<b>2,457,426</b>	<b>1,180,523</b>
Of which attributable to the shareholder in the Parent Company		5,214,661	2,567,513		
<b>EARNINGS PER SHARE</b>					
Earnings per share, SEK		2,442	1,203		
Earnings per share after dilution, SEK		2,442	1,203		
Number of shares, average and at the year-end		2,135,000	2,135,000		

# Statements of profit or loss and other comprehensive income

Amounts in SEK 1,000	Note	Group		Parent Company	
		2014	2013	2014	2013
<b>PROFIT FOR THE YEAR</b>		5,214,661	2,567,513	2,457,426	1,180,523
<b>RECLASSIFIABLE ITEMS</b>					
Profit/loss from cash flow hedges	26	69,557	6,910	69,557	6,910
Tax attributable to cash flow hedges	13	-7,276	3,001	-7,276	3,001
Cash flow hedges, net after tax, dissolved against profit or loss	26	-36,486	-20,552	-36,486	-20,552
<b>NON-RECLASSIFIABLE ITEMS</b>					
Remeasurement of defined benefit pensions	28	-62,637	97,241	—	—
Tax attributable to defined benefit pensions	13	13,780	-21,393	—	—
Total, other comprehensive income		-23,062	65,207	25,795	-10,641
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>5,191,599</b>	<b>2,632,720</b>	<b>2,483,221</b>	<b>1,169,882</b>
Of which attributable to the shareholder in the Parent Company		5,191,599	2,632,720		

# Balance Sheets

Amounts in SEK 1,000	Note	Group		Parent Company	
		31-12-2014	31-12-2013	31-12-2014	31-12-2013
<b>ASSETS</b>					
NON-CURRENT ASSETS					
Tangible non-current assets					
Investment property	15, 16	61,436,648	57,556,835	32,605,258	30,734,967
Equipment, fixtures and fittings	17	13,716	18,155	13,716	18,155
Total tangible, non-current assets		61,450,364	57,574,990	32,618,974	30,753,122
Financial assets					
Shares in Group companies	18	—	—	700	650
Derivatives	19, 32	1,477,697	1,292,608	1,477,697	1,292,608
Other non-current receivables	20	471,158	386,527	471,158	386,527
Total financial assets	24	1,948,855	1,679,135	1,949,555	1,679,785
TOTAL NON-CURRENT ASSETS		63,399,219	59,254,125	34,568,529	32,432,907
CURRENT ASSETS					
Current receivables					
Rent receivables and accounts receivable	21	230,261	242,226	230,261	242,226
Current tax assets	13	74,114	—	74,177	—
Other receivables	22	560,622	698,710	560,621	703,559
Prepaid expenses and accrued income	23	90,301	126,893	90,301	126,893
Derivatives	19, 32	806,787	330,814	806,787	330,814
Total current receivables	24	1,762,085	1,398,643	1,762,147	1,403,492
CASH AND CASH EQUIVALENTS					
Current investments	32	2,786,700	2,400,115	2,786,700	2,400,115
Cash and bank balances		1,771,393	288,885	1,771,182	288,836
Total cash and cash equivalents	25	4,558,093	2,689,000	4,557,882	2,688,951
TOTAL CURRENT ASSETS		6,320,178	4,087,643	6,320,029	4,092,443
<b>TOTAL ASSETS</b>		<b>69,719,397</b>	<b>63,341,768</b>	<b>40,888,558</b>	<b>36,525,350</b>

# Balance Sheets

Amounts in SEK 1,000	Note	Group		Parent Company	
		31-12-2014	31-12-2013	31-12-2014	31-12-2013
<b>EQUITY AND LIABILITIES</b>					
EQUITY (attributable to the Parent Company's shareholder)		RESTRICTED EQUITY			
Share capital		2,135,000	2,135,000	2,135,000	2,135,000
Other contributed equity/Share premium reserve		2,134,950	2,134,950	—	—
Statutory reserve		—	—	2,134,950	2,134,950
		NON-RESTRICTED EQUITY			
Hedge reserve	26	-18,858	-44,653	—	—
Fair value reserve	26	—	—	-18,858	-44,653
Remeasurements of defined benefit liability		22,849	71,706	—	—
Retained earnings, including profit for the year		29,157,587	25,316,926	—	—
Retained earnings (in the Parent Company)		—	—	1,458,572	652,049
Profit for the year (in the Parent Company)		—	—	2,457,426	1,180,523
<b>TOTAL EQUITY</b>		<b>33,431,528</b>	<b>29,613,929</b>	<b>8,167,090</b>	<b>6,057,869</b>
Untaxed reserves	12	—	—	3,692,894	3,449,561
<b>LIABILITIES</b>					
Non-current liabilities					
Loans	27	13,032,159	17,502,919	13,032,159	17,502,919
Derivatives	19, 32	735,556	323,194	735,556	323,194
Deferred tax liability	13	7,752,579	7,008,724	627,410	363,450
Other liabilities	29	12,353	9,509	12,353	9,666
Provisions for pensions	28	407,140	327,909	270,208	262,147
Total non-current liabilities		21,939,787	25,172,255	14,677,686	18,461,376
Current liabilities					
Accounts payable		342,874	274,971	342,874	274,971
Liabilities to Group companies		—	—	2,205	2,217
Current income tax liabilities	13	—	262,774	—	262,710
Other liabilities	29	1,999,301	1,300,179	1,999,901	1,299,908
Accrued expenses and prepaid income	30	1,804,626	1,995,666	1,804,626	1,994,744
Loans	27	10,092,359	4,671,747	10,092,360	4,671,747
Derivatives	19, 32	108,922	50,247	108,922	50,247
Total current liabilities		14,348,082	8,555,584	14,350,888	8,556,544
<b>TOTAL LIABILITIES</b>	31	<b>36,287,869</b>	<b>33,727,839</b>	<b>29,028,574</b>	<b>27,017,920</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>69,719,397</b>	<b>63,341,768</b>	<b>40,888,558</b>	<b>36,525,350</b>
<b>MEMORANDUM ITEMS</b>					
Pledged assets	35	349,788	133,045	349,788	133,045
Contingent liabilities	36	3,934	3,668	3,934	3,668

# Changes in equity, Group

Amounts in SEK 1,000	Note	Attributable to the Parent Company's shareholder					Total equity
		Share capital	Other contributed capital	Hedge reserve	Actuarial profit and loss	Retained earnings	
<b>OPENING BALANCE AS AT JANUARY 1, 2013</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-34,011</b>	<b>-4,142</b>	<b>24,104,419</b>	<b>28,336,216</b>
Comprehensive income							
Profit for the year		—	—	—	—	2,567,513	2,567,513
Other comprehensive income							
Profit/loss from cash flow hedges	26	—	—	-10,641	—	—	-10,641
Remeasurement of defined benefit pensions		—	—	—	75,848	—	75,848
Total comprehensive income		—	—	-10,641	75,848	2,567,513	2,632,720
Transactions with the shareholder							
Dividend		—	—	—	—	-1,355,000	-1,355,000
Total transactions with the shareholder		—	—	—	—	-1,355,000	-1,355,000
<b>CLOSING BALANCE AS AT DECEMBER 31, 2013</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-44,653</b>	<b>71,706</b>	<b>25,316,926</b>	<b>29,613,929</b>
Comprehensive income							
Profit for the year		—	—	—	—	5,214,661	5,214,661
Other comprehensive income							
Profit/loss from cash flow hedges	26	—	—	25,795	—	—	25,795
Remeasurement of defined benefit pensions		—	—	—	-48,857	—	-48,857
Total comprehensive income		—	—	25,795	-48,857	5,214,661	5,191,599
Transactions with the shareholder							
Reduction of share capital <sup>1)</sup>		-1,000,000	—	—	—	1,000,000	0
Bonus issue <sup>1)</sup>		1,000,000	—	—	—	-1,000,000	0
Dividend		—	—	—	—	-1,374,000	-1,374,000
Total transactions with the shareholder		—	—	—	—	-1,374,000	-1,374,000
<b>CLOSING BALANCE AS AT DECEMBER 31, 2014</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-18,858</b>	<b>22,849</b>	<b>29,157,587</b>	<b>33,431,528</b>

<sup>1)</sup> On 28 April 2014 the Annual General Meeting reached a decision to reduce the Parent Company's share capital by SEK 1,000,000,000 for allocation to a fund to be used by the general meeting. Furthermore, the Annual General Meeting approved a bonus issue of SEK 1,000,000,000 by raising the value of properties.

Other contributed capital comprises a share premium reserve of KSEK 2,134,950 (applies to both the opening and closing balances for all the above reporting periods).

# Changes in equity, Parent Company

Amounts in SEK 1,000	Note	Restricted equity		Non-restricted equity		Total equity
		Share capital	Statutory reserve	Fair value reserve	Profit for the year brought forward	
<b>OPENING BALANCE AS AT JANUARY 1, 2013</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-34,011</b>	<b>2,007,048</b>	<b>6,242,987</b>
Comprehensive income						
Profit for the year		—	—	—	1,180,523	1,180,523
Other comprehensive income						
Profit/loss from cash flow hedges	26	—	—	-10,641	—	-10,641
Total comprehensive income		—	—	-10,641	1,180,523	1,169,882
Transactions with the shareholder						
Dividend		—	—	—	-1,355,000	-1,355,000
Total transactions with the shareholder		—	—	—	-1,355,000	-1,355,000
<b>CLOSING BALANCE AS AT DECEMBER 31, 2013</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-44,653</b>	<b>1,832,572</b>	<b>6,057,869</b>
Comprehensive income						
Profit for the year		—	—	—	2,457,426	2,457,426
Other comprehensive income						
Profit/loss from cash flow hedges	26	—	—	25,795	—	25,795
Total comprehensive income		—	—	25,795	2,457,426	2,483,221
Transactions with the shareholder						
Reduction of share capital <sup>1)</sup>		-1,000,000	—	—	1,000,000	0
Bonus issue <sup>1)</sup>		1,000,000	—	—	—	1,000,000
Dividend		—	—	—	-1,374,000	-1,374,000
Total transactions with the shareholder		—	—	—	-374,000	-374,000
<b>CLOSING BALANCE AS AT DECEMBER 31, 2014</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-18,858</b>	<b>3,915,998</b>	<b>8,167,090</b>

<sup>1)</sup> On 28 April 2014 the Annual General Meeting reached a decision to reduce the Parent Company's share capital by SEK 1,000,000,000 for allocation to a fund to be used by the general meeting. Furthermore, the Annual General Meeting approved a bonus issue of SEK 1,000,000,000 by raising the value of properties.

Share capital is divided into 2,135,000 shares at a par value of SEK 1,000 with one (1) vote per share (applies to both the opening and closing number of shares for all the above reporting periods).

# Statements of Cash Flows

Amounts in SEK 1,000	Note	Group		Parent Company	
		2014	2013	2014	2013
<b>OPERATING ACTIVITIES</b>					
Profit after financial items	37	6,260,599	3,274,495	2,970,971	1,699,162
Adjustment for items not included in the cash flow	38	-3,222,416	-400,241	60,301	1,176,791
Tax paid		-632,495	115,463	-632,493	115,462
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>		<b>2,405,688</b>	<b>2,989,717</b>	<b>2,398,779</b>	<b>2,991,415</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>					
Increase (-)/decrease (+) in current receivables		186,898	-208,930	191,495	-213,162
Increase (+)/decrease (-) in current liabilities		568,357	279,821	570,807	282,511
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>3,160,943</b>	<b>3,060,608</b>	<b>3,161,081</b>	<b>3,060,764</b>
<b>INVESTING ACTIVITIES</b>					
Investment in shares in Group companies	39	—	—	-300	-50
Investment in investment property		-3,003,659	-2,754,068	-3,003,659	-2,754,068
Sale of investment property		2,736,720	242,737	2,736,720	242,737
Sales of new construction in progress		60,354	—	60,354	—
Investment in other non-current assets		-2,784	-4,449	-2,784	-4,449
Increase in non-current receivables		-229,978	—	-229,978	—
Decrease in non-current receivables		—	56,212	—	56,212
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-439,347</b>	<b>-2,459,568</b>	<b>-439,647</b>	<b>-2,459,618</b>
<b>FINANCING ACTIVITIES</b>					
Raising of interest-bearing loans, excluding refinancing		521,497	196,346	521,497	196,346
Dividend paid		-1,374,000	-1,355,000	-1,374,000	-1,355,000
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-852,503</b>	<b>-1,158,654</b>	<b>-852,503</b>	<b>-1,158,654</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>1,869,093</b>	<b>-557,614</b>	<b>1,868,931</b>	<b>-557,508</b>
Opening cash and cash equivalents		2,689,000	3,246,614	2,688,951	3,246,459
Closing cash and cash equivalents	25	4,558,093	2,689,000	4,557,882	2,688,951

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# Notes

## 1 GENERAL ACCOUNTING PRINCIPLES

The consolidated accounts have been prepared in accordance with the EU-endorsed International Financial Reporting Standards (IFRS) as at December 31, 2014. The Group also applies Swedish Financial Reporting Board recommendation RFR 1, Supplementary Rules for Consolidated Financial Statements, which specifies the supplements to IFRS disclosures required pursuant to the rules in the Annual Accounts Act.

In the Annual Report, items have been valued at cost except with regard to remeasurement of investment property, financial assets that can be sold and financial assets and liabilities (including derivatives) valued at fair value in the Statement of Financial Position. The following is a description of the more material accounting principles that have been applied.

### NEW AND AMENDED IFRS STANDARDS AND INTERPRETATIONS 2014

The following amended standards and new interpretations came into effect in 2014:

#### IFRS 10 Consolidated Financial Statements

Briefly, IFRS 10 entails a change in the definition of control and provides comprehensive guidance for determining whether one company has control over another company. IFRS 10 does not lead to any change in the consolidation of the Akademiska Hus Group.

#### IFRS 12 Disclosure of interests in other entities

IFRS 12 requires disclosure about subsidiaries, joint arrangements, associates and unconsolidated 'structured entities'. The new disclosure standard will entail increased disclosures such as:

- Nature and scope of the holding
- Assumptions and judgements when classifying the type of holding
- Risks associated with the holding
- Impact of the holding on financial position and performance
- Cash flows

The standard itself states that useful information must not be obscured by the inclusion of a large amount of insignificant detail.

#### IFRS 3 Business Combinations

Changes have been made in IFRS 3 to clarify that an obligation to pay additional consideration that meets the definition of a financial instrument must be classified either as a financial liability or equity based on the criteria of IAS 32. The reference to IAS 37 has thereby been deleted. It is also clarified in the standard that an additional consideration that is not paid in the form of an equity instrument is reported at fair value.

#### IAS 40 Investment Property

It has been clarified that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 only includes guidance to distinguish between investment properties and owner-occupied properties. The change clarifies that guidance should be obtained in IFRS 3 to determine whether an acquisition of a property is an asset acquisition or a business combination that includes an investment property and therefore falls within the scope of IFRS 3.

#### IFRS 8 Operating Segments

The amendment relates to additional disclosure requirements. The company must disclose the judgements made in the aggregation of operating segments. This includes a description of the operating segments that have been aggregated and similar financial characteristics that led to the judgement.

A reconciliation of segment assets and the assets of the entity must be provided in the event that the segment's assets are disclosed.

#### IAS 19 Employee Benefits

The IASB has published a minor amendment to IAS 19 to clarify the application of the new pension standard, which came into force on 1 January 2013. The amendment relates to a clarification of how to report employee contributions. Contributions from employees are uncommon in Sweden; the amendment will therefore have limited effect on Swedish entities.

#### IAS 32 Financial Instruments: Classification – offsetting of financial assets and liabilities

The amendment to IAS 32 provides clarification that offsetting is only permitted when an entity has a legally enforceable right to offsetting not only in the event of bankruptcy, but also under normal conditions.

#### IFRIC 21 Levies

According to IFRIC 21, a liability is recognised for a levy (government or through legislation) when the entity has an obligation to pay the levy as a result of an event that has occurred. IFRIC 21 addresses only the credit entry; in other words, recognition of the liability.

The amended standards and interpretations have not had any significant effect on the financial position, performance or disclosures of the Group or the Parent Company.

#### Other IFRS changes

With the exception of the above, no other new or revised IFRS have been applied and nor has there been any material impact on the financial position, financial results or disclosures at the Group or Parent Company.

### NEW AND AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET COME INTO EFFECT

The International Accounting Standards Board (IASB) has issued the following new and amended standards, which had not yet come into effect at the time of publication of this Annual Report:

Standard	Will be applied for the financial year commencing:
IFRS 9 Financial Instruments*	January 1, 2018 or later
IFRS 15 Revenue from Contracts with Customers*	January 1, 2017 or later

\* Not yet approved for application in the EU.

The Executive Management is currently investigating how other new and amended standards and interpretations will affect the Group's financial statements during the period they are applied for the first time.

### CONSOLIDATED ACCOUNTS

The consolidated accounts cover the Parent Company and companies over which the Parent Company has a controlling influence. A controlling influence means a right to formulate strategies for financial activities with the aim of securing financial advantages. The existence and effect of potential voting rights that can currently be exercised or converted are taken into account when assessing whether the Group can exercise a controlling influence over another company. All subsidiaries are wholly owned. The subsidiaries are included in the consolidated accounts with effect from the point at which the controlling influence is achieved and they are not included at the point at which the controlling influence ceases.

The consolidated year-end accounts have been prepared according to the acquisition method, which means that the Parent Company's carrying amount of shares in subsidiaries is eliminated against equity, including the capital share of untaxed reserves in the subsidiaries.

### SEGMENT REPORTING

Operating segments are reported in a way that concurs with the internal report presented to the highest-ranking executive decision-maker. The highest-ranking executive decision-maker is the function that is responsible for allocating resources and assessing the results of operating segments. At Akademiska Hus, this function has been identified as the President of the Parent Company.

The Group is organised and controlled based on a geographical division into markets/administration areas. The geographical areas (segments) are exposed to similar risks and opportunities, which differ compared to other geographical areas (segments). Geographical areas concur with each region and thus constitute the segments for which reports are presented.

Segments are consolidated according to the same accounting principles as for the Group as a whole.

## REVENUE RECOGNITION

In its capacity as property owner, the Group has signed operational lease agreements with customers and consequently the Group's reported income mainly comprises rental revenue. Where applicable, reported rental revenue has been reduced by the sum of the discounts granted to tenants. In those cases where lease agreements result in reduced rent during a certain period, which is equivalent to a higher rent during another (later) period, this higher or lower rent is allocated to a specific period over the term of the lease. Rental revenue, lease revenue and parking revenue are reported in advance and the allocation of rents to specific periods therefore takes place so that only part of the rents that accrue to the period are reported as revenue. Revenue recognition normally takes place linearly over the term of the lease agreement apart from exceptional cases when another method better reflects how financial advantages accrue to the Group.

Interest income is reported as income divided across the term on application of the annual equivalent rate method.

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

## REMUNERATION TO EMPLOYEES

Remuneration to employees in the form of salary, paid holiday, payment while off sick etc., as well as pensions, are reported as they are earned. As regards pensions and other remuneration following termination of employment, these are classified as defined contribution pension plans or defined benefit pension plans.

### Defined contribution plans

In the case of defined contribution plans, the Company pays fixed contributions to a separate, independent legal entity and has no obligation to make further contributions. The Group's profit is charged with costs as the benefits are earned, which normally concurs with the point at which premiums are paid.

### Defined benefit plans

For defined benefit pension plans, the cost of the pension plan is based on actuarial calculations according to what is termed the Projected Unit Credit Method. A calculation is made each year by an independent actuary. Remeasurements, including actuarial gains and losses, effects of changes in the asset ceiling and the yield on plan assets (excluding the interest component, which is reported in the Statement of Comprehensive Income) are reported directly in the Statement of Financial Position as income or a cost equivalent to the change in the Statement of Total Comprehensive Income during the period in which they arise. Remeasurements, which are reported under Other Comprehensive Income, affect the retained earnings and will not be reclassified to profit or loss. Service costs from previous periods are reported in the Statement of Comprehensive Income for the period in which the plan was changed. Net interest is calculated on application of the discount rate at the beginning of the period on the net defined benefit liability or asset. The defined benefit costs are divided into the following categories:

- Service costs (including service costs for the current period, service costs for previous periods and profits and losses in respect of reductions and/or adjustments)
- Net interest cost or net interest expense
- Remeasurements

The first two categories are reported in the Statement of Comprehensive Income as a personnel cost (service cost) or net interest income and expense (net interest expense). Profits and losses in respect of reductions and adjustments are reported as service costs from previous periods. Remeasurements are reported under Other Comprehensive Income.

The defined benefit pension obligations reported in the Statement of Financial Position are equivalent to the current surplus or deficit related to the Group's defined benefit obligations. A surplus is only reported to the extent that it is equivalent to the current value of future repayments from each pension plan or future reductions in premium payments into the plan.

## TAX

The tax expense (income) for the period comprises current and deferred tax. Taxes are reported in the Statement of Comprehensive Income with the exception of the underlying transaction, which is reported under Other Comprehensive Income or directly against equity, whereupon the associated tax effect is reported under Other Comprehensive Income or against equity.

Current tax is the tax computed on the taxable profit for a period. The taxable profit for the year differs from the reported profit for the year in the fact that an adjustment has been made for non-taxable and non-deductible items. The Group's current tax liability is computed according to the tax rates stipulated or notified as of the year-end.

Deferred tax is reported in accordance with the Statement of Financial Position method. According to this method, deferred tax liabilities are reported in the Statement of Financial Position for all taxable temporary differences between the carrying amounts and taxable values of assets and liabilities. Deferred tax assets are reported in the Statement of Financial Position with regard to deficit deductions and all deductible temporary differences to the extent it is likely that the amounts can be offset against future taxable surpluses. The reported value of deferred tax assets is examined at each year-end and reduced to the extent it is no longer probable that a sufficient taxable surplus will be available for utilisation.

Deferred tax is computed using the tax rates that are expected to apply for the period in which the asset is recovered or the liability settled.

Tax receivables and tax liabilities are offset and reported at a net amount in the Statement of Financial Position when there is a legal right to offset and when there is an intention to either receive or pay a net amount or receive payment of a receivable and pay the liability at the same time.

## TRANSLATION OF ITEMS IN FOREIGN CURRENCY

Financial assets and liabilities in foreign currency are translated at the year-end rate, whereupon realised and unrealised translation differences are capitalised. Translation differences in operating receivables and liabilities are reported under Other property management income or Other property management expense whilst translation differences attributable to financial assets and liabilities are reported under Net interest income and expense.

## INVESTMENT PROPERTY

Investment property, i.e. properties that are held to generate rental revenue or gains from an increase in value, are valued continuously at fair value (assessed market value). The fair value is based on the assessed market value at the year-end, which means the value at which a property could be transferred between knowledgeable parties who are independent of each other and who have an interest in the transaction being implemented. Changes in fair value are reported in the Statement of Comprehensive Income under the heading Changes in fair value of the properties.

The term 'properties' includes buildings and land, land systems, building and land equipment as well as properties under construction (new construction in progress).

Property sales and property purchases are reported in conjunction with the risks and benefits linked to title being transferred to the purchaser or seller, which normally takes place on the completion date, as long as this does not conflict with the terms and conditions in the contract of sale. For property sales through companies, the sale is reported at the date of taking possession.

A profit or loss that arises on the sale or disposal of properties comprises the difference between the sales price and the most recent valuation (reported value based on the most recent remeasurement at fair value). The result in conjunction with sale or disposal is reported in the Statement of Comprehensive Income under the heading Changes in the fair value of properties.

In those cases where Akademiska Hus uses part of a building for its own administration, the property is only classified as a property for investment if an insignificant part is used for administrative purposes.

**1 CONTINUED**

If a property is reclassified as a property held for resale or an inventory item, the property is reported at the assumed acquisition value, equivalent to the fair value of the property at the time of reclassification.

**FAIR VALUE, INVESTMENT PROPERTY**

When valuing the investment properties at fair value (assessed market value), an internal valuation model is used which is quality-assured through the checking of the conditions with external property valuers and through externally performed valuations. The valuation is based on each property's expected cash flow during the coming ten years and an estimated residual value for year eleven. The yield target has been differentiated for different types of property and the rental period as well as the town and location assessment. The rental revenue included in the valuation has been assessed on market terms and in the model, normalised operating costs have been used. Maintenance costs have been calculated on a standardised basis according to the use of the property.

**CARRYING AMOUNT, INVESTMENT PROPERTY**

Depreciation according to plan is based on the original acquisition value reduced by the estimated residual value and takes place on a linear basis over the estimated useful life of the asset.

Depreciation according to plan is normally carried out using the following percentages of the acquisition value:

Land improvements	5 %
Buildings	2.5 %
Building equipment	10 %
Land equipment	20 %

**EQUIPMENT, FIXTURES AND FITTINGS**

Equipment, fixtures and fittings mainly comprise IT equipment and office equipment. These are reported at the acquisition value reduced by depreciation according to plan and possible impairment.

Depreciation according to plan is based on the original acquisition value reduced by the estimated residual value and takes place on a linear basis over the estimated useful life of the asset.

Depreciation according to plan is normally carried out using the following percentages of the acquisition value:

Computer equipment	33%
Equipment, fixtures and fittings	20%

Depreciation according to plan of equipment, fixtures and fittings is reported as an operating cost or under property administration.

The profit or loss that arises on scrapping or disposal of equipment, fixtures and fittings is reported as Other property management income or Other property management expense.

**IMPAIRMENT**

Impairment takes place in those cases where the reported value of the asset exceeds the recovery value. Reported values for the Company's assets are checked at each period-end to determine if there is any indication of an impairment requirement. If there is such an indication, the recoverable value of the asset is calculated. The recoverable value is the higher of the value in use and the net realisable value.

When computing the value in use, future cash flows are discounted at a rate of interest before tax that it is envisaged will take into account the market's assessment of risk-free interest and risk linked to the specific asset. For an asset which does not, independent of other assets, generate any cash flow, the recoverable value of the cash-generating unit to which the asset belongs is calculated.

Reversal of previous impairments takes place when the recoverable value for a previously impaired asset exceeds the carrying amount and the need for impairment made previously is no longer considered necessary. The reversal is reported in the Statement of Comprehensive Income. An examination of past impairments takes place on an individual basis.

**FINANCIAL INSTRUMENTS**

The general principles for the valuation of financial instruments are that financial investment assets and all derivatives should be valued at fair value whilst other financial assets and financial liabilities are valued at the accrued acquisition value.

Financial instruments are reported initially at the acquisition cost, corresponding to the fair value of the instrument with an addition for transaction costs for all financial instruments apart from those that belong to the category Financial Assets, which are valued at fair value through profit or loss. Reporting subsequently takes place depending on how they are classified, as stated below.

A financial asset or financial liability is recorded in the Statement of Financial Position when the Company becomes a party to the contractual terms and conditions of the instrument or when applicable according to 'regular way purchase' principles. Accounts receivable are recorded in the Statement of Financial Position when an invoice has been sent. A liability is recorded when the counter-party has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recorded when an invoice has been received.

A financial asset is removed from the Statement of Financial Position when the rights in the agreement are realised, fall due or the Company loses control over them. The same applies to part of the financial asset. A financial liability is removed from the Statement of Financial Position when the obligation in the agreement is discharged or is extinguished in some other way. The same applies to part of a financial liability.

The Group categorises its financial instruments as:

- *Assets valued at fair value in profit or loss*  
Assets in this category are reported initially at the acquisition cost, i.e. fair value at the time of acquisition, and are subsequently valued continuously at fair value. The change in fair value is reported continuously through profit or loss. All Akademiska Hus investment assets and outstanding derivatives (with a positive fair value) fall into this category.
- *Loan receivables and accounts receivable*  
Assets in this category are non-derivative financial assets with established or establishable payment flows that are not listed on an active market. These assets are reported and valued on a continuous basis at the accrued acquisition cost. Akademiska Hus's accounts receivable also fall into this category and are reported and valued continuously at the acquisition cost. At each period-end, an impairment examination is made of this asset. Non-current security holdings fall into this category and are valued at the accrued acquisition value unless an impairment requirement has been identified.
- *Liabilities valued at fair value through profit or loss*  
These liabilities are reported initially at the acquisition cost and thereafter on an ongoing basis at fair value. The change in fair value is reported on a continuous basis through profit or loss. Akademiska Hus's outstanding derivatives with a negative fair value fall into this category.
- *Other financial liabilities*  
Liabilities in this category are reported and valued at the accrued acquisition value according to the annual equivalent rate method. Direct costs when loans are raised are included in the acquisition value. All debt financing is included in this category. Akademiska Hus's accounts payable and other liabilities are classified under this category but are reported at the acquisition value.

**Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and reported at a net amount in the Statement of Financial Position when there is a legal right to offset and when there is an intention to settle the items at a net amount or at the same time realise the asset and settle the debt. Information relating to offset financial assets and liabilities under IFRS 7 can be seen in the notes to the balance sheet.

#### Calculation of fair value, financial instruments

When establishing the fair value of current investments, derivatives and loan liabilities, the official market listing at the period-end is used and calculation takes place according to generally accepted methods. In those cases where such listings are not available, a valuation is made through discounting of future cash flows at the listed market interest rate for each term. Translation into Swedish kronor takes place at the listed rate at the period-end. Calculated and estimated fair values are indicative and will not necessarily be realised.

The nominal value of accounts receivable and accounts payable, reduced by possible estimated credits, is assumed to be equivalent to their fair value. Information according to IFRS 13 about the level in the fair value hierarchy for different items can be found in Note 32.

#### Rent receivables, accounts receivable and other receivables

Rent receivables and accounts receivable are reported initially at the fair value and are then reported at the invoiced amount following a deduction for any impairment (bad debts), which is equivalent to the accrued acquisition value. The estimated term of rent receivables and accounts receivable is short and consequently the value is reported at the nominal amount without discounting. Doubtful receivables are assessed individually and any impairment is reported within operating costs.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and current investments with a term shorter than three months. These assets are regarded as being sellable immediately with a negligible risk of changes in value, which means that the reported value (acquisition value plus accrued coupon) is equivalent to the fair value.

#### Current investments

Current investments with a term in excess of three months comprise interest-bearing securities and are reported and valued at fair value. Changes in fair value (unrealised profits and losses) are reported on a continuous basis through net interest income and expense.

In the Statement of Cash Flows, current investments with a term in excess of three months are not classified as cash and cash equivalents.

#### Loan financing

All loan financing is reported initially at fair value, net after transaction costs. Borrowing is subsequently reported at the accrued acquisition value and any difference between the amount received and the repayment amount is reported in net interest income and expense divided over the loan period on application of the annual equivalent rate method.

Borrowing that constitutes a hedged item in conjunction with fair value hedging is reported and valued on an ongoing basis after the acquisition point at fair value with account taken of the hedged risk. Changes in fair value are reported in net interest income and expense.

Loan financing in foreign currency is translated and the effects are reported through profit or loss.

The Group applies IAS 23 Borrowing Costs. IAS 23 means that the Group capitalises interest expense attributable to properties under construction that take a significant period of time to complete. Capitalised interest expense has a positive effect on net interest income and expense and a negative effect on the change in fair value of investment property to the equivalent amount. Financing costs for properties under construction that do not take a significant period of time to complete are charged in full to the financial result for each year.

#### Accounts payable and other liabilities

Accounts payable and other liabilities have a short expected term and are valued at the nominal value without discounting.

#### Financial derivatives

Derivatives are held primarily with the aim of securing long-term, cost-effective debt financing and handling the Group's financial risk exposure by hedging interest and currency exposure against fluctuations in interest rates and exchange rates.

Derivatives are valued at fair value and changes in value are reported on an ongoing basis against net financial income and expense with the exception of the outstanding derivatives, which comprise hedging instru-

ments. In a hedging situation where the underlying Statement of Financial Position item is business-related, the changes in fair value of the derivative are reported against operating profit. Changes in fair value attributable to the derivatives that comprise hedging instruments in a cash flow hedge are reported under Other comprehensive income, are accumulated in equity and are reported against financial or operating profit at the time the underlying exposure affects the profit.

Interest derivatives (interest future contracts, interest swap agreements, FRA contracts and interest options) are held mainly to secure the desired fixed interest period in existing debt financing. Interest derivatives are valued on an ongoing basis at fair value and the effects attributable to the changes in value are reported against net interest income and expense in conjunction with hedging of fair value and against Other comprehensive income in conjunction with cash flow hedging. The net of the accrued interest income and interest expense is allocated to specific periods and expensed over the term of the derivative.

In conjunction with financing in a foreign currency, all future payment flows are hedged so that no currency risk remains. Currency risk hedging takes place with the aid of currency derivatives (currency future contracts, currency swap agreements or combined with an interest swap agreement). Currency derivatives are translated at the period-end exchange rate and when hedge reporting is applied, the effects of the currency translation of the derivative naturally meet the effects of the currency translation of the debt in the financial result.

Independent derivatives, i.e. derivatives that are not included in any hedging relationship, are valued at fair value and the change in fair value is recorded directly against the net interest income and expense.

With the aim of evening out price variations on the electricity market, and in doing so achieve an even trend for the Group's electricity costs, future electricity use is hedged with the aid of electricity futures. Electricity futures are valued continuously at fair value and when hedge reporting according to the cash flow method is applied, the changes in fair value are reported directly against Other comprehensive income. The effects of price hedging, the difference between the electricity future's hedged price and the average spot price during the term of the electricity future, are offset against profit and are transferred on maturity from equity and reported as an operating cost. Consequently, the result of the electricity future and the Group's physical electricity purchases constitute the actual electricity cost.

In accordance with the currency mandate in the guidelines for purchasing electricity, currency risk exposure attributable to outstanding electricity futures is currency hedged with the aid of currency futures. Currency futures are valued on an ongoing basis at fair value and when hedge accounting according to the cash flow method is applied, the changes in value are reported directly against Other comprehensive income. The effects are expensed on settlement, i.e. the effects are transferred from equity and reported as an operating cost.

#### Hedge accounting

Akademiska Hus's hedge accounting takes place through a division into two different methods of hedging depending on the aim of the hedging: fair value hedging and cash flow hedging.

In the case of fair value hedging, both the hedged item/exposure and the hedging instrument are valued at fair value. The changes in fair value are reported continuously in profit or loss.

With cash flow hedging, the hedging instrument is valued at the fair value at the same time that the hedged item in conjunction with borrowing is valued according to the current valuation method (categorisation). According to the demands for cash flow hedging, a change in fair value attributable to a derivative that qualifies for hedge accounting is reported on an ongoing basis in other comprehensive income and is accumulated in equity until the underlying transaction/exposure affects the Statement of Comprehensive Income.

One of the criteria for hedge accounting to be applied is that the hedging relationship is expected to be effective both at the time of entering into the relationship as well as during the hedging period. The ineffective part of the hedging, i.e. the difference between the changes in fair value in the exposure (interest, electricity price or exchange rate risk) which are hedged in the underlying transaction/flow and the change in fair value in the hedging instrument's (derivative's) equivalent risk is expensed.

**1 CONTINUED**

When a hedging measure is entered into, the relationship between the hedging instrument and the hedged item, along with the aim of the hedging measure and the method used to calculate the effectiveness, are documented.

**PROVISIONS**

Provisions are reported in the Statement of Financial Position when the Company has a formal or informal undertaking because of an event that has occurred and where it is probable that an outflow of resources is required to settle the undertaking and a reliable estimate of the amount can be made.

**PARENT COMPANY, ACCOUNTING PRINCIPLES**

The Parent Company has prepared its annual accounts according to the Annual Accounts Act and the Swedish Accounting Standards Board recommendation RFR 2 Reporting for Legal Entities and applicable statements from the Swedish Financial Reporting Board.

RFR 2 means that in the annual accounts for the legal entity, the Parent Company shall apply all EU-endorsed IFRS and statements as far as this is possible within the framework of the Annual Accounts Act and the Safeguarding of Pension Commitments Act and with consideration given to the link between accounting and taxation. The recommendation states the exceptions and addenda that are to be made to IFRS. The differences between the Group's and the Parent Company's accounting principles are stated below.

**Amended accounting principles**

No amendments to RFR 2 with a material impact on the Parent Company's financial statements were made during 2014.

**Investment property**

Properties are reported in a legal entity at the acquisition cost with a deduction for accumulated depreciation, impairments and reversed impairments. The depreciation period is based on each property's useful life.

During the year three properties were revised upwards. Depreciation on the upwards remeasurement occurs linearly with such an amount that the remeasurement is completely written off when the properties are otherwise fully depreciated.

**Shares in subsidiaries**

Shares in subsidiaries are reported at the acquisition cost.

**Payments to employees**

The Parent Company's pension undertakings have been calculated and reported based on the Safeguarding of Pension Commitments Act. Application of the Safeguarding of Pension Commitments Act is a pre-requisite for the right to make a tax deduction.

**Deferred tax**

The amounts that are allocated to untaxed reserves comprise taxable temporary differences. Because of the link between accounting and taxation, the deferred tax liability that is attributable to the untaxed reserves is not reported separately in a legal entity. These are thus reported at the gross amount in the Statement of Financial Position. The appropriations are reported at the gross amount in the Statement of Comprehensive Income.

**2 ESTIMATES AND ASSESSMENTS**

When preparing reports in compliance with IFRS, the Executive Management and the Board of Directors must make assessments and assumptions that affect the reported asset and liability items and income and cost items in the final accounts as well as information provided generally, including contingent liabilities. These assessments are based on historical experience and different assumptions the Executive Management and the Board of Directors have considered reasonable under the prevailing circumstances. The conclusions drawn form the basis for decisions regarding reported values of assets and liabilities in those cases where these cannot be established easily through information from other sources. The actual outcome could differ from these assessments if other assumptions are made or if other conditions emerge. Assessments could have a material impact on the Akademiska Hus profit and financial position, particularly within regard to valuation of investment properties (see also Note 15).

When calculating the Group's pension liability in accordance with IAS 19, a number of assumptions are made, including the discount rate in current value assessment, expected salary increases, inflation, staff turnover, remaining period of service for those covered by the pension plan as well as expected mortality assumptions. The levels of these parameters are adapted to company-specific conditions and partly to normal external conditions (see also Note 28).

**SENSITIVITY ANALYSIS, IMPACT ON PROFIT**

The sensitivity analysis shows how the profit before tax, return on equity and fair value of the investment property would be affected in the event of changes in different variables. The analysis shows the impact on an annual basis at full effect.

Changes in the cost of capital or yield target are factors that affect the fair value most. The impact on profit of a change in fair value, however, would not affect the cash flow as it is unrealised. In the sensitivity analysis, the current lease portfolio has been taken into account with regard to rental revenue and vacant space.

**SENSITIVITY ANALYSIS, IMPACT ON PROFIT**

Change	Impact on pre-tax profit, SEK m	Impact on return on operating capital, percentage points	Impact on fair value, SEK m	Impact on fair value, percentage points
Rental revenue, +/- one percentage point	55	0.1	356	0.7
Vacant space, +/- one percentage point	51	0.1	370	0.3
Operating costs, +/- one percentage point	8	0.0	80	0.2
of which media provision	6	0.0	41	0.1
Cost of capital, + one percentage point	-3,623	0.2	-3,623	-6.8
Cost of capital, - one percentage point	3,975	-0.2	3,975	7.5
Yield target, + one percentage point	-4,295	0.2	-4,295	-8.1
Yield target, - one percentage point	6,094	-0.3	6,094	11.5

**3 SEGMENT REPORT**

The Group's operations are controlled and reported on a regional basis. Segment reporting has been prepared using the same accounting principles applied to the Group as a whole. Revenue per segment is based on the tenant's geographical location whilst assets and liabilities are based on the tenant's physical location.

All revenue is generated in Sweden and all regions carry on property management.

For details of larger customers, see Note 5.

No sales between the segments have taken place.

'Investments' refer to gross investments in investment property, construction of properties in progress and equipment, fixtures and fittings. 'Other operations' refer to operations that are not attributable to the regions.

Net operating income is the most important measure of performance and is reported and followed up on a regular basis by the Group's supreme decision-maker. The profit after net operating income is not reported and is not followed up for each segment. Investment property is the asset measurement that is reported internally and is followed up for each segment. Internal follow-up of other assets and liabilities only takes place on the overall level for the Group.

Segment information 2014	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other operations	Group
Rental revenue	717,241	753,183	539,311	1,018,370	1,957,517	509,312	5,494,934	—	5,494,934
Other property management income	27,825	50,345	9,570	19,317	60,348	17,164	184,569	1,174	185,743
Total income	745,066	803,528	548,881	1,037,687	2,017,865	526,476	5,679,503	1,174	5,680,677
Operating costs	-119,455	-116,606	-84,606	-154,699	-269,357	-66,388	-811,111	3,295	-807,816
Maintenance costs	-103,019	-86,873	-51,846	-93,789	-162,778	-126,405	-624,710	3,295	-621,415
Property administration	-24,327	-24,097	-14,380	-24,922	-65,592	-13,655	-166,973	-158,457	-325,430
Other property management expenses	-23,247	-43,402	-4,085	-17,582	-95,692	-26,964	-210,972	1,577	-209,395
Total costs, property management	-270,048	-270,978	-154,917	-290,992	-593,419	-233,412	-1,813,766	-150,290	-1,964,056
<b>NET OPERATING INCOME</b>	<b>475,018</b>	<b>532,550</b>	<b>393,964</b>	<b>746,695</b>	<b>1,424,446</b>	<b>293,064</b>	<b>3,865,737</b>	<b>-149,116</b>	<b>3,716,621</b>
Central overheads									-45,928
Changes in fair value, investment property									3,528,968
Profit before financial items									7,199,661
Profit/loss from financial items (net)									-939,062
<b>PROFIT BEFORE TAX ACCORDING TO THE INCOME STATEMENT</b>									<b>6,260,599</b>
Investment property	7,889,166	7,454,342	4,933,064	12,458,510	24,536,646	4,164,920	61,436,648	—	61,436,648
of which invested during the year	596,547	161,502	11,948	590,983	1,569,909	72,770	3,003,659	—	3,003,659
Segment information 2013	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other operations	Group
Rental revenue	725,397	761,219	535,086	899,916	1,919,261	519,398	5,360,277	-1,000	5,359,277
Other property management income	29,667	57,060	9,251	35,764	81,435	15,532	228,709		228,709
Total income	755,064	818,279	544,337	935,680	2,000,696	534,930	5,588,986	-1,000	5,587,986
Operating costs	-130,939	-122,347	-89,567	-169,665	-296,479	-80,197	-889,194		-889,194
Maintenance costs	-140,509	-95,701	-40,031	-104,122	-195,093	-92,875	-668,331		-668,331
Property administration	-148,687	-25,153	-14,646	-24,652	-45,386	-13,729	-272,253		-272,253
Other property management expenses	-18,473	-53,849	-4,704	-33,507	-89,599	-52,654	-252,786		-252,786
Total costs, property management	-438,608	-297,050	-148,948	-331,946	-626,557	-239,455	-2,082,564	0	-2,082,564
<b>NET OPERATING INCOME</b>	<b>316,456</b>	<b>521,229</b>	<b>395,389</b>	<b>603,734</b>	<b>1,374,139</b>	<b>295,475</b>	<b>3,506,422</b>	<b>-1,000</b>	<b>3,505,422</b>
Central overheads									-72,828
Changes in fair value, investment property									232,013
Profit before financial items									3,664,607
Profit/loss from financial items (net)									-390,112
<b>PROFIT BEFORE TAX ACCORDING TO THE INCOME STATEMENT</b>									<b>3,274,495</b>
Investment property	7,093,610	6,954,996	4,648,219	11,050,272	23,632,979	4,176,759	57,556,835	—	57,556,835
of which investments	489,117	113,433	65,302	1,053,044	987,634	41,538	2,750,068	—	2,750,068

**4 CATEGORISED OPERATING COSTS**

	Group		Parent Company	
	2014	2013	2014	2013
Functions reported in the Income Statements				
Property management	-1,964,056	-2,082,564	-1,960,853	-2,254,809
Central administration costs	-45,928	-72,828	-45,928	-72,828
<b>TOTAL OPERATING COSTS ACCORDING TO FUNCTION</b>	<b>-2,009,984</b>	<b>-2,155,392</b>	<b>-2,006,781</b>	<b>-2,327,637</b>
<b>CATEGORISED FUNCTION COSTS</b>				
Energy, fuel and water	-607,246	-673,751	-607,246	-673,751
Property administration	-98,526	-49,392	-85,145	-44,761
Maintenance costs, material and services purchased	-673,813	-738,211	-677,109	-756,070
Site leasehold charges	-57,168	-57,763	-57,168	-57,763
Property tax	-3,555	-3,166	-3,555	-3,166
Personnel costs	-348,022	-337,732	-348,022	-330,370
Depreciation	-7,169	-9,262	-7,169	-9,262
Other costs	-214,485	-286,115	-221,367	-452,494
<b>TOTAL CATEGORISED OPERATING COSTS</b>	<b>-2,009,984</b>	<b>-2,155,392</b>	<b>-2,006,781</b>	<b>-2,327,637</b>

**5 LEASES**

All investment property is leased under operational lease agreements and generate rental revenue. The rental revenue during the period amounted to KSEK 5,494,934 (5,359,277) and the direct costs for the properties during the period totalled KSEK 1,964,056 (2,082,564). Profit for the year includes KSEK 565,152 (566,400) for variable supplements. Lund University and Uppsala University account for 11 per cent and 9 per cent of the rental revenue respectively.

**LEASE TERMS AS AT 31-12-2014**

Due date	Number of leases	Contracted annual rent	Proportion, %
Non-residential premises			
2015	291	506,922	9
2016	258	518,586	9
2017	219	640,805	11
2018	148	664,174	11
2019	69	327,286	6
2020	68	555,743	9
2021 and later	189	2,686,364	45
Other	246	36,118	0
<b>TOTAL</b>	<b>1,488</b>	<b>5,935,998</b>	<b>100</b>

**CONTRACTED RENTAL REVENUE AS AT 31-12-2014 ACCORDING TO THE SIZE OF THE LEASE**

Annual rent	Number of leases	Contracted annual rent	Proportion, %
Non-residential premises			
>70,000	3	388,401	7
30,000-70,000	36	1,513,275	26
10,000-30,000	134	2,265,605	38
7,500-10,000	49	426,263	7
5,000-7,500	76	472,922	8
2,500-5,000	117	430,888	7
<2,500	827	402,526	7
Other	246	36,118	0
<b>TOTAL</b>	<b>1,488</b>	<b>5,935,998</b>	<b>100</b>

**6 OTHER PROPERTY MANAGEMENT INCOME**

	Group		Parent Company	
	2014	2013	2014	2013
Parking revenue	57,690	57,864	57,690	57,864
Profit on the sale of other non-current assets	—	175	1,546,612	242,937
Income from external property management assignments and similar assignments	78,813	95,593	78,813	95,593
Income from services performed on behalf of tenants	45,343	45,876	45,343	45,876
Other	3,897	29,201	3,897	29,201
<b>TOTAL</b>	<b>185,743</b>	<b>228,709</b>	<b>1,732,355</b>	<b>471,471</b>

**7 OTHER PROPERTY MANAGEMENT EXPENSES**

	Group		Parent Company	
	2014	2013	2014	2013
Site leasehold charges, property tax and other risk costs	-78,525	-75,711	-78,525	-75,711
Loss on the sale and disposal of other noncurrent assets	—	—	-32,257	-205,584
Costs for external property management assignments and similar assignments	-48,025	-60,320	-48,025	-60,320
Costs for services performed on behalf of tenants	-44,127	-44,600	-44,127	-44,600
Other	-38,718	-72,155	-12,371	-32,951
<b>TOTAL</b>	<b>-209,395</b>	<b>-252,786</b>	<b>-215,305</b>	<b>-419,166</b>

**8 DEPRECIATION, IMPAIRMENTS AND REVERSED IMPAIRMENTS  
IN PROPERTY MANAGEMENT**

	Group		Parent Company	
	2014	2013	2014	2013
Investment property	—	—	-1,169,349	-1,268,159
Equipment, fixtures and fittings	-7,169	-9,262	-7,169	-9,262
<b>TOTAL</b>	<b>-7,169</b>	<b>-9,262</b>	<b>-1,176,518</b>	<b>-1,277,421</b>

In the Group and Parent Company, KSEK 3,585 (4,631) has been reported as property administration and KSEK 3,584 (4,631) as operating costs.

**9 EMPLOYEES AND PERSONNEL COSTS**

The average number of employees was as follows:

	2014	2013
<b>AKADEMISKA HUS AB</b>		
Head Office, Gothenburg	78	69
Southern Region	49	48
Western Region	59	63
Eastern Region	28	28
Uppsala Region	64	66
Stockholm Region	96	102
Northern Region	34	31
Subsidiaries	—	—
<b>GROUP, TOTAL</b>	<b>408</b>	<b>407</b>

The proportion of women (based on the average number of employees) in the Parent Company and the Group is 26 per cent (26).

**GENDER DIVISION, BOARD, GROUP MANAGEMENT AND OTHER PERSONS  
IN EXECUTIVE POSITIONS**

The Board comprises 8 (8) members elected at the Annual General Meeting and 2 (2) members appointed by the employees. 4 (3) of the members are women, i.e. 40 per cent (30).

Overall management of the Group rests with the Executive Management, which comprises 7 (6) men and 4 (4) women. The Executive Management comprises the President, Vice President, CFO, Human Resources Director, Corporate Communications Director, and Regional Directors.

**PAYMENTS TO THE BOARD**

		2014				2013			
		Director's fees	Remuneration Committee	Finance Committee	Audit Committee	Director's fees	Remuneration Committee	Finance Committee	Audit Committee
Chairman	Eva-Britt Gustafsson	250	10	20	—	225	10	20	—
Member	Britta Burreau <sup>1)</sup>	62	—	10	—	—	—	—	—
Member	Olof Ehrlén	125	—	—	20	112	—	—	20
Member	Per Granath <sup>1)</sup>	62	—	10	—	112	—	20	—
Employee representative	Thomas Jennlinger	—	—	—	—	—	—	—	—
Employee representative	Anders Larsson	—	—	—	—	—	—	—	—
Member	Ingela Lindh <sup>1)</sup>	62	—	—	—	—	—	—	—
Member	Leif Ljungqvist	—	—	—	—	—	—	—	—
Member	Pia Sandvik	125	—	20	—	112	—	20	—
Member	Gunnar Svedberg	125	10	—	—	112	10	—	—
Member	Maj-Charlotte Wallin <sup>1)</sup>	62	—	—	—	112	—	—	—
Member	Ingemar Ziegler	125	—	—	20	112	—	—	20
<b>TOTAL</b>		<b>998</b>	<b>20</b>	<b>60</b>	<b>40</b>	<b>897</b>	<b>20</b>	<b>60</b>	<b>40</b>

<sup>1)</sup> Member for part of 2014.

**SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS**

	2014		2013	
	Group	Parent Company	Group	Parent Company
<b>SALARIES AND REMUNERATION</b>				
Board members, President and Vice President	5,569	5,569	5,380	5,380
Other employees	217,734	217,734	207,216	207,216
<b>TOTAL</b>	<b>223,303</b>	<b>223,303</b>	<b>212,596</b>	<b>212,596</b>
<b>SOCIAL SECURITY COSTS</b>				
Board members, President and Vice President	3,231	3,231	2,997	2,997
(of which pension costs)	(1,865)	(1,865)	(1,542)	(1,542)
Other employees	103,964	103,964	104,073	104,073
(of which pension costs)	(57,287)	(57,287)	(60,483)	(60,483)
<b>TOTAL</b>	<b>107,195</b>	<b>107,195</b>	<b>107,070</b>	<b>107,070</b>
(of which pension costs)	(59,152)	(59,152)	(62,025)	(62,025)

The Group's and Parent Company's outstanding pension obligations to the President, Regional Directors and other members of Executive Management total KSEK 2,839 (1,816). The subsidiaries do not have any employees and no salaries have been paid.

## 9 CONTINUED

## PAYMENTS TO SENIOR EXECUTIVES

		2014		2013	
		Basic salary <sup>7)</sup>	Pension cost	Basic salary <sup>7)</sup>	Pension cost
President	Kerstin Lindberg Göransson	2,871	630	2,702	630
Vice President	Michael Walmerud	1,678	497	1,666	483
Regional Director, South	Tomas Ringdahl	1,468	341	1,466	319
Regional Director, West	Birgitta Hohlfält van Dalen	1,187	452	1,133	371
Regional Director, East	Lars Hagman	1,174	251	1,120	221
Regional Director, Uppsala	Hans Antonsson <sup>1)</sup>	—	—	941	318
Regional Director, Uppsala	Peter Bohman <sup>2)</sup>	1,148	243	—	—
Regional Director, Uppsala and North	David Carlsson <sup>3)</sup>	1,510	355	1,376	274
Regional Director, Stockholm	Sten Wetterblad	1,721	461	1,623	425
CIO	Cecilia Nielsen	991	166	880	143
CFO	Jonas Ragnarsson <sup>4)</sup>	480	120	—	—
Director, Accounting and Financing	Gunnar Oders <sup>5)</sup>	—	—	1,095	431
Acting Director, Accounting and Financing	Joakim Hugosson <sup>6)</sup>	1,121	326	—	—
Human Resources Director	Kristina Korsgren	997	243	964	254
<b>TOTAL</b>		<b>16,346</b>	<b>4,085</b>	<b>14,966</b>	<b>3,869</b>

<sup>1)</sup> Hans Antonsson stepped down from the position of Regional Director on August 31, 2013.

<sup>2)</sup> Peter Bohman took up the position of Regional Director in Uppsala on September 1, 2014.

<sup>3)</sup> David Carlsson was Regional Director in Uppsala from September 1, 2013 to April 30, 2014.

<sup>4)</sup> Jonas Ragnarsson took up the position of CFO October 1, 2014.

<sup>5)</sup> Gunnar Oders did not serve as Director, Accounting and Financing in 2014.

<sup>6)</sup> Joakim Hugosson was Acting Director, Accounting and Financing from January to September 2014.

<sup>7)</sup> No payments were made in addition to the above reported basic salary.

## 10 FEES AND DISBURSEMENTS TO AUDITORS

	Group and Parent Company	
	2014	2013
<b>KPMG AB</b>		
Audit engagement	1,165	—
Audit work in addition to the audit engagement	279	—
Tax consulting	—	—
Other services	—	—
<b>TOTAL</b>	<b>1,444</b>	<b>0</b>
<b>Deloitte AB</b>		
Audit engagement	633	1,447
Audit work in addition to the audit engagement	8	478
Tax consulting	301	300
Other services	4	497
<b>TOTAL</b>	<b>946</b>	<b>2,722</b>

KPMG AB was elected to serve as auditors at the Annual General Meeting on April 28, 2014.

‘Audit engagement’ refers to payment to the auditor for the statutory audit (work necessary to submit the audit report). ‘Audit work in addition to the audit assignment’ in effect refers to what can be designated quality assurance services (e.g. examination of a prospectus for an EMTN programme) as well as the provision of advice or other assistance as a

result of observations made in conjunction with such an examination or the performance of other such duties. ‘Tax consulting’ is self-explanatory. ‘Other services’ refers mainly to fees for consultation in conjunction with examination of tax returns and consultation regarding financial instruments and the Sustainability Report.

## 11 FINANCIAL INCOME AND EXPENSE

	Group		Parent Company	
	2014	2013	2014	2013
<b>RESULT FROM OTHER SECURITIES AND RECEIVABLES RECORDED AS NON-CURRENT ASSETS</b>				
Interest income, other <sup>1)</sup>	24,239	86,969	24,239	86,969
Changes in fair value, independent derivatives	13,428	7,759	13,428	137,759
<b>TOTAL</b>	<b>37,667</b>	<b>94,728</b>	<b>37,667</b>	<b>224,728</b>
<b>OTHER INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS</b>				
Interest income, other <sup>1)</sup>	132	58,301	132	68,831
Changes in fair value, independent derivatives	18,968	7,211	18,968	7,211
<b>TOTAL</b>	<b>19,100</b>	<b>65,512</b>	<b>19,100</b>	<b>76,042</b>
<b>RESULT, FINANCIAL INCOME</b>	<b>56,767</b>	<b>160,239</b>	<b>56,767</b>	<b>300,769</b>
<b>OTHER INTEREST EXPENSE AND SIMILAR PROFIT/LOSS ITEMS</b>				
Interest expense, other <sup>1)</sup>	-373,498	-442,634	-507,455	-719,580
Changes in fair value, independent derivatives	-498,736	-2,590	-498,736	-2,590
Changes in value, fair value hedges	-123,595	-105,127	-123,595	-105,127
<b>RESULT, FINANCIAL EXPENSE</b>	<b>-995,829</b>	<b>-550,351</b>	<b>-1,129,786</b>	<b>-827,297</b>
<b>RESULT, NET FINANCIAL INCOME AND EXPENSE</b>	<b>-939,062</b>	<b>-390,112</b>	<b>-1,073,019</b>	<b>-526,528</b>
<sup>1)</sup> Of which interest income/interest expense deriving from financial instruments that are not valued at fair value in profit or loss.	-349,127	-193,323	-483,083	-329,738

Changes in fair value are as follows:	Group		Parent Company	
	2014	2013	2014	2013
<b>UNREALISED CHANGES IN FAIR VALUE</b>				
Independent derivatives	-301,733	-2,688	-301,733	-2,688
Fair value hedging, hedging instruments	247,714	-354,980	247,714	-354,980
Fair value hedging, hedged item	-371,309	249,853	-371,309	249,853
Total	-425,328	-107,815	-425,328	-107,815
<b>REALISED CHANGES IN FAIR VALUE</b>				
Independent derivatives	-164,607	15,068	-164,607	15,068
Total	-164,607	15,068	-164,607	15,068
<b>TOTAL CHANGES IN FAIR VALUE</b>	<b>-589,935</b>	<b>-92,747</b>	<b>-589,935</b>	<b>-92,747</b>

## 12 APPROPRIATIONS AND UNTAXED RESERVES (PARENT COMPANY)

	Parent Company	
	31-12-2014	31-12-2013
<b>APPROPRIATIONS</b>		
Change in tax allocation reserve	-142,594	-177,091
Difference between recorded depreciation and depreciation according to plan	-100,738	-26,386
<b>TOTAL</b>	<b>-243,332</b>	<b>-203,477</b>
<b>UNTAXED RESERVES</b>		
Tax allocation reserve, provision made 2008	—	305,293
Tax allocation reserve, provision made 2009	458,536	458,536
Tax allocation reserve, provision made 2010	397,454	397,454
Tax allocation reserve, provision made 2011	437,485	437,485
Tax allocation reserve, provision made 2012	449,374	449,374
Tax allocation reserve, provision made 2013	441,894	441,894
Tax allocation reserve, provision made 2014	447,887	—
Additional depreciation	1,060,264	959,525
<b>TOTAL</b>	<b>3,692,894</b>	<b>3,449,561</b>

**13 TAXES**

The following components are included in the Group and Parent Company tax expense:

	Group		Parent Company	
	2014	2013	2014	2013
<b>TAX ON PROFIT FOR THE YEAR</b>				
Current tax				
Current tax on profit for the year	-312,343	-291,800	-312,343	-291,737
Total current tax	-312,343	-291,800	-312,343	-291,737
<b>DEFERRED TAX</b>				
Deferred tax attributable to a change in temporary differences	-733,595	-415,182	42,130	-23,425
Total deferred tax	-733,595	-415,182	42,130	-23,425
<b>TOTAL TAX ON PROFIT FOR THE YEAR</b>	<b>-1,045,938</b>	<b>-706,982</b>	<b>-270,213</b>	<b>-315,162</b>

The difference between the reported tax expense and tax expense based on the current tax rate comprises the following components:

	Group		Parent Company	
	2014	2013	2014	2013
Reported profit before tax	6,260,599	3,274,495	2,727,639	1,495,685
Tax at the current tax rate	-1,377,332	-720,389	-600,081	-329,051
Tax effect of expenses that are not tax deductible/taxable (permanent differences):				
Non-deductible expenses	-39,362	-1,890	-39,362	-1,409
Non-taxable income <sup>1)</sup>	360,710	20,830	360,710	20,830
Taxable standard interest calculated on the tax allocation reserve	-8,217	-5,446	-8,217	-5,445
Other	18,263	—	16,737	—
Adjustment of tax expense for previous years	—	-87	—	-87
<b>TOTAL REPORTED TAX EXPENSE</b>	<b>-1,045,938</b>	<b>-706,982</b>	<b>-270,213</b>	<b>-315,162</b>

1) Non-taxable income includes disposal of trade-related shares with a tax amount totalling KSEK 360,527 (18,630).

Reported deferred tax assets/liability:

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Deferred tax assets attributable to temporary differences				
Financial instruments	94,986	27,080	94,986	27,080
Cash flow hedge	5,949	13,224	5,949	13,224
Pension provisions	30,125	14,468	—	—
Total, reported deferred tax assets	131,060	54,772	100,935	40,304
Deferred tax liabilities attributable to temporary differences				
Tax allocation reserve	-579,179	-547,808	—	—
Investment property	-7,303,723	-6,504,877	-727,559	-392,970
Financial instruments	-786	-10,811	-786	-10,811
Cash flow hedges	—	—	—	—
Other	49	—	—	27
Total, reported deferred tax liability	-7,883,639	-7,063,496	-728,345	-403,754
<b>TOTAL, REPORTED DEFERRED TAX ASSETS/LIABILITY</b>	<b>-7,752,579</b>	<b>-7,008,724</b>	<b>-627,410</b>	<b>-363,450</b>

The following deferred tax assets/liabilities refer to items where a change has been reported in other comprehensive income.

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Cash flow hedge				
- cross currency interest rate swaps	—	—	—	—
- currency derivatives	-4,426	5,925	-4,426	5,925
- electricity derivatives	-2,850	-2,924	-2,850	-2,924
- actuarial gains and losses	13,780	-21,393	—	—
<b>TOTAL DEFERRED TAX REPORTED IN OTHER COMPREHENSIVE INCOME</b>	<b>6,504</b>	<b>-18,392</b>	<b>-7,276</b>	<b>3,001</b>

**UNREPORTED DEFERRED TAX**

No deferred tax in respect of untaxed reserves has been reported in the Parent Company. The deferred tax liability related to untaxed reserves totals KSEK 812,437 (758,903) and is included in these reserves. The consolidated accounts do not include any material unreported temporary differences between carrying amounts and tax values for assets and liabilities. All tax deficit deductions within the Group can be utilised for an unlimited period in the future.

**14 DIVIDEND**

The dividend paid to the shareholder on May 8, 2014 totalled SEK 1,374,000,000 (1,355,000,000). The dividend per share was SEK 643.56 (634.66). As regards the dividend for the year, the Board proposes a dividend of SEK 676.81 per share, for a total of SEK 1,445,000,000, to be paid to the shareholder as instructed by the owner. A decision regarding a dividend will be reached by the shareholder at the Annual General Meeting. The dividend has not been recorded as a liability in the Annual Report.

**15 INVESTMENT PROPERTY (GROUP)**

The fair value of investment property has changed during the year as follows:

Change in property holdings, in SEK 1,000	South	West	East	Uppsala	Stockholm	North	31-12-2014
							Group
Opening fair value	7,093,610	6,954,996	4,648,219	11,050,272	23,632,979	4,176,759	57,556,835
+ Investment in new construction and redevelopment	596,547	161,502	11,948	590,983	1,420,106	72,770	2,853,856
+ Acquisitions	—	—	—	—	99,500	—	99,500
+ Capitalised interest expense	21,665	2,392	—	70,987	37,620	1,292	133,956
- Sales	—	—	—	—	-2,143,077	-558,849	-2,701,926
+/- Change in fair value, unrealised	177,344	335,452	272,897	746,268	1,489,518	472,948	3,494,427
Of which change in value due to a change in the cost of capital and yield requirement	186,282	402,467	309,469	407,260	1,445,767	318,964	3,070,209
Of which change in value due to adjusted value index (valuation status, average remaining term, property type)	-5,005	-17,817	3,457	-79	-158,599	6,185	-171,858
Of which capitalised interest expense	-21,665	-2,392	—	-70,987	-37,620	-1,292	-133,956
Of which other change in value	17,732	-46,806	-40,029	410,073	239,970	149,091	730,031
<b>CLOSING FAIR VALUE</b>	<b>7,889,166</b>	<b>7,454,342</b>	<b>4,933,064</b>	<b>12,458,510</b>	<b>24,536,646</b>	<b>4,164,920</b>	<b>61,436,648</b>

Change in property holdings, in SEK 1,000	South	West	East	Uppsala	Stockholm	North	31-12-2013
							Group
Opening fair value	6,619,613	6,974,892	4,557,462	10,094,252	22,334,584	4,096,223	54,677,026
+ Investment in new construction and redevelopment	489,117	113,433	65,302	1,053,044	987,634	41,538	2,750,068
+ Acquisitions	—	4,000	—	—	—	—	4,000
+ Capitalised interest expense	8,892	4,860	2,486	68,777	49,677	1,724	136,416
- Sales	-191,444	—	—	-2,800	-181,256	—	-375,500
+/- Change in fair value, unrealised	167,431	-142,189	22,969	-163,000	442,339	37,275	364,825
Of which change in value due to a change in the cost of capital and yield requirement	-15,802	44,734	11,225	10,802	—	53,903	104,862
Of which change in value due to adjusted value index (valuation status, average remaining term, property type)	-3,510	16,133	-7,772	-68,354	211,749	13,952	162,198
Of which capitalised interest expense	-8,892	-4,860	-2,486	-68,777	-49,677	-1,724	-136,416
Of which other change in value	195,635	-198,196	22,002	-36,671	280,267	-28,856	234,181
<b>CLOSING FAIR VALUE</b>	<b>7,093,609</b>	<b>6,954,996</b>	<b>4,648,219</b>	<b>11,050,273</b>	<b>23,632,978</b>	<b>4,176,760</b>	<b>57,556,835</b>

	2014	2013
Changes in fair value, property holdings		
Positive	4,074,190	1,843,473
Negative	-579,764	-1,478,647
Result from sales and disposals		
Positive	73,342	48,443
Negative	-38,800	-181,256
<b>TOTAL CHANGES IN FAIR VALUE, INVESTMENT PROPERTY</b>	<b>3,528,968</b>	<b>232,013</b>

**VALUATION MODELS/METHODS**

Akademiska Hus has an internal property valuation process that is well developed and has been quality assured. Information regarding valuation principles as well as levels of input data, assumptions and prerequisites are produced by the Company's valuation specialists. These are finally confirmed by the President.

Akademiska Hus valuation models comply with good market practice in the property industry and the cash flows and yield targets that are used are justified based on both property-specific conditions and industry-specific conditions. The properties have been valued individually without any account being taken of portfolio effects.

The fair value of the Group's investment properties as at December 31, 2014 has been set using an internal property valuation. The valuation has been conducted using different valuation methods as follows:

	SEK m	Share, %
Internal cash flow valuation	58,309	95%
Expansion reserves	990	2%
Other valuation (including properties under construction and development properties)	2,138	3%
<b>TOTAL</b>	<b>61,437</b>	<b>100%</b>

SEK 58,309 million (95 per cent) of the fair value has been set through an internal cash flow valuation, where the cash flow figures used comprise the revenue and costs for each property, i.e. the net operating income.

Rent payments have been calculated based on current leases. If the rent level at the end of the lease is deemed to be in line with the market, it is assumed that the agreement can be extended subject to the same terms and conditions. In other cases, rents are adjusted to the market level.

Operating costs are assessed based on historical outcome and forecasts.

## 15 CONTINUED

Property administration costs are assessed based on the average cost level within Akademiska Hus and the maintenance costs are assessed based on actual costs and key figures for the industry.

For an initial calculation period of 10 years, a current value is computed for the cash flow generated each year using a nominal cost of capital. In addition, the residual value from year 11 is calculated based on the market's actual yield targets. This residual value is in turn calculated at the current value using nominal cost of capital. The property's fair value comprises the sum of the current cash flows during the calculation period and the current residual value.

The starting point when choosing the cost of capital is the nominal interest rate on the secondary market for government bonds with a term equivalent to the length of the calculation period. A risk premium is added to cover the market risk and the property-related risk.

The yield targets are assessed, as far as possible, using the property transactions that have been completed on the market and, as far as possible, using comparable properties. Each year, Akademiska Hus has the yield target, cost of capital and other valuation prerequisites verified by two independent valuation institutes, NAI Svefa and DTZ.

Both the cost of capital for discounting the cash flow as well as the yield target have been differentiated for each property depending on the town, location, lease term and type of premises. The risks are thus analysed in several dimensions and are generally assessed to be higher for properties with shorter leases, installation-intensive premises and properties in less attractive locations.

Expansion reserves, SEK 990 million (2 per cent) have been valued using the location prices for construction rights with a deduction for development costs, supplemented by developer calculations. In some cases, the planning conditions for new construction are unclear and consequently the pure land values have been used to establish the fair value. The expansion reserves include construction rights covering a gross area of approximately 1.1 million square metres.

SEK 2,138 million (3 per cent) comprises mainly properties with uncertain future cash flows. These have been valued individually using the valuation method that was most appropriate.

The total fair value of investment property includes new construction in progress amounting to SEK 5,407 million (4,491), which has also been valued using the internal cash flow valuation with a deduction for remaining investment.

The investment property are on level 3 in the fair value hierarchy.

#### External valuation

To assure the internal valuation, selected properties are valued each year by external valuation companies. As at September 30, 2014, 24 valuation buildings/sellable units at a fair value of SEK 9,760 million were valued externally, corresponding to approximately 16 per cent of the Akademiska Hus total fair value. The external valuations in 2014 were carried out by DTZ as a benchmark for the internal cash flow valuations. DTZ's valuers are authorised by the Swedish Society of Real Estate Economics. The external valuations confirm the reliability of the internal valuation model.

#### Valuation conditions 2014

Yield requirements and cost of capital declined by between 0.1 and 1.43 percentage points during the year, due to general price-driving factors in the property market for community properties. Overall, the positive change in fair value attributable to changes in yield requirements and cost of capital in 2014 amounted to SEK 3,070 million. Well-located, efficient properties with a strong customer base and good rental potential are in greatest demand and are naturally less sensitive to external changes.

#### Cost of capital and yield targets

Characteristic of Akademiska Hus are long leases with stable, creditworthy customers. The tenants have a public principal and thus a very good credit rating, which means a low rent risk during the term of the lease. Around 90 per cent of income derives from the dominant customer group, universities and colleges. All centres of education, apart from Chalmers University of Technology, have the Swedish state as principal and thus have the highest credit rating. The average remaining lease term is 6.0 years (5.3).

Akademiska Hus operates in a specific segment of the property market, which means that our properties are more adapted to specialist uses and consequently they have a slightly more uncertain residual value than for more general properties, such as office buildings and residential buildings. This means that many of our properties are not available for new tenants or other purposes without substantial redevelopment. After an initial calculation period, assessment of the residual value needs to reflect the more property specific risks in more concrete terms. An assessment of the uncertainty regarding modernity, standard/condition, technical risk and redevelopment/adaptation requirements is made at the point at which residual value is calculated. These risks are quantified mainly in the form of charges to cash flow rather than the direct yield target.

The cost of capital for the cash flow varies for different properties within the range 6.74–12.00 per cent depending on the town/city, location, lease term and type of premises. The long-term yield target varies between 4.65 per cent and 9.80 per cent depending on the town/city, location and type of premises.

The average yield target and cost of capital for each region are shown in the table below.

	31-12-2014		31-12-2013	
	Yield target, %	Cost of capital, %	Yield target, %	Cost of capital, %
South	6.3	8.5	6.5	8.7
West	6.1	8.2	6.5	8.6
East	6.5	8.6	7.0	9.1
Uppsala	6.2	8.3	6.6	8.7
Stockholm	5.6	7.7	5.9	8.0
North	6.6	8.7	7.2	9.3
Group	6.0	8.1	6.4	8.5

#### Town/city and location

In conjunction with an internal valuation, the property holdings have been grouped into the following 25 cities/towns/locations: Inner-city Stockholm, inner-city Gothenburg, other parts of Stockholm, Solna, Lund, other parts of Gothenburg, Uppsala, Linköping, inner-city Malmö, other parts of Malmö, Kista, Huddinge, Umeå, Norrköping, Karlstad, Borås, Luleå, Kristianstad, Skövde, Örebro, Grythyttan, Ultuna, Gävle, Alnarp and other smaller locations.

The division into different cities, towns and locations reflects the demand on the market and the attractiveness of the properties. Inner-city locations in Stockholm and Gothenburg are in greatest demand and most attractive whilst demand is lowest in smaller, rural locations.

The city, town and location classifications have been based on the general division of the property market. Larger and important cities and towns have been assigned a higher degree of attractiveness from, for example, a demographic, employment and economic point of view. This is also the case from the point of view of higher education and research, where Sweden's three largest cities, Stockholm, Gothenburg and Malmö, but also the classic university towns of Lund and Uppsala and to a certain extent Linköping and Umeå, are regarded as being more attractive and are considered to be more stable and secure education and research locations in the long term.

#### Special adaptation and category of premises

In the valuation, a division has been made into installation-intensive premises and non-installation-intensive premises. The proportion of installation-intensive premises within Akademiska Hus is approximately 35 per cent. For these premises, there is a relatively higher risk in the rent flow in the long term as they represent a significant element of specially adapted premises. To counter this risk, installation-intensive premises have been assigned a generally higher yield target.

#### Lease term

From a valuation point of view, a division has been made into the average remaining lease term: six years or less, between six and 10 years and more than 10 years. For valuation properties with an average remaining lease term exceeding six years, the relative risk is lower as the cash flow valuation is based predominantly on hedged flows.

### Other assumptions

The following assumptions form the basis for the internal market valuation:

- Inflation is estimated at 0 per cent (0) for the first year of the calculation period based on the views of different forecasters, such as the National Institute of Economic Research, the Swedish Central Bank and other banks. During the remainder of the calculation period, inflation is estimated to be 2.0 per cent (2.0) per annum, which is equivalent to the long-term inflation target set by the Swedish Central Bank.
- The rent trend is estimated at a maximum of inflation (CPI). Consideration has been given to the formulation of the lease agreements, which have an annual rent trend equal to an average of 70 per cent of the CPI. The rent is adapted to the assessed market rent at the end of the lease term.
- For current lease agreements, the initial, actual level of vacant space has been used. At the end of the current lease agreement, a general level of vacant space of 5 per cent (5) has been assumed.
- Operating costs are assessed according to historic outcome and forecast and normally follow inflation (CPI).
- Property administration costs have been set at a standard of SEK 45/m<sup>2</sup> (75).
- Maintenance costs have been set at a standard of SEK 100/m<sup>2</sup> (70) for non-installation-intensive premises and SEK 140/m<sup>2</sup> (110) for installation-intensive premises.

### Sensitivity analysis

The sensitivity analysis shows how the fair value is affected in conjunction with changes in different variables. The impact on profit of a change in fair value, however, would not affect the cash flow as it is unrealised.

Change	Impact on fair value, SEK m	Impact on fair value, percentage points
Rental revenue, +/- one percentage point	356	0.7
Vacant space, +/- one percentage point	370	0.3
Operating costs, +/- one percentage point	80	0.2
of which media provision	41	0.1
Maintenance costs, +/- SEK 10/m <sup>2</sup>	468	0.9
Property administration, +/- SEK 10/m <sup>2</sup>	468	0.9
Cost of capital, + one percentage point	-3,623	-6.8
Cost of capital, - one percentage point	3,975	7.5
Yield target, + one percentage point	-4,295	-8.1
Yield target, - one percentage point	6,094	11.5

A change in the maintenance cost that affects the profit and return on equity has been calculated based on actual maintenance costs. The impact on fair value has been calculated based on a standard maintenance cost and standard property administration cost in the valuation model.

### Other

There are no limits with regard to the right to sell the properties or use the rental revenue.

All investment property are leased under operational lease agreements and generate rental revenue. The rental revenue during the period amounted to KSEK 5,494,934 (5,359,277) and the direct costs for the properties during the period totalled KSEK -1,964,056 (-2,082,564).

## 16 INVESTMENT PROPERTY (PARENT COMPANY)

The carrying amount of investment property changed as follows during the year:

	Parent Company	
	31-12-2014	31-12-2013
Cost, opening balance	47,120,487	44,783,794
Investment in new construction and redevelopment	2,853,857	2,750,068
Acquisitions	99,500	4,000
Sales and disposals	-2,048,852	-417,375
<b>CLOSING BALANCE, COST</b>	<b>48,024,992</b>	<b>47,120,487</b>
Opening impairments	—	—
Remeasurements for the year	1,282,051	—
Depreciation for the year on remeasurements	-32,051	—
<b>CLOSING ACCUMULATED REMEASUREMENTS</b>	<b>1,250,000</b>	<b>—</b>
Opening depreciation	-15,754,922	-14,683,240
Reclassifications	-37,472	-3,852
Sales and disposals	731,292	159,180
Depreciation for the year	-1,247,403	-1,227,010
<b>CLOSING ACCUMULATED DEPRECIATION ACCORDING TO PLAN</b>	<b>-16,308,505</b>	<b>-15,754,922</b>
Opening impairments	-630,598	-648,058
Reclassifications	37,472	3,852
Sales and disposals	121,793	54,363
Reversed impairments	135,603	—
Impairments for the year	-25,499	-40,755
<b>CLOSING ACCUMULATED IMPAIRMENTS</b>	<b>-361,229</b>	<b>-630,598</b>
<b>CARRYING AMOUNT</b>	<b>32,605,258</b>	<b>30,734,967</b>

## 17 EQUIPMENT, FIXTURES AND FITTINGS

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Cost, opening balance	93,126	108,434	93,126	108,434
Purchases	2,784	4,449	2,784	4,449
Sales and disposals	-19,666	-19,757	-19,666	-19,757
<b>CLOSING BALANCE, COST</b>	<b>76,244</b>	<b>93,126</b>	<b>76,244</b>	<b>93,126</b>
Opening depreciation	-74,971	-85,345	-74,971	-85,345
Sales and disposals	19,612	19,636	19,612	19,636
Depreciation for the year	-7,169	-9,262	-7,169	-9,262
<b>CLOSING ACCUMULATED DEPRECIATION</b>	<b>-62,528</b>	<b>-74,971</b>	<b>-62,528</b>	<b>-74,971</b>
<b>CARRYING AMOUNT</b>	<b>13,716</b>	<b>18,155</b>	<b>13,716</b>	<b>18,155</b>

## 18 SHARES IN GROUP COMPANIES

	Parent Company	
	31-12-2014	31-12-2013
Cost, opening balance	650	650
Acquisition of subsidiaries	300	50
Sale of subsidiaries	-250	-50
<b>CARRYING AMOUNT AT THE YEAR-END</b>	<b>700</b>	<b>650</b>

## 18 CONTINUED

Specification of the Parent Company's shareholdings in Group companies:

Subsidiaries	Company reg. no.	Registered office	Total number of shares	Share of equity in % <sup>1)</sup>	Parent Company	
					31-12-2014 Carrying amount	31-12-2013 Carrying amount
Akademiska Hus Utveckling och Support AB	556610-2975	Gothenburg	500 (500)	100 (100)	500	500
Kunskapsmiljön 3 AB	556925-7818	Umeå	0 (500)	0 (100)	—	50
Kunskapsmiljön 6 AB	556966-0045	Gothenburg	500 (0)	100 (0)	50	—
Kunskapsmiljön 7 AB	556966-0037	Gothenburg	500 (0)	100 (0)	50	—
Akademiska Hus Holding AB	556981-6803	Gothenburg	100 (0)	100 (0)	100	—
Datja Fastighets AB	556745-5703	Stockholm	0 (1,000)	0 (100)	—	100
<b>TOTAL</b>					<b>700</b>	<b>650</b>

<sup>1)</sup> Corresponds to the number of votes.

## 19 DERIVATIVES (GROUP)

Derivatives are used to handle interest risk exposure and to eliminate currency risks in conjunction with financing in a foreign currency and for electricity price risk management. The fair value of interest and cross currency interest rate swap agreements includes the underlying capital

amounts and accrued interest. The Group's risk management is presented in Note 33 Financial risk management.

Carrying amounts, derivatives, are broken down as follows:

		31-12-2014		31-12-2013	
		Assets	Liabilities	Assets	Liabilities
<b>NON-CURRENT</b>	Independent derivatives				
	- interest rate derivatives	289,393	722,217	174,611	301,050
	- cross currency interest rate swap agreements	—	—	429,918	—
	Hedging instruments, fair value hedging				
	- interest rate derivatives	153,679	—	175,882	—
	- cross currency interest rate swap agreements	1,031,134	—	512,197	—
	Hedging instruments, cash flow hedging				
	- currency derivatives	3,491	—	—	2,853
	- electricity derivatives	—	13,339	—	19,291
<b>TOTAL, NON-CURRENT</b>		<b>1,477,697</b>	<b>735,556</b>	<b>1,292,608</b>	<b>323,194</b>
<b>CURRENT</b>	Independent derivatives				
	- interest rate derivatives	30,687	84,787	858	13,638
	- currency derivatives	502,708	—	—	—
	Hedging instruments, fair value hedging				
	- cross currency interest rate swap agreements	19,844	—	325,235	—
	Hedging instruments, cash flow hedging				
	- currency derivatives	253,548	14	4,721	779
	- electricity derivatives	—	24,121	—	35,830
<b>TOTAL, CURRENT</b>		<b>806,787</b>	<b>108,922</b>	<b>330,814</b>	<b>50,247</b>
<b>TOTAL, DERIVATIVES</b>		<b>2,284,484</b>	<b>844,478</b>	<b>1,623,422</b>	<b>373,441</b>

Fair value is equivalent to the carrying amount in the table above. Derivatives and swap agreements are on level 2 in the fair value hierarchy, see Note 32.

The maturity structure of the Group's derivatives is as follows, SEK m:

	31-12-2014						31-12-2013					
	Independent derivatives <sup>1)</sup>		Fair value hedging <sup>2)</sup>		Cash flow hedging <sup>3)</sup>		Independent derivatives <sup>1)</sup>		Fair value hedging <sup>2)</sup>		Cash flow hedging <sup>3)</sup>	
	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value
2014	—	—	—	—	—	—	4,284	-16	-1,818	325	-281	-37
2015	2,955	727	-1,000	130	-135	-8	-454	393	-1,000	170	-175	-18
2016	-100	-37	-1,176	139	-77	-4	-3,350	-18	-1,091	55	-78	-4
2017	100	-29	—	—	-28	-1	100	-21	—	—	—	—
2018	150	-69	-2,611	510	—	—	150	-16	-2,432	299	—	—
2019	1,000	-136	—	—	—	—	1,174	-73	—	—	—	—
2020	1,385	107	—	—	—	—	—	-22	—	—	—	—
2021	850	-34	-1,568	385	—	—	850	9	-1,453	159	—	—
2022 and later	1,420	-223	—	—	—	—	900	53	—	—	—	—
<b>TOTAL</b>	<b>7,760</b>	<b>306</b>	<b>-6,355</b>	<b>1,164</b>	<b>-240</b>	<b>-13</b>	<b>3,654</b>	<b>289</b>	<b>-7,794</b>	<b>1,008</b>	<b>-534</b>	<b>-59</b>

<sup>1)</sup> Nominal amount, independent derivatives. A positive amount constitutes an extension of the portfolio's fixed interest.<sup>2)</sup> Nominal amount, fair value hedging. A negative amount constitutes a purchase of foreign currency.<sup>3)</sup> Nominal amount, cash flow hedging. A negative amount constitutes a purchase of foreign currency and/or a purchase of electricity derivatives.

The table below shows the due date structure for electricity and currency derivatives, SEK m, which constitute hedging instruments in cash flow hedging.

	31-12-2014				31-12-2013			
	Currency derivatives <sup>1)</sup>		Electricity derivatives <sup>2)</sup>		Currency derivatives <sup>1)</sup>		Electricity derivatives <sup>2)</sup>	
	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value
2015	-123	-5	-12	-3	-86	-2	-89	-16
2016	-70	-3	-7	-1	-37	-1	-41	-3
2017	-25	-1	-3	—	—	—	—	—
<b>TOTAL</b>	<b>-218</b>	<b>-9</b>	<b>-22</b>	<b>-4</b>	<b>-123</b>	<b>-3</b>	<b>-130</b>	<b>-19</b>

<sup>1)</sup> Nominal amount, currency derivatives. A negative amount constitutes a purchase of foreign currency.

<sup>2)</sup> Nominal amount, electricity derivatives. A negative amount constitutes a purchase of electricity derivatives.

The following table shows the due date structure for forecast electricity use together with electricity derivatives and currency derivatives entered into with the aim of hedging the electricity price. All outstanding currency hedgings are in EUR/SEK.

	Forecast use, MWh	Hedging level, price, %	Hedging level, currency, %
2015	440,000	70	66
2016	440,000	46	42
2017	440,000	24	21

## 20 OTHER NON-CURRENT RECEIVABLES

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Interest-bearing promissory note	192,911	188,892	192,911	188,892
Other non-interest-bearing receivables	278,247	197,635	278,247	197,635
<b>TOTAL</b>	<b>471,158</b>	<b>386,527</b>	<b>471,158</b>	<b>386,527</b>

Other non-current receivables are reported and valued according to the loan receivables and accounts receivable category. Fair value is equivalent to the carrying amount of other non-current receivables. Promissory notes and other non-current receivables are on level 2 in the fair value hierarchy.

Of the Group's non-current receivables, KSEK 439,320 is expected to be realised within five years of the year-end and KSEK 31,822 later than five years.

The interest-bearing promissory note changed as follows:

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Opening balance	188,892	274,952	188,892	274,952
Provisions for the year	4,019	-86,060	4,019	-86,060
<b>CLOSING BALANCE</b>	<b>192,911</b>	<b>188,892</b>	<b>192,911</b>	<b>188,892</b>

Other non-interest-bearing receivables changed as follows:

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Opening balance	197,635	158,276	197,635	158,276
Reversed provisions	80,612	39,359	80,612	39,359
<b>CLOSING BALANCE</b>	<b>278,247</b>	<b>197,635</b>	<b>278,247</b>	<b>197,635</b>

## 21 RENT RECEIVABLES AND ACCOUNTS RECEIVABLE

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Rent receivables and accounts receivable	230,389	242,465	230,389	242,465
Provision, doubtful rent receivables and accounts receivable	-128	-239	-128	-239
<b>TOTAL</b>	<b>230,261</b>	<b>242,226</b>	<b>230,261</b>	<b>242,226</b>

Rent receivables and accounts receivable are reported and valued according to the loan receivables and accounts receivable category. The fair value of rent receivables and accounts receivable concurs with the carrying amount as of the year-end and there is no impairment requirement. The Group's rent receivables and accounts receivable are on level 2 in the fair value hierarchy.

Of the rent receivables and accounts receivable that had fallen due as at December 31, 2014, KSEK 16,909 had fallen due by 1–5 days, KSEK 3,563 had fallen due by 5–30 days, KSEK 593 had fallen due by 30–60 days and KSEK 1,785 had fallen due by more than 60 days. Receivables falling due do not include impaired receivables.

The provision for doubtful rent receivables and accounts receivable changed as follows:

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Opening balance	-239	-55	-239	-55
Provisions for the year	-258	-184	-258	-184
Reversed provisions	108	—	108	—
Established credit losses	261	—	261	—
<b>CLOSING BALANCE</b>	<b>-128</b>	<b>-239</b>	<b>-128</b>	<b>-239</b>

**22 OTHER RECEIVABLES**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
VAT receivable	157,878	236,588	157,877	236,588
Settlement, taxes and charges	281,341	278,705	281,341	278,705
Other current receivables	121,403	183,417	121,403	188,266
<b>TOTAL</b>	<b>560,622</b>	<b>698,710</b>	<b>560,621</b>	<b>703,559</b>

Other current receivables are reported at cost.

**23 PREPAID EXPENSES AND ACCRUED INCOME**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Accrued rent	57,778	76,386	57,778	76,386
Prepaid rent	272	14,681	272	14,681
Accrued interest income	2,240	3,075	2,240	3,075
Prepaid interest expense	115	290	115	290
Prepaid energy costs	—	901	—	901
Other	29,896	31,560	29,896	31,560
<b>TOTAL</b>	<b>90,301</b>	<b>126,893</b>	<b>90,301</b>	<b>126,893</b>

**24 DUE DATE STRUCTURE, RECEIVABLES**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Due date structure				
Receivables expected to be cleared within one year of the year-end	1,762,085	1,398,643	1,762,147	1,403,492
Receivables expected to be cleared within 1-5 years of the year-end	1,340,242	1,383,116	1,340,242	1,383,116
Receivables expected to be cleared later than five years after the year-end	608,613	296,019	608,613	296,019
<b>TOTAL</b>	<b>3,710,940</b>	<b>3,077,778</b>	<b>3,711,002</b>	<b>3,082,627</b>

**25 CASH AND CASH EQUIVALENTS**

Current investments comprise temporary surplus liquidity, invested in the short term, totalling KSEK 2,559,438 (2,399,935) and collateral granted attributable to Credit Support Annex (CSA) agreements totalling KSEK 227,262 (180,000). Blocked bank funds in respect of pledged assets for stock market-cleared derivatives are included to the amount of KSEK 122,527 (132,865) in the reported amount for cash and bank balances for the Group and the Parent Company. This is a buffer to cover expected daily collateral requirements.

Cash and cash equivalents according to the Statement of Cash Flows concur with cash and cash equivalents in the Statement of Financial Position.

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Current investments	2,786,700	2,400,115	2,786,700	2,400,115
Cash and bank balances	1,771,393	288,885	1,771,182	288,836
<b>TOTAL</b>	<b>4,558,093</b>	<b>2,689,000</b>	<b>4,557,882</b>	<b>2,688,951</b>

Cash and cash equivalents are reported and valued according to the category 'assets valued at fair value in profit or loss'. Fair value is equivalent to the carrying amount of cash and bank holdings and current investments. Cash and bank holdings are on level 1 and current investments are on level 2 in the fair value hierarchy.

**26 HEDGE RESERVE/FAIR VALUE RESERVE**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
<b>OPENING BALANCE</b>	<b>-44,653</b>	<b>-34,011</b>	<b>-44,653</b>	<b>-34,011</b>
Change in value, derivatives (cash flow hedging)				
- currency derivatives	13,731	21,122	13,731	21,122
- electricity derivatives	55,826	-14,213	55,826	-14,213
Transferred to operating profit	-36,486	-20,552	-36,486	-20,552
Tax effect	-7,276	3,001	-7,276	3,001
<b>CLOSING BALANCE</b>	<b>-18,858</b>	<b>-44,653</b>	<b>-18,858</b>	<b>-44,653</b>

The tax effect, KSEK 7,276 (3,001) refers to the change for the year. The closing deferred tax receivable/payable is reported in Note 13 Taxes.

**27 LOANS**

The Group's financing takes place mainly through the public financing programmes. Through their standardised terms and conditions, these permit rational, cost-effective financing. The Group has international ECP and EMTN programmes, as well as a domestic commercial paper programme. The MTN programme has not been updated since 2009. Bank financing is used to a limited extent. The average capital for bank financing during 2014 was SEK 218 million (117).

Loans in the Group are on level 2 in the fair value hierarchy. Fair value for the financial liabilities on level 2 has been set in accordance with generally accepted valuation techniques, with discounting of future cash flows, where the discount rate of interest that reflects the counterparty's credit risk is the most essential input data.

The Group's risk management is presented in Note 33 Financial risk management.

**FINANCING COST**

Net interest income and expense amounted to SEK -939 million (-390) and the average net liability portfolio was SEK 19,074 million (19,274). The financing cost amounted to 5.04 per cent (2.62), calculated as interest expense in relation to average interest-bearing net loan liability, excluding cash and bank holdings.

Financing cost, %	2014	2013	2012	2011	2010
Financing costs for loans, incl. charges, %	2.01	2.24	2.75	2.78	1.21
Interest swaps, net interest, %	0.42	0.39	0.40	0.44	0.96
<b>Financing cost, %</b>	<b>2.43</b>	<b>2.63</b>	<b>3.15</b>	<b>3.22</b>	<b>2.17</b>
Changes in value, financial derivatives, %	2.61	-0.01	1.06	-0.23	0.33
<b>TOTAL FINANCING COST</b>	<b>5.04</b>	<b>2.62</b>	<b>4.21</b>	<b>2.99</b>	<b>1.84</b>

Borrowing can be broken down as follows, SEK m:

	Group				Parent Company			
	31-12-2014		31-12-2013		31-12-2014		31-12-2013	
	Carrying amount	Fair value						
<b>NON-CURRENT LOANS</b>								
<b>Category, other financial liabilities</b>								
Bonds & MTN	1,120	1,224	1,319	1,375	1,120	1,224	1,319	1,375
EMTN	5,761	6,717	9,211	9,287	5,761	6,717	9,211	9,287
Other loans	387	459	402	427	387	459	402	427
<b>TOTAL</b>	<b>7,268</b>	<b>8,400</b>	<b>10,932</b>	<b>11,089</b>	<b>7,268</b>	<b>8,400</b>	<b>10,932</b>	<b>11,089</b>
<b>Category, financial liabilities valued at fair value in profit or loss according to the fair value hedging method</b>								
Bonds & MTN	—	—	1,309	1,291	—	—	1,309	1,291
EMTN	5,086	5,089	4,619	4,621	5,086	5,089	4,619	4,621
Other loans	678	678	643	643	678	678	643	643
<b>TOTAL</b>	<b>5,764</b>	<b>5,767</b>	<b>6,571</b>	<b>6,555</b>	<b>5,764</b>	<b>5,767</b>	<b>6,571</b>	<b>6,555</b>
<b>TOTAL NON-CURRENT LOANS</b>	<b>13,032</b>	<b>14,167</b>	<b>17,503</b>	<b>17,644</b>	<b>13,032</b>	<b>14,167</b>	<b>17,503</b>	<b>17,644</b>
<b>CURRENT LOANS</b>								
<b>Category, other financial liabilities</b>								
ECP	5,099	5,089	2,835	2,824	5,099	5,089	2,835	2,824
Bonds & MTN	141	141	—	—	141	141	—	—
EMTN	3,567	3,604	—	—	3,567	3,604	—	—
Other loans	14	14	14	12	14	14	14	12
<b>TOTAL</b>	<b>8,821</b>	<b>8,848</b>	<b>2,849</b>	<b>2,836</b>	<b>8,821</b>	<b>8,848</b>	<b>2,849</b>	<b>2,836</b>
<b>Category, financial liabilities valued at fair value in profit or loss according to the fair value hedging method</b>								
Bonds & MTN	1,271	1,255	—	—	1,271	1,255	—	—
Other loans	—	—	1,823	1,820	—	—	1,823	1,820
<b>TOTAL</b>	<b>1,271</b>	<b>1,255</b>	<b>1,823</b>	<b>1,820</b>	<b>1,271</b>	<b>1,255</b>	<b>1,823</b>	<b>1,820</b>
<b>TOTAL CURRENT LOANS</b>	<b>10,092</b>	<b>10,103</b>	<b>4,672</b>	<b>4,656</b>	<b>10,092</b>	<b>10,103</b>	<b>4,672</b>	<b>4,656</b>
<b>TOTAL LOANS</b>	<b>23,124</b>	<b>24,270</b>	<b>22,175</b>	<b>22,300</b>	<b>23,124</b>	<b>24,270</b>	<b>22,175</b>	<b>22,300</b>

The above table shows nominal amounts excluding accrued coupon interest.

#### DUE DATE STRUCTURE, LOANS, SEK M

	Fixed interest			Variable interest				
	Loans	Derivatives	Total	Loans	ECP and commercial paper	Derivatives	Total	Total
2015	4,209	-1,565	2,644	500	5,103	992	6,595	9,239
2016	2,026	-776	1,250	500	—	668	1,168	2,418
2017	500	400	900	500	—	-400	100	1,000
2018	2,911	-1,611	1,300	—	—	1,308	1,308	2,608
2019	120	1,000	1,120	—	—	-1,000	-1,000	120
2020	650	—	650	—	—	—	—	650
2021	1,568	-718	850	200	—	529	729	1,579
2022 and later	3,576	900	4,476	131	—	-900	-769	3,707
<b>TOTAL</b>	<b>15,560</b>	<b>-2,370</b>	<b>13,190</b>	<b>1,831</b>	<b>5,103</b>	<b>1,197</b>	<b>8,131</b>	<b>21,321</b>

The above table shows financing (nominal amount) together with outstanding interest and currency derivatives. Loans and derivatives in foreign currency have been translated at the year-end exchange rate. As all loans raised in a foreign currency are swapped to Swedish kronor, the exchange rate effect is eliminated. A positive figure means that the Group pays interest and a negative figure means that the Group receives interest.

#### MATERIAL CONTRACTUAL TERMS AND CONDITIONS

The general terms and conditions for the EMTN and MTN programmes include a clause which states that if the Swedish State ceases, directly or indirectly, to hold more than 50 per cent of the shares, equivalent to more than 50 per cent of the shareholding and more than 50 per cent of the votes, the loans and any interest shall fall due for repayment immediately. The contractual terms and conditions for the short-term financing

programmes do not include any equivalent undertaking. Ever since the programmes were established, the Group's policy has been not to accept any terms and conditions that require, for example, that a certain rating, equity ratio or interest coverage ratio be maintained.

#### HEDGE ACCOUNTING

When financing in a foreign currency, all future payment flows are hedged so that the exchange risk is eliminated. Through cross currency interest rate swap agreements, all interest payments, both fixed and variable, are hedged as well as future repayments. All the measures taken have the express purpose of hedging and eliminating an exchange rate risk so that all financing is denominated in Swedish kronor. Effective hedging means that changes in the value of the hedged position and the actual hedging transaction on balance counteract each other.

**28 PROVISIONS FOR PENSIONS**

The Group's pension commitments include both defined contribution and defined benefit pension plans according to collective agreements.

**DEFINED CONTRIBUTION PENSION PLANS**

The Group's defined contribution pension plans, ITP 1 and Alternative ITP (a pension for high-income earners) cover all Group employees. The defined contribution pension plans mainly comprise a retirement pension, sickness pension and family pension. The premiums are paid continuously throughout the year to different insurance companies. The premiums are based on salary.

The total cost for the financial year for defined contribution pension plans excluding payroll tax (Group and Parent Company) amounted to KSEK 20,674 (20,005).

**DEFINED BENEFIT PENSION PLANS**

All Group employees are covered by the Group's defined benefit pension plan, ITP 2. According to this plan, the employees are entitled to pension benefits based on their pensionable income as well as the number of years of service. The pension plan mainly comprises a retirement pension, sickness pension and family pension. The pension commitments are secured through provisions in the FPG/PRI system as well as the ITP plan family pension, sickness pension and occupational group life through insurance premiums. All pension commitments which the Akademiska Hus Group took over from the National Board of Public Building when the Company was formed on October 1, 1993 are defined benefit plans, secured through provisions in the Statement of Financial Position, guaranteed by the National Debt Office and administered by the National Government Employees' Pension Board (SPV). All defined benefit pension commitments are credit-insured by PRI Pensionsgaranti.

The most recent actuarial calculation of the current value of the defined benefit commitment was carried out by an authorised actuary on December 31, 2014. When calculating the current value of the defined benefit commitment and associated costs for employment during the current period and associated costs for employment during previous periods, the Projected Unit Credit Method was used.

The ITP 2 plan exposes the Group to a number of actuarial risks, such as an interest risk, risk regarding life expectancy and the increase in the income base amount.

**Interest risk** – A reduction in the bond rate of interest will increase the pension liability. Possible future falls in the interest rate on first-class corporate bonds in SEK could thus entail a risk that the Group's pension expense and undertakings could increase.

**Life expectancy risk** – The current value of the defined benefit obligation is calculated with consideration given to the Group's best assessment regarding mortality for members of the plan, both during and after employment. There is a risk that life expectancy will increase for the members of the plan, which would in that case increase both the pension costs and the Group's commitment.

**Salary risk** – The current value of the defined benefit commitment is calculated in the light of future salaries for members of the plan. Major salary increases compared with what was included in the actuarial calculations entail a risk that the Group's liability could increase, as could the Group's pension expense.

**Income base amount** – The current value of the defined benefit obligations is calculated in the light of future increases in the income base amount. A larger increase than assumed in the actuarial calculations means a risk that the Group's liability could increase, as could the Group's pension expense.

The actuarial computation of the pension commitments and pension costs is based on the following assumptions:

Assumptions	2014	2013
Discount rate, %	2.40	3.70
Salary increase, %	2.80	3.00
Inflation, %	1.30	1.50
Income base amount, %	2.30	2.50
Personnel turnover, %	2.00	2.00
Mortality	DUS06	DUS06

Assumptions regarding life expectancy are based on public statistics and experience of mortality calculations in Sweden and have been adopted in consultation with actuarial experts. These assumptions result in the following average remaining life expectancy for a person who retires at the age of 65:

Estimated average remaining life expectancy, years	31-12-2014	31-12-2013
Retirement at the year-end		
Men	20.9	20.9
Women	23.5	23.5
Retirement 20 years after the year-end		
Men	22.6	22.6
Women	24.5	24.5

The following amounts regarding the defined benefit pension cost are reported in the Income Statement:

Amount reported in the Income Statement	2014	2013
Benefits earned during the year	19,756	26,343
Interest on pension provision	12,133	8,784
<b>PARTS OF THE DEFINED BENEFIT PENSION COST REPORTED IN THE PROFIT FOR THE YEAR</b>	<b>31,889</b>	<b>35,127</b>

The defined benefit costs have been reported as a personnel cost and interest cost respectively.

The following actuarial gains and losses have been reported under Total comprehensive income:

Total amount reported under other comprehensive income	31-12-2014	31-12-2013
Remeasurement of the net defined benefit liability		
Actuarial gains and losses that arise as a result of changes in financial assumptions	-71,558	90,535
Actuarial gains and losses that arise as a result of changes in experience	8,921	6,706
<b>TOTAL AMOUNT REPORTED UNDER OTHER COMPREHENSIVE INCOME</b>	<b>-62,637</b>	<b>97,241</b>

The change for the period in the defined benefit obligation can be seen in the following table:

Change in the defined benefit obligation for the period	31-12-2014	31-12-2013
Opening balance	327,909	406,877
Service costs during the period	19,756	26,343
Net interest cost	12,133	8,784
Actuarial gains (-)/losses (+)		
Changes in financial assumptions	71,558	-90,535
Experience-based adjustments	-8,921	-6,706
Pension payments	-15,295	-16,854
<b>CLOSING BALANCE</b>	<b>407,140</b>	<b>327,909</b>

The estimated term of the Group's defined benefit pension commitment can be seen in the following table:

Estimated term for the pension commitment	31-12-2014	31-12-2013
Fall due for payment within one year of the year-end	13,101	12,497
Fall due for payment 1-5 years after the year-end	54,534	69,258
Fall due for payment later than five years after the year-end	339,505	246,154
<b>TOTAL</b>	<b>407,140</b>	<b>327,909</b>

**FUTURE PAYMENTS**

The Group is expected to pay KSEK 32,592 (31,889) in charges for the defined benefit plan during the forthcoming financial year.

**PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS IN THE PARENT COMPANY**

The reported pension liability in the Parent Company comprises:

	Parent Company	
	31-12-2014	31-12-2013
FPG/PRI pensions	196,679	183,417
Other pensions	73,529	78,730
<b>TOTAL</b>	<b>270,208</b>	<b>262,147</b>

Other pensions in the Parent Company refer mainly to the historical pension liability that was taken over from the National Board of Public Building when the Akademiska Hus Group was founded.

Pension commitments and provisions for pension commitments for the defined benefit plans in the Parent Company have changed as follows:

Pension commitments	31-12-2014	31-12-2013
Opening balance	262,147	253,337
Pension costs, defined benefit plans	5,050	10,088
Interest expense	15,438	10,567
Payments	-12,427	-11,845
<b>CLOSING BALANCE</b>	<b>270,208</b>	<b>262,147</b>

The total pension cost in the Parent Company is broken down as follows:

	2014	2013
Pension costs, defined benefit plans	5,050	10,088
Interest part of the pension cost	15,438	10,567
<b>PENSION COSTS, DEFINED BENEFIT PLANS</b>	<b>20,488</b>	<b>20,655</b>
Pension costs, defined contribution plans	20,674	20,005
Employer's contribution and tax on the yield, other pension costs	9,691	9,648
<b>TOTAL PENSION COSTS</b>	<b>50,853</b>	<b>50,308</b>

**ACTUARIAL ASSUMPTIONS**

The actuarial calculation of pension commitments and pension costs in the Parent Company is based on the actuarial assumptions laid down in the FPG/PRI system and by the Swedish Financial Supervisory Authority.

**29 OTHER LIABILITIES**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Other interestbearing liabilities	1,743,625	1,042,345	1,743,625	1,042,345
Other non-interest-bearing liabilities	268,029	267,343	268,629	267,229
<b>TOTAL, OTHER LIABILITIES</b>	<b>2,011,654</b>	<b>1,309,688</b>	<b>2,012,254</b>	<b>1,309,574</b>

Other liabilities are reported and valued according to the Other financial liabilities category. The fair value is equivalent to the carrying amount of other liabilities. The Group's other liabilities are on level 2 in the fair value hierarchy.

The Parent Company has entered into a supplementary agreement, a Credit Support Annex (CSA) to the ISDA agreement, with the aim of handling exposure to counter-party risks in derivatives. The agreement means that the parties mutually undertake to furnish collateral in the form of cash and cash equivalents or securities with a good rating for undervalues in outstanding derivatives. The agreement in turn gives the secured party right of disposal of collateral received. As of the year-end, the Group received collateral through the CSA agreements totalling KSEK 1,743,625 (1,042,345).

Of the Group's other liabilities, KSEK 1,999,301 falls due for payment within one year of the year-end, KSEK 3,106 within one to five years of the year-end, and KSEK 9,247 later than five years after the year-end.

**30 ACCRUED EXPENSES AND PREPAID INCOME**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Prepaid rental revenue	1,387,209	1,395,725	1,387,209	1,395,725
Accrued salary and personnel costs	31,245	29,841	31,245	29,841
Accrued operating and maintenance costs	91,923	124,594	91,923	85,540
Accrued investments	52,458	182,699	52,458	182,699
Accrued interest	227,839	185,778	227,839	262,889
Other interim liabilities	13,952	77,029	13,952	38,050
<b>TOTAL</b>	<b>1,804,626</b>	<b>1,995,666</b>	<b>1,804,626</b>	<b>1,994,744</b>

**31 DUE DATE STRUCTURE, LIABILITIES**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
<b>DUE DATE STRUCTURE</b>				
Liabilities due for payment within one year of the year-end	14,348,082	8,555,584	14,350,888	8,556,544
Liabilities due for payment within 1-5 years of the year-end	7,618,570	11,678,233	7,618,570	11,678,233
Liabilities due for payment later than five years after the year-end	14,321,217	13,494,022	7,059,116	6,783,143
<b>TOTAL</b>	<b>36,287,869</b>	<b>33,727,839</b>	<b>29,028,574</b>	<b>27,017,920</b>

**32 FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE**

The table below shows the financial assets and liabilities that are valued at fair value. They are classified in a hierarchy, comprising three levels and based on the information used to set their fair value.

Level 1 refers to when fair value is set based on listed prices on active markets for identical assets and liabilities. Level 2 refers to when fair value is set based on observable data other than listed prices on active markets. Level 3 refers to when the set fair value is essentially based on data that is not observable, i.e. the Company's own assumptions.

The fair value of financial assets and liabilities is set by using information that is attributable to one or more of the above-mentioned levels. The classification is determined by the lowest level in the hierarchy for the information that has a material impact on the value.

The Group mainly holds derivatives that are on level 2. The valuation of the instruments is done according to the zero coupon method, which means that all the future cash flows of the instrument are set at the current value. The zero coupon interest rates used to discount the cash flows are calculated with the aid of STIBOR/LIBOR for short-term interest rates and swap notations for longer terms. The source of this information is real-time data from Thomson/Reuters.

	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
<b>INVESTMENTS</b>				
- current investment	—	2,786,700	—	2,786,700
<b>INDEPENDENT DERIVATIVES</b>				
- interest rate derivatives	—	320,080	—	320,080
- cross currency interest rate swap agreements	—	502,708	—	502,708
<b>HEDGING INSTRUMENTS, FAIR VALUE HEDGING</b>				
- interest rate derivatives	—	153,679	—	153,679
- cross currency interest rate swap agreements	—	1,050,978	—	1,050,978
<b>HEDGING INSTRUMENTS, CASH FLOW HEDGING</b>				
- currency derivatives	—	257,039	—	257,039
<b>TOTAL ASSETS</b>	<b>—</b>	<b>5,071,184</b>	<b>—</b>	<b>5,071,184</b>
<b>LIABILITIES</b>				
<b>INDEPENDENT DERIVATIVES</b>				
- interest rate derivatives	—	807,004	—	807,004
- currency derivatives	—	14	—	14
- electricity derivatives	37,460	—	—	37,460
<b>TOTAL LIABILITIES</b>	<b>37,460</b>	<b>807,018</b>	<b>—</b>	<b>844,478</b>

**33 FINANCIAL RISK MANAGEMENT (GROUP)**

Akademiska Hus carries on active liability management where the strategy is to weigh up the financial risks against the desired low financing cost over time. The two key policy documents adopted by the Board are:

- Finance Policy: Describes the long-term strategic orientation, the Group's approach to financial risks and the mandate to handle these risks, as well as the allocation of liability.
- Plan for handling financial risks (Risk Plan): Justifies annual mandates for financial risk management in the light of the risk scenario and existing exposure. Also includes analysis of developments in financial markets, including both opportunities and challenges from the point of view of liability management.

The Parent Company's Treasury Department handles the Group's financial management. This arrangement fosters effective and co-ordinated financial risk management that also allows utilisation of the opportunities offered in the financial markets.

**INTEREST RISK**

The term 'interest risk' refers to the risk that the Group's net interest income and expense may vary due to a change in market interest rates. Exposure to interest rate risk is high due to the high net liability portfolio, where one of the largest expenses is net interest income and expense. A balance must be reached between saving and uncertainty on the one hand and higher costs (risk premium) and predictability on the other. The average fixed interest period is a measure of the sensitivity in net interest income and expense in conjunction with a change in the market interest rates; the longer the fixed interest period, the longer it takes for an interest rate change to be reflected in current cash flow. Since it is not possible to achieve a desired fixed interest on individual financing occasions, the Group uses interest derivatives as a means of adjusting and securing the desired fixed interest period.

According to the Finance Policy, there should be a mandate to manage interest rate risk in the two main sub-portfolios as follows:

- The basic portfolio of SEK 14,800 million is managed within an average fixed interest period mandate. The current mandate is a fixed interest period of 2 to 5 years (2 to 5 years). The fixed interest period at the year-end was 3.4 years (3.4), including interest derivatives.
- Long-term bond portfolio with fixed interest and maturity terms in excess of 15 years. These bonds represent a significant interest risk exposure, which justifies a separate mandate. The portfolio is therefore permitted to amount to a maximum of 20 per cent (30) of the total portfolio. At the turn of the year, long-term bonds totalling SEK 3,155 million (3,155) were issued, equivalent to 14.8 per cent (15.1) of the total portfolio.

**DUE DATE STRUCTURE FOR FIXED INTEREST PERIODS AND LIABILITY MATURITY, SEK M**

Year	Fixed interest, SEK m	Maturity, SEK m
2015	6,579	7,984
2016	2,418	1,714
2017	1,000	900
2018	2,608	1,300
2019	120	1,120
2020	650	650
2021	1,579	850
2022 and later	3,769	4,205
<b>TOTAL</b>	<b>18,723</b>	<b>18,723</b>

The table above shows the nominal amounts. The nominal amounts have been recalculated at the year-end rate. As all loans raised in a foreign currency are swapped to Swedish kronor, the exchange rate effect is neutralised. A positive figure means that the Group pays interest and a negative figure means that the Group receives interest.

## CURRENCY RISK

A currency risk is the risk that exchange rate changes will have an impact on the Income Statements and Consolidated Balance Sheets. The policy is that all currency exposure risk in conjunction with financing in foreign currency should be eliminated as the operation is denominated exclusively in Swedish kronor. All payment flows in foreign currency attributable to financing are exchange-hedged with the aid of forward rate agreements and cross currency swap agreements.

In accordance with the currency mandate in the guidelines for purchasing electricity, currency risk exposure attributable to outstanding electricity futures is currency hedged with the aid of currency futures.

### CURRENCY BREAKDOWN, LOANS AND DERIVATIVES, SEK M

Original currency	Loans	Derivatives	Total
CHF	6,273	-6,273	0
JPY	650	-650	0
SEK	12,298	9,023	21,321
USD	3,273	-3,273	0
<b>TOTAL</b>	<b>22,494</b>	<b>-1,173</b>	<b>21,321</b>

The table above shows the nominal amounts. The nominal amounts have been recalculated at the year-end rate.

## LIQUIDITY AND REFINANCING RISK

Refers to the risk that the Group will be exposed to higher than expected expenses or that financing potential is limited when loans are due to be refinanced. The aim is to limit the costs by seeking to strike a balance between short-term, medium-term and long-term financing, and endeavouring to achieve diversification between different financing arrangements and markets. The Group's extremely high creditworthiness allows a diversified supply of credit through the public financing programmes.

According to the maturity mandate, a maximum of 50 per cent (40) may fall due for refinancing within a 12-month period.

Unutilised credit facilities should be in place to guarantee good payment capacity.

The Group's liquid assets at the end of 2014 totalled SEK 4,558 million (2,689). At the year-end, bank facilities granted totalled SEK 3,100 million (3,500), of which SEK 1,100 million (1,500) was unconfirmed.

### FACILITIES AND RATING

	Rating Standard & Poor's	Framework 31-12-2014	Utilised nominal 31-12-2014
Bank		SEK 3,100 m	0
Commercial paper	A1+/K1	SEK 4,000 m	0
ECP (Euro Commercial Paper)	A1+	EUR 1,000 m	EUR 533 m
MTN (Medium Term Note) <sup>1)</sup>	AA	SEK 8,000 m	SEK 2,261 m
EMTN (Euro Medium Term Note)	AA/A1+	EUR 3,000 m	EUR 1,469 m

<sup>1)</sup> Not updated since 2009.

The table below shows the remaining contractual term for the Group's financial liabilities. The liquidity flows are not discounted and foreign flows have been translated at the rate on the closing date. For those instruments where the future variable rate of interest is unknown, the rate of interest has been calculated with the aid of the implicit forward interest rates for the yield curve on the closing date.

Use is made primarily of rental revenue to meet the obligations linked to the Group's financial liabilities presented in the table below. The rental revenue falls due for payment quarterly and is subject to long agreement terms. The credit risk associated with rental revenue is considered low.

### LIQUIDITY RISK, SEK M

	Loans	Hedged loans	Derivative insurance	Derivatives	Current investments	Total
2015	-4,272	-6,269	-116	948	2,560	-7,149
2016	-1,594	-1,283	-90	177	—	-2,790
2017	-1,210	-89	-76	45	—	-1,330
2018	-497	-2,700	-64	345	—	-2,916
2019	-305	-35	-10	5	—	-345
2020	-831	-35	48	—	—	-818
2021	-356	-1,605	1	217	—	-1,743
2022 and later	-6,029	—	-97	—	—	-6,126
<b>TOTAL</b>	<b>-15,094</b>	<b>-12,016</b>	<b>-404</b>	<b>1,737</b>	<b>2,560</b>	<b>-23,217</b>

Positive value = payments received, negative value = payments made.

## CREDIT RISK AND COUNTER-PARTY RISK

The risk of a loss if a counter-party does not meet its undertakings. The Group is exposed when surplus liquidity is placed in financial assets and in conjunction with changes in the value of derivatives. The risk plan includes a limit system where permitted exposure depends on the counter-party's credit rating or ownership and the term of the involvement. The limits are related to the Group's risk capacity in the form of equity. In addition, investments should be characterised by good liquidity in the secondary market.

The Group's policy is that internationally standardised netting agreements, ISDA agreements, should always be signed with a counter-party before uncleared derivative transactions take place. As at December 31, 2014, the total counter-party exposure in derivatives (calculated as the net claim per counter-party) stood at SEK 1,482 million (1,243). With the aim of further reducing exposure to a counter-party risk, the Group has entered into a number of supplementary agreements, Credit Support Annexes (CSA), to the ISDA agreements. The agreements mean that the parties mutually undertake to make collateral available in the form of cash and cash equivalents or bonds for the undervalues in outstanding derivative contracts. At the year-end, the Group had received SEK 1,516 million (1,042) net.

## 33 CONTINUED

The table below shows financial assets and liabilities (derivatives) that are not offset in the balance sheet, but are covered by master netting agreements or similar agreements:

	Amounts that are not offset, but are covered by master netting agreements or similar agreements 31-12-2014			Amounts that are not offset, but are covered by master netting agreements or similar agreements 31-12-2013		
	Reported financial assets/liabilities, gross	Cash collateral received	Net amount	Reported financial assets/liabilities, gross	Cash collateral received	Net amount
<b>ASSETS</b>						
Derivatives	2,284,484	-1,743,625	540,859	1,623,422	-1,042,345	581,077
<b>TOTAL</b>	<b>2,284,484</b>	<b>-1,743,625</b>	<b>540,859</b>	<b>1,623,422</b>	<b>-1,042,345</b>	<b>581,077</b>
<b>LIABILITIES</b>						
Derivatives	844,478	-227,262	617,216	373,441	-180	373,261
<b>TOTAL</b>	<b>844,478</b>	<b>-227,262</b>	<b>617,216</b>	<b>373,441</b>	<b>-180</b>	<b>373,261</b>

The table below shows the Group's exposure to counter-party risks divided according to different rating categories:

## COUNTER-PARTY RISKS, EXCLUDING RENT RECEIVABLES, SEK M

	Receivable	Liability	Collateral received/ granted	Net exposure
<b>INSTITUTES WITH A LONG RATING</b>				
AAA/Aaa	300	—	—	300
AA+/Aa1	100	—	—	100
AA-/Aa3	5	-38	-33	-66
A+/A1	118	-259	180	39
A/A2	1,519	—	-1,480	39
BBB+	192	-9	-183	0
<b>INSTITUTES WITH ONLY A SHORT RATING</b>				
A-2	100	—	—	100
K-1	450	—	—	450
Companies wholly owned by the Swedish State	1,610	—	—	1,610
<b>TOTAL</b>	<b>4,394</b>	<b>-306</b>	<b>-1,516</b>	<b>2,572</b>

Positive figure = Group receivable, negative figure = Group liability.

## ELECTRICITY PRICE RISK

The risk approach and mandate for handling electricity price risk are regulated in the guidelines for purchasing electricity. The term 'electricity price risk' refers to the risk that the future price of electricity will affect the Group's operating costs negatively. With the aim of reducing exposure to changes in the electricity price, different financial price-hedging instruments are used (electricity derivatives). The Group stipulates a long-term price hedging strategy. Trade in physical electric power (spot) and financial price-hedging instruments takes place through Nord Pool. To limit the counter-party risk, all financial trading is cleared through Nord Pool.

	Nominal amount, SEK m	Maturity, years, average	Fixed interest, years, average	Interest risk, one interest point, SEK m	Interest, %	Change in value of +100 interest points, SEK m as of the year-end <sup>1)</sup>	Net interest income/expense with 100 interest points, SEK m during the remainder of the calendar year <sup>2)</sup>
Fixed interest positions with a fixed interest period longer than one year within the Statement of Financial Position <sup>2)</sup>	5,996	16.13	16.13	8.25	3.82	—	—
Interest derivatives, fixed interest	5,800	0.00	3.90	2.43	2.48	240	—
Interest derivatives, variable interest	-5,800	0.00	0.14	-0.09	0.55	—	50
Variable interest within the Statement of Financial Position <sup>3)</sup>	15,325	1.80	0.23	0.39	0.86	—	-118
<b>TOTAL</b>	<b>21,321</b>	<b>5.83</b>	<b>5.73</b>	<b>10.98</b>	<b>2.02</b>	<b>240</b>	<b>-68</b>

<sup>1)</sup> Refers to +100 interest points in a parallel displacement of the yield curve.

<sup>2)</sup> Fixed interest positions with a fixed interest period in excess of one year within the Statement of Financial Position refer to issues in SEK that are not included in fair value hedges.

<sup>3)</sup> Variable interest within the Statement of Financial Position refers to the total effect of issues in a foreign currency which, via derivatives, have been swapped to variable interest in Swedish kronor and which are reported as hedges and FRN issues.

## CREDIT RISK ATTRIBUTABLE TO RENT RECEIVABLES

A large proportion of the Group's receivables are rent receivables. The maximum credit risk exposure for rent receivables and accounts receivable is equal to their carrying amounts. However, the assessed credit risk in rent receivables is low in the light of the high credit rating of the tenants.

## RISK CONTROL

Ongoing work is being done to improve the level of expertise, routines and internal control. There is strict allocation of responsibility between the Treasury and Risk Control. The unit handles accounting and administration as well as compliance with the mandates. The task of developing and refining analytical support and risk control is ongoing.

## SENSITIVITY ANALYSIS, LIABILITY PORTFOLIO

The interest-bearing liability portfolio is constantly exposed to interest rate changes on the market. The analysis of the liability portfolio interest sensitivity is divided into two parts:

- A change in value of interest derivatives (current values).
- Cash flow effects (net interest income/expense) over a calendar year for items with a short fixed interest period, which are given a new short-term rate of interest for the remainder of the year.

As the fixed interest period is diversified and in accordance with the current risk mandate, a minimum of two years on average, the variations in the interest cost will fluctuate to a lesser extent than if the fixed interest period had been very short, e.g. three months.

The Company has fixed interest periods both within and outside the Balance Sheet in the form of interest derivatives. The aim of these derivatives is to facilitate a change in the liability portfolio's fixed interest period in addition to what is achieved directly in the financing.

The table shows the impact on profit of a rise in interest of one percentage point. The calculations are based on an unchanged liability amount.

**34 ASSET MANAGEMENT (GROUP)**

The Group strives to achieve good growth in profit, financial sustainability and financial capacity. The financial objectives are set to provide a combination of a high return on equity, high growth capacity and financial stability.

According to the owner's financial targets for Akademiska Hus, the dividend should amount to between 40 and 60 per cent of the net profit after tax after reversal of changes in fair value and related deferred tax. When deciding on a dividend, consideration should be given to the Group's capital structure and capital requirements (equity ratio 30 per cent to 40 per cent).

The other financial targets are that the equity ratio should be between 30 and 40 per cent and that the return on operating capital should be at least 6.5 per cent. In 2014, the equity ratio was 48.0 per cent for the Group and 27.0 per cent for the Parent Company. After the proposed dividend, the equity ratio will be 46.8 per cent for the Group and 24.3 per cent for the Parent Company.

Financing operations are described in the Financing section in the Administration Report, Note 27 Loans and Note 33 Financial risk management.

The Group's capital structure comprises an interest-bearing net loan liability and equity attributable to the Parent Company's shareholder (share capital, other contributed capital, retained earnings, including profit for the year).

The Group's capital is as follows:

	31-12-2014	31-12-2013
Loans from financing programmes (Note 27)	23,124,518	22,174,666
Collateral received for derivative transactions entered into (Note 29)	1,743,625	1,042,165
Financial derivatives (Note 19)	-1,440,006	-1,249,981
Cash and cash equivalents (Note 25)	-4,558,093	-2,689,000
<b>INTEREST-BEARING NET LOAN LIABILITY</b>	<b>18,870,044</b>	<b>19,277,850</b>
<b>EQUITY</b>	<b>33,431,528</b>	<b>29,613,929</b>

**35 PLEDGED ASSETS**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Blocked bank funds	122,526	132,865	122,526	132,865
Current investments	227,262	180	227,262	180
<b>TOTAL</b>	<b>349,788</b>	<b>133,045</b>	<b>349,788</b>	<b>133,045</b>

Unsettled results from transactions as well as standardised computed safety margins using stock exchange-cleared derivatives have been secured through blocked bank funds.

Pledged assets increased by SEK 217 million. The increase can be attributed to pledged assets for the Group's liabilities resulting from an increase in the volume of CSA agreements.

**36 CONTINGENT LIABILITIES**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Contingent liability, FPG/PRI	3,934	3,668	3,934	3,668
<b>TOTAL</b>	<b>3,934</b>	<b>3,668</b>	<b>3,934</b>	<b>3,668</b>

**37 INTEREST RECEIVED AND PAID**

	Group		Parent Company	
	2014	2013	2014	2013
Interest received	21,035	71,483	21,035	71,483
Interest paid	-589,329	-602,269	-589,329	-602,269
<b>TOTAL</b>	<b>-568,294</b>	<b>-530,786</b>	<b>-568,294</b>	<b>-530,786</b>

**38 ADJUSTMENTS FOR ITEMS NOT INCLUDED IN THE CASH FLOW**

	Group		Parent Company	
	2014	2013	2014	2013
Depreciation, etc	7,169	9,262	1,176,518	1,277,421
Change in fair value, properties	-3,628,384	-501,242	—	—
Capital gain (-) / loss (+) on sale of tangible, non-current assets	-34,543	132,813	-1,541,025	-46,288
Change in fair value, financial instruments	383,678	-49,469	383,677	-49,469
Cash flow hedge	33,070	-13,645	33,070	-13,645
Change in pension provisions and similar commitments	16,594	22,078	8,061	8,810
Other	—	-38	—	-38
<b>TOTAL</b>	<b>-3,222,416</b>	<b>-400,241</b>	<b>60,301</b>	<b>1,176,791</b>

**39 PURCHASE SUM IN CONJUNCTION WITH INVESTMENTS, ACQUISITIONS AND DISPOSALS**

For investments and acquisitions for the period, a total of KSEK 3,006,443 (2,754,068) has been paid, of which KSEK 3,006,443 was paid in cash and cash equivalents. The Parent Company also invested KSEK 300 (50) in shares in subsidiaries. For disposals for the period, a total of KSEK 2,797,074 (242,737) has been received, of which KSEK 2,797,074 was received in cash and cash equivalents.

**40 CHANGE IN INTEREST-BEARING NET LOAN LIABILITIES**

	Group		Parent Company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Opening amount	19,277,850	18,529,036	19,278,079	18,529,191
Increase (-) / Decrease (+) in interest-bearing receivables	-661,043	-5,146	-661,043	-4,966
Increase (-) / Decrease (+) in current investments	-386,585	296,987	-386,584	296,987
Increase (-) / Decrease (+) in cash and cash equivalents	-1,482,347	260,627	-1,482,347	260,521
Increase (+) / Decrease (-) in interest-bearing liabilities	2,122,169	196,346	2,122,169	196,346
<b>CHANGE IN INTEREST- BEARING NET LOAN LIABILITIES</b>	<b>-407,806</b>	<b>748,814</b>	<b>-407,805</b>	<b>748,888</b>
<b>AMOUNT AT THE YEAR-END</b>	<b>18,870,044</b>	<b>19,277,850</b>	<b>18,870,274</b>	<b>19,278,079</b>

**41 EVENTS AFTER THE YEAR-END****PUBLIC PROCUREMENT ACT**

In late January we were notified that the Administrative Court of Appeal in Sundsvall confirmed that Akademiska Hus is considered as a contracting authority, and thus is covered by the Public Procurement Act (LOU). The ruling concerns a case in which the Swedish Competition Authority has initiated proceedings requesting that Akademiska Hus be ordered to pay a public procurement fine for a general construction project regarding the new Skogishuset on the Umeå Campus. Case law is unclear in this area since the Administrative Court of Appeal in Stockholm recently ruled that state-owned Sveaskog is not a contracting authority, while the Administrative Court of Appeal in Sundsvall now, without any reported reasons, made the opposite assessment of Akademiska Hus. Therefore there is no uniform case law. Akademiska Hus has therefore decided to appeal the ruling of the Administrative Court of Appeal in order to get a final ruling from the Supreme Court.

**CAPITAL STRUCTURE**

The Group's current equity ratio is 48 per cent. The owner's capital structure objectives specify that the Group's equity ratio should be 30–40 per cent. To facilitate the future harmonisation of the capital structure with the owner's equity ratio target, the Board proposes that resolutions be passed at the Annual Shareholder's Meeting to reduce the share capital by SEK 5,000 million for allocation to non-restricted equity. It is also proposed that bonus issues for the same amount are implemented to reinstate the share capital to its original level. The bonus issues will be implemented by means of a revaluation of investment properties.

Following the proposed measures and the Board's proposed dividend, the Parent Company's non-restricted equity will amount to SEK 7,457 million.

**42 TRANSACTIONS WITH RELATED PARTIES**

In conjunction with intra-Group purchases and sales, the same pricing principles are applied as would have been the case in transactions with an external party. Intra-Group property purchases and sales take place subject to a fiscal residual value. Purchases and sales of other current assets take place at the carrying amount. There were no transactions with the President, Board of Directors or senior executives, apart from salary and other remuneration, see Note 9.

Transactions with Group companies are shown in the table below. Revenues consist of the purchase price for the intragroup sale of properties.

	Group		Parent Company	
	2014	2013	2014	2013
<b>Income</b>				
Companies within the Akademiska Hus Group	—	—	934,913	137,557
<b>Total</b>	<b>—</b>	<b>—</b>	<b>934,913</b>	<b>137,557</b>
<b>Liabilities</b>				
Companies within the Akademiska Hus Group	—	—	2,205	2,217
<b>Total</b>	<b>—</b>	<b>—</b>	<b>2,205</b>	<b>2,217</b>

# Signing of the Annual Report

The Board of Directors and the President hereby certify that the Annual Report has been prepared in accordance with the Annual Accounts Act and RFR 2 and provides a fair picture of the Company's position and results and that the Administration Report provides a fair overview of the development of the Group's operations, position and results and describes material risks and uncertainties facing the Company.

The Board of Directors and the President hereby certify that the Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the EU, and provide a fair picture of the Group's position and results and that the Administration Report for the Group provides a fair overview of the development of the Group's operations, position and results and describes material risks and uncertainties facing the companies that form part of the Group.

Gothenburg, 16 March 2015

Eva-Britt Gustafsson  
Chairman

Britta Burreau  
Board member

Olof Ehrlén  
Board member

Thomas Jennlinger  
Employee representative

Anders Larsson  
Employee representative

Ingela Lindh  
Board member

Leif Ljungqvist  
Board member

Pia Sandvik  
Board member

Gunnar Svedberg  
Board member

Ingemar Ziegler  
Board member

Kerstin Lindberg Göransson,  
President

Our Audit Report was submitted on March 16, 2015.

KPMG AB  
Björn Flink  
Authorised Public Accountant

# Auditor's report

To the annual meeting of the shareholders of Akademiska Hus AB (publ), corp. id 556459-9156

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Akademiska Hus AB (publ) for the year 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 63–107.

### Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

### Other matters

The audit of the annual accounts for year 2013 was performed by another auditor who submitted an auditor's report dated 13 March 2014, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Akademiska Hus AB (publ) for the year 2014.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

### Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As basis for our opinion on the Board of Directors proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Göteborg 16 March 2015

KPMG AB  
Björn Flink  
Authorised Public Accountant



Student accommodation, Osquldas väg, KTH Campus, Stockholm

# About the Sustainability Report

Akademiska Hus applies the Global Reporting Initiatives (GRI) framework for sustainability reporting, version G4 Core and GRI G4 Sector Supplement, Construction and Real Estate. The Sustainability Report is an integral part of Akademiska Hus' 2014 Annual Report and is certified by KPMG. The report thus complies with the owner's guidelines for external reporting.

**A**kademiska Hus has supported the UN Global Compact initiative since 2013 and thus takes a stand on issues relating to human rights, social conditions, environmental responsibility, the right to form trade unions and anti-corruption. The basis is the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, OECD principles and standards on how multinational companies should conduct responsible business, as well as the Rio Declaration on the Precautionary Principle, which means that Akademiska Hus undertakes to work preventively and minimise risks due to environmental issues. The Annual Report and the Sustainability Report also serve as a Communication on Progress (COP) for reporting work in line with Global Compact principles.

The Sustainability Report of Akademiska Hus covers the financial year and is published annually. The latest Sustainability Report was published on March 31, 2014. Akademiska Hus presents its sustainability work based on the Company's main processes, with the focus on those areas that are considered most important. No significant changes have taken place in the business during the accounting

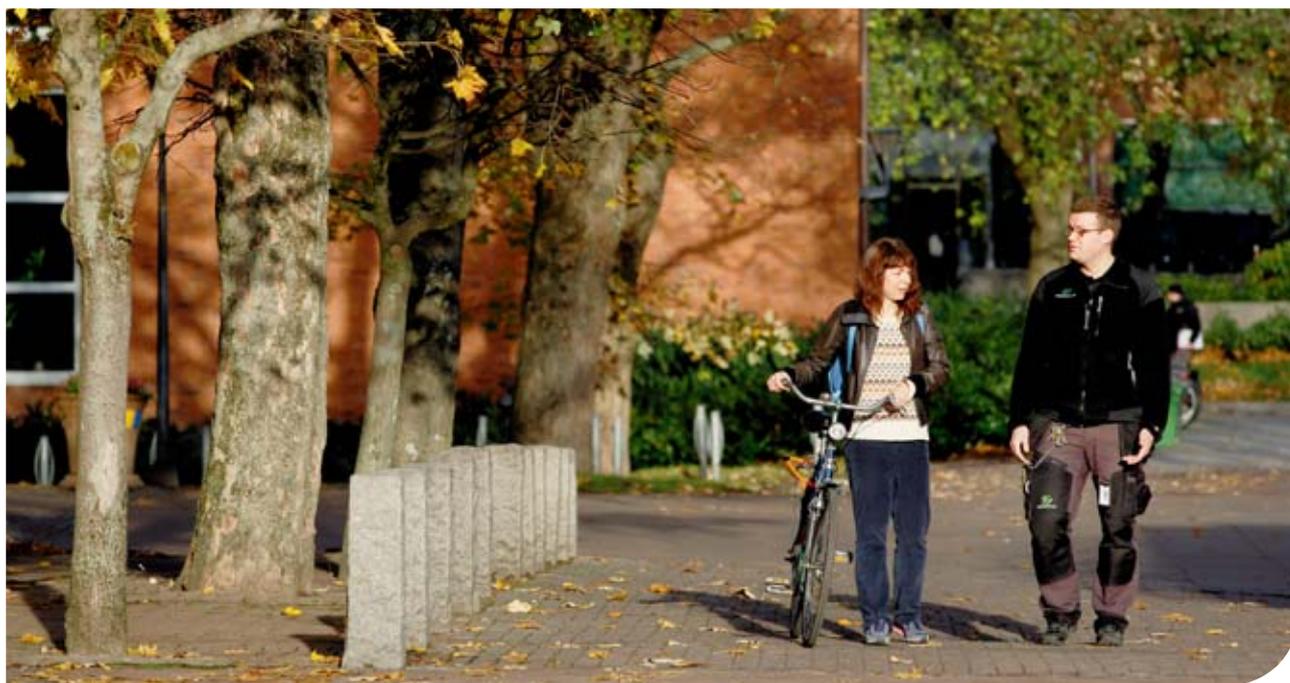
## Contact

Mia Edofsson  
Sustainability Manager  
[mia.edofsson@akademiskahus.se](mailto:mia.edofsson@akademiskahus.se)

period. The data presented covers the calendar year 2014, from January 1 to December 31, and applies to Akademiska Hus as a Group.

Akademiska Hus has confined the scope of the Sustainability Report to those areas covered by the GRI index. The following pages give a summary of the GRI indicators that are reported and the location of information on the GRI indicators and COP in Akademiska Hus reports.

A summary of the trade organisations of which the Company is a member can be found at [akademiskahus.se](http://akademiskahus.se)



# GRI data

The following information about the GRI indicators is not provided anywhere else in the Annual Report.

## G4-10: TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, REGION AND GENDER

Akademiska Hus employs a total of 435 people, all of whom are permanently employed, with the exception of three people who are on trial contracts. 19 people have part-time jobs.

Distribution of men and women, by region:

	Gender		Total
	Men	Women	
Akademiska Hus Head Office	44	39	83
Akademiska Hus Southern Region	35	18	53
Akademiska Hus Western Region	48	17	65
Akademiska Hus Eastern Region	24	4	28
Akademiska Hus Uppsala	54	14	68
Akademiska Hus Stockholm	79	25	104
Akademiska Hus Northern Region	30	4	34
<b>Total</b>	<b>314</b>	<b>121</b>	<b>435</b>
	72%	28%	100%

## G4-20-21: IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES WITHIN AND OUTSIDE THE ORGANISATION

Material aspect	GRI aspect	Boundary
Efficient use of resources	Energy Emissions into the air	Own operations and supply chain and customers.
A safe working environment	Health and safety	Own operations and supply chain
Good supplier management	Environment Working conditions	Supply chain
High transparency	Anti-corruption	Own operations and customers
Climate change adaptation	Environment Emissions into the air	Own operations and customers
Diversity and equality	Diversity and equal opportunity	Own operations

In addition to these essential areas we see customer collaboration, campus development and student accommodation as important issues for our business.

## G4-EC1: DIRECT ECONOMIC VALUE AND DISTRIBUTION

Economic stakeholder relations



- Retained by company excluding proposed dividend, SEK 3,770 m, 45%
- Suppliers, SEK 1,679 m, 20%
- Shareholders' dividend, SEK 1,374 m, 17%
- Interest on loans, SEK 1,073 m, 13%
- Employees' wages, SEK 218 m, 3%
- Employees' social costs, SEK 104 m, 1%
- Reimbursements to Board of Directors, President and Executive Management, SEK 9 m, 0%

Other key figures for the EC-1 indicator can be found in:

Income Statements page 74

Allocation of unappropriated earnings page 71

Staff note Note 9, page 89

## G4-EN3: ENERGY USE WITHIN THE ORGANISATION

	MWh
Total energy use, not renewable	265,236
Total energy use, renewable	587,236
Total Electricity	407,099
Total Heating	337,662
Total Cooling	93,249
Total Steam	14,462
Sold Electricity	264,422
Sold Heating	70,614
Sold Cooling	65,360
Sold Steam	14,462
<b>Own electricity generation from renewables</b>	
Solar electricity	130

## G4-EN6: REDUCTION IN ENERGY USE

	MWh
Total reduction	34,754
Reduction in Electricity	10,914
Reduction in Heating	28,157
Reduction in Cooling	-5,039
Reduction in Steam	722
Saving	3,534
Invested	SEK 11,580,494

## G4-EN16: INDIRECT EMISSIONS OF GREENHOUSE GASES

Total CO<sub>2</sub> emissions in 2014 amounted to 44,192 tons.\*

## G4-EN19: REDUCTION IN EMISSIONS OF GREENHOUSE GASES

Total CO<sub>2</sub> emissions in 2014 amounted to 3,301 tons.\*

\*All CO<sub>2</sub> data in this summary is based on information from suppliers who report in accordance with current accounting standards. 2013 emission factors for heating were used since emission factors for 2014 were not available at the time this report was prepared.

## G4-CRE3: GREENHOUSE GAS EMISSION LEVELS FROM PROPERTIES

Greenhouse gas emissions levels from Akademiska Hus properties are 11.6 kg of CO<sub>2</sub>/m<sup>2</sup>.

## G4-LA6: WORK-RELATED INJURIES AND ILLNESSES

Accident statistics are recorded in our internal "AkaÄrende" system, which classifies them into the categories: own staff, construction operations and management.

During the year, five injuries to our own staff were reported to the Swedish Social Insurance Agency, leading to a total of 378 hours of absence.

During the same period, 20 accidents involving our own staff were reported to the "AkaÄrende" system.

The most frequently occurring types of work-related injury are accidental falls, falling objects and injury during transport.

## G4-LAI2: DIVERSITY WITHIN THE ORGANISATION

72% of Akademiska Hus employees are men and 28% are women.

Age distribution:



# GRI and COP index

Indicator	Description	Page	Comment	Global Compact principles
<b>STRATEGY AND ANALYSIS</b>				
G4-1	Statement from the President	4-5		
<b>ORGANISATION PROFILE</b>				
G4-3	Organisation name	Front cover		
G4-4	Brands, products, and services	6-7		
G4-5	Location of head office	132		
G4-6	Number of countries in which the organisation operates	132		
G4-7	Ownership structure and form of company	63		
G4-8	Markets in which the organisation operates	10-11		
G4-9	Size of the reporting organisation	59, 74, 77, 89, 117-131		
G4-10	Total workforce by employment type, employment contract, region and gender	111	Akademiska Hus reports number of employees by employment type, gender and region. Hired workers are not reported, although Akademiska Hus enlists a large number of hired staff. Data is not available. Akademiska Hus has no significant variations in the number of employees over the year.	6
G4-11	Proportion of the workforce covered by collective agreements		All employees are signed to the collective Almega Fastigheter Salary Agreement	3
G4-12	Description of the organisation's supply chain	16-18, 40-41		
G4-13	Significant changes during the reporting period		No significant changes during the financial year	
G4-14	Description of whether and how the organisation follows the Precautionary Principle	16-18, 38-41		
G4-15	Externally developed economic, environmental and social declarations, principles or other initiatives that the organisation supports or is affiliated with	110		
G4-16	Membership of organisations and/or national/international lobbying organisations		<a href="http://www.akademiskahus.se">www.akademiskahus.se</a> (Sustainability/Sustainability partnerships)	
<b>ESSENTIAL ASPECTS AND LIMITATIONS</b>				
G4-17	Units that are included in the organisation's financial reporting	95		
G4-18	Description of the process for defining report content and aspect boundaries	14-18		
G4-19	Statement of all essential aspects identified	14-18		
G4-20	Identified material aspects and boundaries within the organisation	111		
G4-21	Identified material aspects and boundaries outside the organisation	111		
G4-22	Changes to the information provided in previous reports and the reasons for such changes		No significant changes have been made to information submitted in the 2013 report.	
G4-23	Significant changes that have been made since the previous reporting period	110		
<b>COMMUNICATION AND STAKEHOLDERS</b>				
G4-24	Stakeholder groups that the organisation has contact with	16-17, 21		
G4-25	Principle for identifying and selecting stakeholders	16-17, 21		
G4-26	Approach for communication with stakeholders	16-17, 21		
G4-27	Important areas and issues that have been raised in communication with stakeholders	16-17, 21		
<b>INFORMATION ON ACCOUNTING AND CONTROL</b>				
G4-28	Reporting period	110		
G4-29	Publication date for latest report	110		
G4-30	Reporting cycle	110		
G4-31	Contact for questions regarding the report and its content	110		
G4-32	Statement of contents in accordance with GRI Core reporting level and report for external attestation	110, 112-113		
G4-33	Statement of the organisation's policy and procedures for external attestation of reporting	110, 115		

Indicator	Description	Page	Comment	Global Compact principles
<b>INFORMATION ON ACCOUNTING AND CONTROL</b>				
G4-34	Statement of the organisation's corporate governance	52-62		
<b>ETHICS AND INTEGRITY</b>				
G4-56	The organisation's values, principles and ethical standards such as codes of conduct	8, 14		10
<b>FINANCES</b>				
<b>FINANCIAL RESULTS</b>				
DMA	Information on control	6-7, 20, 22-23, 51		
EC-1	Direct economic value and distribution	51, 70-71, 89, 111		
<b>INDIRECT ECONOMIC IMPACT</b>				
DMA	Information on control	6-7, 24-26		
EC-7	Investments in infrastructure and services for public benefit	24-26, 37		
<b>ENVIRONMENT</b>				
<b>ENERGY</b>				
DMA	Information on control	14-15, 20, 27-29		
EN-3	Energy use within the organisation	27-29, 111	Akademiska Hus reports on electric heating and cooling because these are the areas that account for the dominant share of energy use.	7, 8
EN-6	Reduction in energy use	27-29, 111	Academic House reports on electric heating and cooling because these are the areas where the largest reductions are made.	8, 9
<b>EMISSIONS INTO THE AIR</b>				
DMA	Information on control	14-15, 27-29, 38, 40		
EN-16	Indirect emissions of greenhouse gases	27-29, 111		7, 8
EN-19	Reduction in emissions of greenhouse gases	27-29, 111		8, 9
CRE-3	Greenhouse gas emission levels from properties	111		
<b>ENVIRONMENTAL MONITORING OF SUPPLIERS</b>				
DMA	Information on control	38, 40-41		
EN-32	Number of new suppliers that have undergone environmental inspection	41	During the year, 149 contract partners were audited, covering all the major contracts.	8
<b>HEALTH AND SAFETY</b>				
DMA	Information on control	41, 46-48		
LA-5	Representation on health and safety committees	48		
LA-6	Work-related injuries and illnesses	41, 111	Akademiska Hus reports total figures for absence through sickness and injuries at work for the company as a whole. Work-related injuries and illnesses for contractors cannot be reported due to unavailability of data.	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>				
DMA	Information on control	46-48		
LA-12	Diversity within the organisation	47, 111		6
<b>MONITORING OF SUPPLIERS' WORKING CONDITIONS</b>				
DMA	Information on control	38, 40-41		
LA-14	Number of new suppliers that have undergone inspection of working conditions	41	During the year, 149 contract partners were audited, covering all the major contracts.	
<b>ANTI-CORRUPTION</b>				
DMA	Information on control	8, 60-61, 65-66		
SO-5	Corruption incidents and action taken		No reported cases of corruption	10
<b>PRODUCT LABELLING</b>				
DMA	Information on control	20-21, 39-40		
PR-5	Results from customer satisfaction surveys	20-21		
CRE-8	Type and number of sustainability certificates, ratings and scores for new construction	39-40		
<b>HUMAN RIGHTS</b>				
			Consistently important issue throughout the value chain. Given high priority in efforts to establish accident-free workplaces.	1, 2
<b>CHILD LABOUR</b>				
			The Code of Conduct covers this principle, but this area is not identified as one of the main risk areas for Akademiska Hus.	5
<b>FORCED LABOUR</b>				
			The Code of Conduct covers this principle, but this area is not identified as one of the main risk areas for Akademiska Hus.	4

# Signatures of Board of Directors Sustainability Report

**The Sustainability Report for 2014 has been approved for publication by the Board of Directors and the President of Akademiska Hus AB.**

Gothenburg, 16 March 2015

Eva-Britt Gustafsson  
Chairman

Britta Burreau  
Board member

Olof Ehrlén  
Board member

Thomas Jennlinger  
Employee representative

Anders Larsson  
Employee representative

Ingela Lindh  
Board member

Leif Ljungqvist  
Board member

Pia Sandvik  
Board member

Gunnar Svedberg  
Board member

Ingemar Ziegler  
Board member

Kerstin Lindberg Göransson,  
President

# Assurance Report

## **Auditor's report on general review of Akademiska Hus AB's Sustainability Report.**

To Akademiska Hus AB

### **INTRODUCTION**

We have been instructed by the Board of Directors of Akademiska Hus to carry out a general review of the Company's Sustainability Report for 2014. Akademiska Hus has defined the scope of the Sustainability Report on page 110.

### **RESPONSIBILITY OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT FOR THE SUSTAINABILITY REPORT.**

The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report in accordance with the relevant criteria, which are given on page 110 of the Sustainability Report, and consist of those parts of the Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI) that apply to sustainability reporting, as well as the Company's own reporting and accounting principles. This responsibility also includes internal controls that are deemed necessary for the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Sustainability Report based on our general review.

We have conducted a general review in accordance with RevR 6 Attestation of Sustainability Reporting issued by FAR. A general review involves making inquiries, mainly of individuals responsible for preparing the Sustainability Report, carrying out an analytical review and con-

ducting other general review procedures. A general review has a different focus and significantly narrower scope than that of an audit conducted in accordance with IAASB standards for auditing and quality assurance, and other generally accepted auditing practices. The review procedures that are followed during a general review do not enable us to achieve a sufficient level of assurance to guarantee that we identify all significant circumstances that would have been identified by an audit. The conclusion reached from a general review does not therefore carry the same level of confidence as a conclusion based on an audit.

Our review is based on the selected criteria of the Board of Directors and Executive Management, as defined above. We believe that these criteria are appropriate for the preparation of the Sustainability Report.

We believe that the evidence we have gained during our review is sufficient and appropriate in order to provide a basis for our opinion below.

### **OPINIONS**

Based on our general review, we have not identified any circumstances that cause us to doubt that the Sustainability Report has, in all material respects, been prepared according to the criteria stated above by the Board of Directors and Executive Management.

Gothenburg, 16 March 2015

KPMG AB

Björn Flink  
Authorised Public Accountant

Torbjörn Westman  
Specialist member of FAR

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## Property specification Southern Region



MAP REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
A 1	Bredgatan 13	Sankt Peter 33	Bredgatan 13	1958	Lund University	Lund	943	0	1,237	1,312	849	13,477
A 2	Tapetserarverkstad	Paradis 51	Paradisgatan 5	1916	Lund University	Lund	236	0	266	1,127	35,029	1,964
A 3	Pedagogen	Paradis 51	Allhelgona Kyrkogatan 16	1918	Lund University	Lund	3,638	0	4,302	1,183	0	45,797
A 4	Teologen	Paradis 51	Allhelgona Kyrkogata 8	1927	Vacant	Lund	3,745	3,588	4,443	1,186	0	5,275
A 5	Tillämpad Psykologi	Paradis 51	Allhelgona Kyrkogata 14	1882	Lund University	Lund	784	0	1,006	1,283	0	9,841
A 6	Kirurgiska pav.	Paradis 51	Sandgatan 3	1867	Lund University	Lund	3,429	0	4,531	1,321	0	47,720
A 7	Sociologen	Paradis 51	Paradisgatan 5	1850	Lund University	Lund	3,401	0	4,094	1,204	0	40,884
A 8	Hud Kliniken	Paradis 51	Paradisgatan 3	1824	Lund University	Lund	1,053	0	1,819	1,727	0	18,399
A 9	Psykologen	Paradis 51	Allhelgona Kyrkogata 14	1867	Lund University	Lund	2,780	0	3,777	1,359	0	39,166
A 10	Juridicum Fd	Paradis 51	Allhelgona Kyrkogata 14	1899	Lund University	Lund	1,633	0	2,377	1,456	0	23,422
A 11	Byrålogen	Paradis 51	Paradisgatan 5	1983	Lund University	Lund	3,765	0	5,211	1,384	0	59,472
A 12	Eden	Paradis 51	Allhelgona Kyrkogata 14	1984	Lund University	Lund	4,678	0	9,306	1,989	0	117,426
A 13	Socialhögskolan	Paradis 47	Bredgatan 26	1889	Lund University	Lund	1,383	0	1,856	1,342	3,157	21,082
A 14	UB	Absalon 5	Helgonabacken	1907	Lund University	Lund	14,007	0	11,794	842	29,728	120,651
A 15	Humanisten	Absalon 5	Helgonabacken 14	1959	Lund University	Lund	16,431	0	26,277	1,599	0	332,577
A 16	Biskopsgatan 7	Hyphoff 5	Biskopsgatan 5	1893	Lund University	Lund	1,358	0	1,978	1,457	19,751	15,351
A 17	Konst och Musik	Hyphoff 5	Biskopsgatan 5	1965	Lund University	Lund	1,087	283	1,585	1,458	0	13,083
A 18	Kulturanatomen	Hyphoff 5	Biskopsgatan 7	1893	Procvitas Privata Gymnasium AB	Lund	1,840	0	2,546	1,384	0	27,270
A 19	Vaktmästarhus	Hyphoff 5	Pålsjövägen 1	1893	Lund University	Lund	252	0	148	587	0	838
A 20	Finnig 10	Hyphoff 5	Finnigatan 10	1891	Lund University	Lund	541	0	377	697	0	3,623
A 20	Finnigatan 12	Hyphoff 5	Finnigatan 12	1900	Axpertis AB	Lund	297	0	465	1,566	0	4,447
A 20	Finnigatan 14	Hyphoff 5	Finnigatan 14	1907	—	Lund	380	380	465	1,224	0	3,452
A 20	Finnigatan 16	Hyphoff 5	Finnigatan 16	1905	Lund University	Lund	429	0	597	1,392	0	6,317
A 21	Geocentrum 1	Saxo 3	Sölvegatan 10	1924	Lund University	Lund	3,328	0	135	41	4,943	-17,588
A 22	Geocentrum 2	Sölve 1	Helgonavägen 5	1936	Lund University	Lund	8,184	0	20,572	2,514	46,999	239,486
A 23	Gerdagatan 9	Sölve 1	Gerdagatan 9	1936	Institute for Language and Folklore	Lund	552	0	642	1,163	0	6,337
A 23	Gerdagatan 11	Sölve 1	Gerdagatan 11	1952	Lund University	Lund	402	0	387	963	0	3,485
A 23	Gerdagatan 13	Sölve 1	Gerdagatan 13	1952	Lund University	Lund	394	0	438	1,112	0	4,390
A 24	Fysik	Sölve 1	Professorsgatan 1	1962	Lund University	Lund	23,635	952	37,154	1,572	0	340,697
A 25	Innovationscentrum	Sölve 1	Sölvegatan 16	1963	Lund University	Lund	2,522	0	3,758	1,490	0	43,047
A 26	LUX	Eskil 21	Helgonavägen 3	1962	Lund University	Lund	14,336	0	15,830	1,104	43,397	398,395
A 27	BMC, Hus F-I	Eskil 21	Sölvegatan 19	1955	Lund University	Lund	9,062	0	21,618	2,386	0	211,032
A 28	BMC, Hus A-R	Eskil 21	Sölvegatan 17	1995	Lund University	Lund	33,823	0	98,746	2,919	0	881,462
A 29	Astronomi	Eskil 21	Sölvegatan 27	2001	Lund University	Lund	4,560	0	9,132	2,003	0	118,585
A 30	Genetik	Helgona 6:16	Sölvegatan 29	1949	Lund University	Lund	5,248	755	4,581	873	371,548	32,912
A 31	Biologisentrum	Helgona 6:16	Sölvegatan 35	1962	Lund University	Lund	9,802	0	31,930	3,257	0	365,641
A 32	Ekologi	Helgona 6:16	Sölvegatan 37	1994	Lund University	Lund	12,105	0	22,627	1,869	0	211,312

## Property specification Southern Region



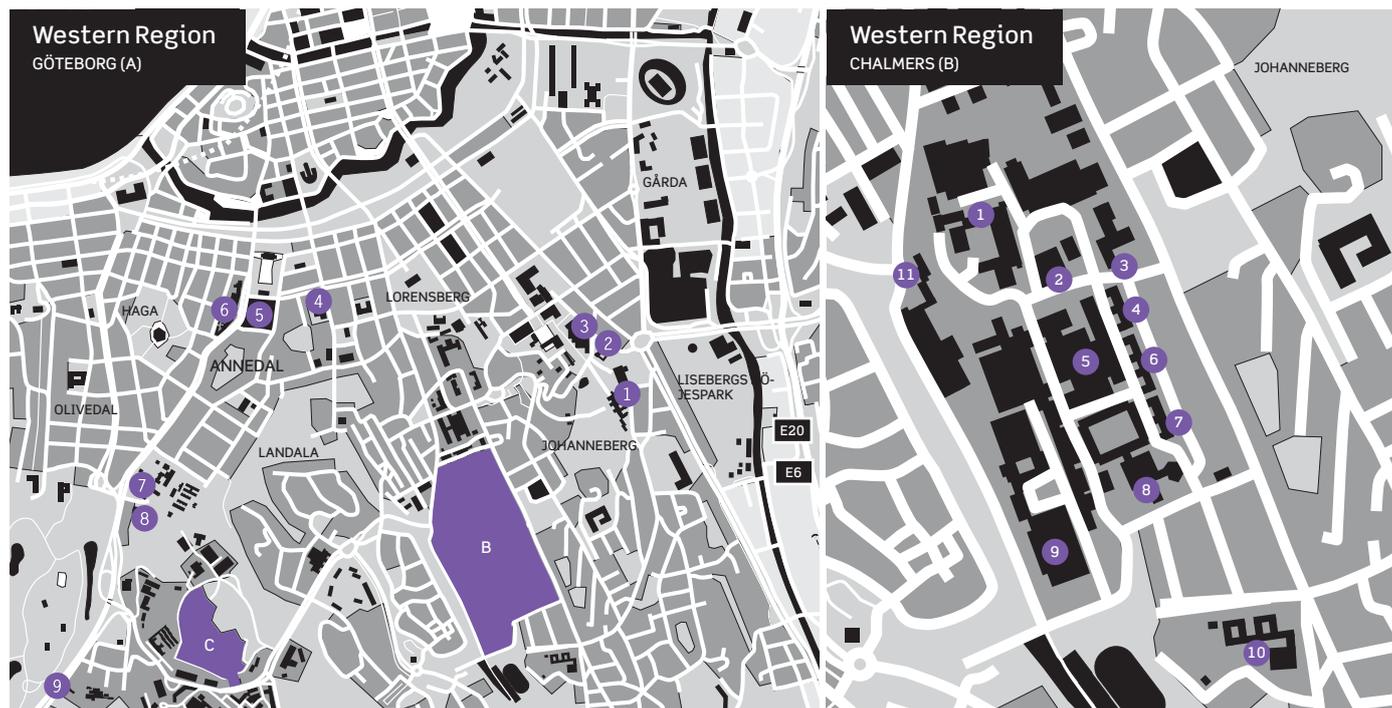
MAP REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
B 1	Tornavägen 13	Helgona 6:16	Tornavägen 13	1952	Red Apple apartments Ltd	Lund	1,030	0	610	592	0	7,266
B 2	Matematik	Helgona 6:16	Sölvegatan 18	1964	Lund University	Lund	10,387	1,238	11,398	1,097	0	106,879
B 3	Annexet	Helgona 6:16	Sölvegatan 18	1964	Lund University	Lund	4,098	0	8,281	2,021	0	109,200
B 4	Maskinteknik	Helgona 6:16	Ole Römers v 1	1966	Lund University	Lund	27,836	1,845	38,779	1,393	0	243,891
B 5	Elektroteknik	Helgona 6:16	Ole Römers v 3	1968	Lund University	Lund	19,017	0	25,507	1,341	0	262,499
B 6	Väg & vatten	Helgona 6:16	John Ericssons v 1	1967	Lund University	Lund	18,612	561	18,140	975	0	168,728
B 7	Arkitektur	Helgona 6:16	Sölvegatan 24	1965	Lund University	Lund	10,004	0	15,177	1,517	0	169,302
B 8	Kemikentrum	Helgona 6:16	Getingevägen 60	1969	Lund University	Lund	51,373	0	87,657	1,706	0	804,333
B 9	Designcentrum	Helgona 6:16	Sölvegatan 26	2002	Lund University	Lund	9,954	0	21,433	2,153	0	270,184
B 10	Lth Info och studie	Helgona 6:16	John Ericssons v 4	1977	Lund University	Lund	4,503	0	6,512	1,446	0	84,189
B 11	Kårhuset	Helgona 6:16	John Ericssons v 3	1994	Lund University	Lund	5,565	0	7,457	1,340	0	73,887
B 12	Navet	Helgona 6:16	Sölvegatan 22 F	1986	Lund University	Lund	1,672	0	1,534	917	0	14,476
B 13	AH Kontorsbyggnad	Studentkåren 4	Ole Römers väg 2	1902	Akademiska Hus	Lund	2,520	0	2,917	1,158	25,269	19,659
B 14	Tornavägen 11	Helgona 6:16	Tornavägen 11	1959	—	Lund	1,507	1,507	199	132	0	12,734
	Maria Magle	Maria Magle 6	Magle St Kyrkog 12	1861	Lund University	Lund	2,146	0	2,967	1,383	2,473	9,864
	Utb.res. Lth-området	Helgona 6:16	—	—	—	Lund	0	0	0	0	0	51,613
	Utb.res. Kuvösen	Studentkåren 4	—	—	—	Lund	0	0	0	0	0	31,088
	Tandvårdshögskolan	Klerken 4	Carl Gustavs väg 34	1948	Malmö University	Malmö	15,459	0	22,440	1,452	7,643	210,737
	Slottet	Alnarp 1:60	Slottsvägen 5	1862	SLU	Alnarp	3,314	0	4,007	1,209	933,117	29,343
	Agricum	Alnarp 1:60	Slottsvägen 2	1950	SLU	Alnarp	4,414	65	4,086	926	0	25,741
	Animalienborg	Alnarp 1:60	Sundsvägen 3	1905	SLU	Alnarp	3,391	1,072	3,276	966	0	21,684
	Hovbeslagskolan	Alnarp 1:60	Smedjevägen 2	1877	SLU	Alnarp	2,867	141	1,696	592	0	5,643
	Restaurang	Alnarp 1:60	Sundsvägen 9	1876	SLU	Alnarp	2,510	0	1,517	604	0	9,427
	Södra elev	Alnarp 1:60	Elevenborgsvägen 4	1951	Swedish Board of Agriculture	Alnarp	1,728	0	967	560	0	3,708
	Kärnhuset	Alnarp 1:60	Smedjevägen 3	1971	Genetic Resource Centre	Alnarp	2,621	19	2,086	796	0	10,629
	Ekonomilokal	Alnarp 1:60	Växthusvägen 14	1945	SLU	Alnarp	2,096	64	372	177	0	-1,811
	Horticum	Alnarp 1:60	Sundsvägen 10	1974	SLU	Alnarp	5,959	0	10,238	1,718	0	66,087
	Stora logen	Alnarp 1:60	F Meldahls väg 3	1890	SLU	Alnarp	2,762	1,287	480	174	0	-4,054
	Mejeriet	Alnarp 1:60	Kungsgårdsvägen 8	1936	Akademiska Hus	Alnarp	3,789	1,000	1,938	511	0	-1,814
	Bostad	Alnarp 1:60	Mejeristigen 1	1936	Private individual	Alnarp	1,666	0	709	426	0	1,203
	Elevenborg	Alnarp 1:60	Elevenborgsvägen 2	1910	SLU	Alnarp	3,604	58	1,745	484	0	4,063
	Växtskyddscentrum	Alnarp 1:60	Sundsvägen 16	1980	SLU	Alnarp	10,427	174	12,456	1,195	0	60,469
	Utb.res. Alnarp	Alnarp 1:60	—	—	—	Alnarp	0	0	0	0	0	1,430
	Gamlegård	Alnarp 1:60	Gamlegård 4	1750	SLU	Alnarp	5,029	0	2,457	489	0	8,033
	Alnarpsgården	Alnarp 1:60	Sundsvägen 6	1869	SLU	Alnarp	7,671	531	5,118	667	0	42,459
	Smp	Alnarp 1:60	Sundsvägen 8 A	1957	SMP AB	Alnarp	2,801	0	1,635	584	0	6,653

## Property specification Southern Region



MAP REFERENCE NO. PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
C 1 Admibyggnad	Näsby 34:24	Elmetorpsvägen	1920	Kristianstad University	K-stad	1,650	0	1,975	1,197	80,138	14,041
C 2 Administrationen	Näsby 34:24	Elmetorpsvägen	1923	Kristianstad University	K-stad	1,107	0	1,654	1,494	0	14,701
C 3 Bibliotek	Näsby 34:24	Elmetorpsvägen	1920	Kristianstad University	K-stad	5,371	0	7,046	1,312	0	59,347
C 4 Informationsteknik	Näsby 34:24	Elmetorpsvägen	1920	Kristianstad University	K-stad	545	0	1,304	2,393	0	18,392
C 5 Kontor	Näsby 34:24	Elmetorpsvägen	1922	Kristianstad University	K-stad	3,149	1,118	3,464	1,100	0	22,119
C 6 Pedagogen	Näsby 34:24	Elmetorpsvägen	1922	Kristianstad University	K-stad	7,223	0	8,491	1,176	0	83,729
C 7 Hälsohuset	Näsby 34:24	Elmetorpsvägen	1920	Kristianstad University	K-stad	7,440	0	9,048	1,216	0	77,262
C 8 Matte/Natur	Näsby 34:24	Elmetorpsvägen	1922	Kristianstad University	K-stad	3,719	0	4,832	1,299	0	38,778
C 9 Ph.D.	Näsby 34:24	Elmetorpsvägen	1921	Kristianstad University	K-stad	3,257	0	4,628	1,421	0	54,190
Properties under construction											756,458
<b>TOTAL</b>						<b>481,836</b>	<b>16,638</b>	<b>726,240</b>	<b>1,507</b>	<b>1,604,041</b>	<b>7,889,166</b>
Rent reductions and vacancies								-18,982			
Revenue, non-recurring rent payments								998			
Rental revenue, net								717,241			

## Property specification Western Region



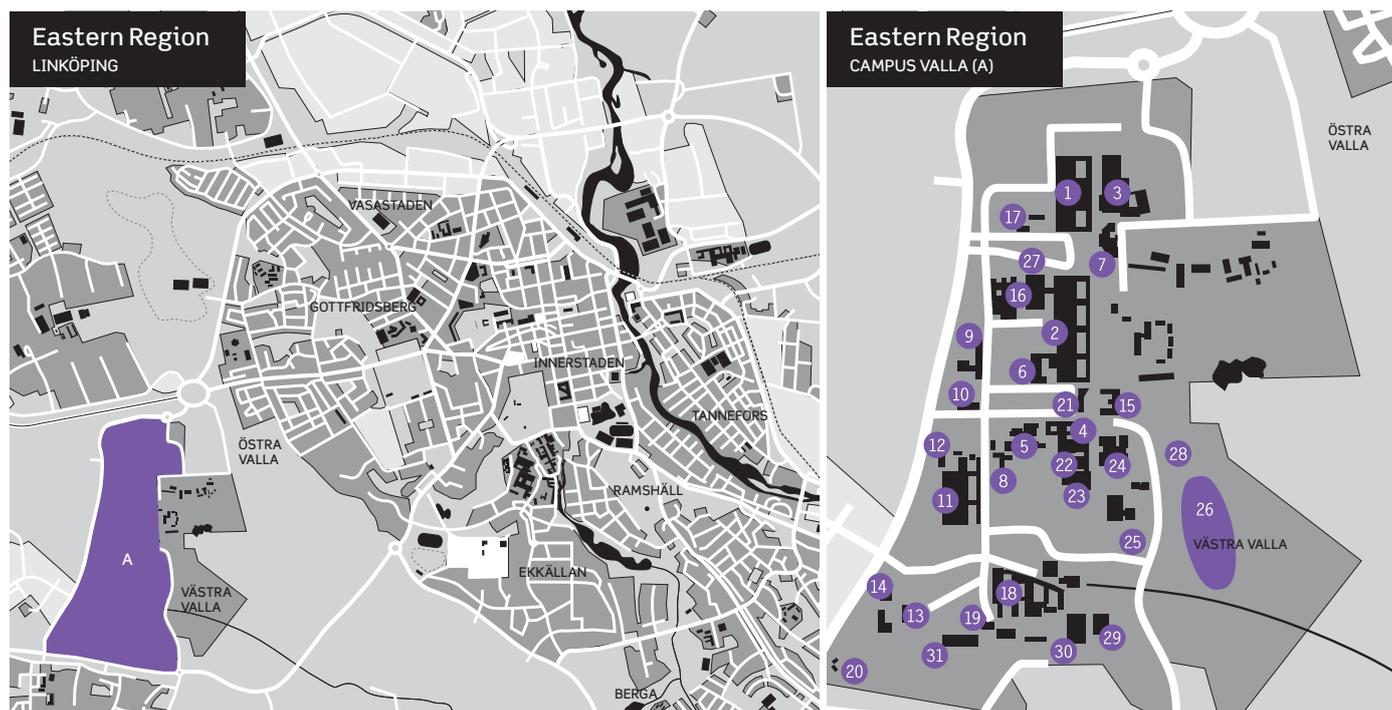
MAP	REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
A	1	Universitetsbiblioteket	Lorensberg 21:1	Renströmsgatan 4	1953	Gothenburg University	Gothenburg	13,338	0	16,460	1,234	0	181,828
A	1	Humanisten	Lorensberg 21:1	Renströmsgatan 6	1966	Gothenburg University	Gothenburg	15,906	0	21,574	1,356	0	254,954
A	2	Arkeologen	Lorensberg 21:1	Olof Wikjsgatan 6	1947	Gothenburg University	Gothenburg	3,144	0	5,100	1,622	35,248	54,092
A	3	Artisten	Lorensberg 24:3	Fågelsången 1	1935	Gothenburg University	Gothenburg	14,645	0	25,039	1,710	9,605	308,865
A	4	Viktorigatan 13	Vasastaden 12:19	Viktorigatan 13	1952	Gothenburg University	Gothenburg	4,150	0	5,626	1,356	7,654	76,868
A	5	Handelshögskolan	Haga 22:1	Vasagatan 1	1952	Gothenburg University	Gothenburg	26,621	0	39,572	1,486	25,210	460,982
A	6	Haga	Haga 21:19	Sprängkullsgatan 25	1994	Gothenburg University	Gothenburg	21,622	0	35,033	1,620	22,290	375,823
A	7	KK2	Annedal 20:2	Konstepidiminsväg 2	1924	Gothenburg University	Gothenburg	5,514	0	8,825	1,600	10,428	93,096
A	8	Psykologen	Annedal 21:11	Haraldsgatan 1	1995	Gothenburg University	Gothenburg	6,169	0	9,332	1,513	3,125	111,921
A	9	Botanik	Änggården 34:2	Carl Skottbergs g 22 B	1970	Gothenburg University	Gothenburg	9,809	171	14,589	1,487	11,280	132,233
B	1	Fysik Origo	Johanneberg 31:9	Kemigården 1	1926	Chalmersfastigheter AB	Gothenburg	11,762	0	18,391	1,564	182,800	208,290
B	1	It-gymnasiet villan	Johanneberg 31:9	Origovägen 2	1948	IT Gymnasiet Sverige AB	Gothenburg	289	0	564	1,952	0	6,533
B	1	Fysik Soliden	Johanneberg 31:9	Origovägen 6 B	1945	Chalmersfastigheter AB	Gothenburg	2,422	0	3,558	1,469	0	34,837
B	1	It-gymnasiet	Johanneberg 31:9	Origovägen 4	1926	IT Gymnasiet Sverige AB	Gothenburg	1,855	0	2,583	1,392	0	26,714
B	2	Mathematical Sciences Centre	Johanneberg 31:9	Chalmers Tvärgata 3	1945	Chalmersfastigheter AB	Gothenburg	6,737	0	13,990	2,077	0	157,279
B	3	Chalmers bibliotek	Johanneberg 31:9	Chalmers Tvärgata 1	1957	Chalmersfastigheter AB	Gothenburg	5,925	0	7,490	1,264	0	67,427
B	4	Hörsalar HA	Johanneberg 31:9	Hörsalsvägen 4	1962	Chalmersfastigheter AB	Gothenburg	1,141	0	1,546	1,355	0	15,633
B	5	Maskinteknik	Johanneberg 31:9	Hörsalsvägen 7	1968	Chalmersfastigheter AB	Gothenburg	25,194	0	35,893	1,425	0	199,689
B	5	Kraftcentral	Johanneberg 31:9	Chalmers tvärg. 6	1947	—	Gothenburg	88	0	0	0	0	0
B	5	Lokalkontor AH	Johanneberg 31:9	Chalmers tvärg. 6	1969	Akademiska Hus	Gothenburg	1,045	0	959	918	0	6,553
B	6	Hörsalar HB	Johanneberg 31:9	Hörsalsvägen 10	1962	Chalmersfastigheter AB	Gothenburg	2,172	0	3,805	1,752	0	38,531
B	7	Hörsalar HC	Johanneberg 31:9	Hörsalsvägen 14	1962	Chalmersfastigheter AB	Gothenburg	1,441	0	2,448	1,699	0	18,092
B	8	Elkraftteknik	Johanneberg 31:9	Hörsalsvägen 11	1955	Chalmersfastigheter AB	Gothenburg	5,008	0	6,308	1,260	0	59,810
B	8	Idélära	Johanneberg 31:9	Rännvägen 8	1959	Chalmersfastigheter AB	Gothenburg	752	0	637	847	0	5,219
B	8	Edit	Johanneberg 31:9	Maskingränd 2	1963	Chalmersfastigheter AB	Gothenburg	19,603	0	32,111	1,638	0	336,309
B	8	Förråd och ställverk	Johanneberg 31:9	Elektrovägen	—	Chalmersfastigheter AB	Gothenburg	105	0	15	141	0	176
B	9	Väg och vatten 1	Johanneberg 31:9	Sven Hultins gata 6	1966	Chalmersfastigheter AB	Gothenburg	6,592	0	8,089	1,227	0	66,373
B	9	Arkitektur	Johanneberg 31:9	Sven Hultins gata 6	1968	Chalmersfastigheter AB	Gothenburg	14,080	0	14,701	1,044	0	143,045
B	9	Väg och vatten 2	Johanneberg 31:9	Sven Hultins gata 8	1969	Chalmersfastigheter AB	Gothenburg	18,151	0	18,391	1,013	0	143,410
B	10	Eklandagatan 86	Krokslätt 109:20, 110:3	Eklandagatan 86	1993	SP Sveriges Tekniska Forskningsinstitut AB	Gothenburg	7,704	4,611	8,758	1,137	0	82,407
B	11	Centrala admin.	Johanneberg 31:9	Chalmersplatsen 4	1962	Chalmersfastigheter AB	Gothenburg	3,378	0	4,534	1,342	0	48,916
		Gibraltar herrgård	Johanneberg 31:9	Gibraltargatan 17	1974	Hummingbird AB	Gothenburg	334	0	645	1,931	0	7,815
		Utb.res. Chalmers	Johanneberg 31:9	—	—	—	Gothenburg	—	—	—	—	—	68,932

## Property specification Western Region



MAP	REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
C	1	Lyktan Wallenbergssalen	Änggården 718:138	Medicinaregatan 20	1971	Gothenburg University	Gothenburg	4,799	0	8,622	1,797	0	78,354
C	2	Zoologi	Änggården 718:138	Medicinaregatan 18	1971	Gothenburg University	Gothenburg	7,669	863	9,929	1,295	0	74,976
C	3	Miljömedicin	Änggården 718:138	Medicinaregatan 16	1970	Gothenburg University	Gothenburg	4,458	0	6,712	1,506	0	53,899
C	4	Lokalkontor AH	Änggården 718:138	Medicinaregatan 14	1981	Akademiska Hus	Gothenburg	351	0	636	1,812	0	4,284
C	5	Medicinarelängan	Änggården 718:138	Medicinaregatan 3-11	1968	Gothenburg University	Gothenburg	28,814	636	49,113	1,704	0	410,584
C	5	Experimentell Biomedicin	Änggården 718:138	Medicinaregatan 15	1998	Gothenburg University	Gothenburg	9,081	0	26,393	2,906	0	138,087
C	5	Hasselbladslaboratoriet	Änggården 718:138	Medicinaregatan 5 C	1997	Gothenburg University	Gothenburg	1,240	0	1,595	1,286	0	11,174
C	5	Läkemedelscentrum	Änggården 718:138	Medicinaregatan 13 A-C	2008	Gothenburg University	Gothenburg	2,759	0	9,970	3,614	0	87,259
C	5	Academicum	Änggården 718:138	Medicinaregatan 3	2004	Gothenburg University	Gothenburg	1,765	0	4,546	2,576	0	51,894
C	6	Lundbergslaboratoriet	Änggården 718:138	Medicinaregatan 9C	1993	Gothenburg University	Gothenburg	6,047	0	18,158	3,003	0	150,312
C	7	Änggården	Änggården 718:138	Medicinaregatan 8	1910	Sahlgrenska Science Park	Gothenburg	5,962	463	7,426	1,246	0	69,506
C	8	Biomedicinska biblioteket	Änggården 718:138	Medicinaregatan 4	1959	Gothenburg University	Gothenburg	3,160	0	3,321	1,051	194,253	28,973
C	9	Medicinaregatan 18 C-G	Änggården 718:138	Medicinaregatan 18 C-G	2013	Regionkansliet	Gothenburg	4,205	0	10,363	2,464	0	146,898
		Gångbro	Änggården 718:138	Medicinaregatan 4 B	2003	Gothenburg University	Gothenburg	305	0	1,696	5,561	0	24,835
		Utb.res. Medicinaberget	Änggården 718:138	—	—	—	Gothenburg	0	0	0	0	0	24,970
		P-Däck, Medicinaberget	Änggården 718:138	—	—	Gothenburg University	Gothenburg	5,666	0	0	0	0	5,077
D	1	Universitetsbiblioteket	Universitetet 1	Universitetsgatan 2	2002	Karlstad University	Karlstad	10,429	0	18,417	1,766	0	177,855
D	2	Hus 11-12	Universitetet 1	Universitetsgatan 6	2000	Karlstad University	Karlstad	12,281	0	22,265	1,813	0	157,137
D	3	Hus 1-9	Universitetet 1	Universitetsgatan 6	1993	Karlstad University	Karlstad	44,676	0	55,888	1,251	139,892	539,046
D	4	Hus Vänern	Universitetet 1	Sommargatan	2008	Karlstad University	Karlstad	12,803	0	27,049	2,113	0	299,987
		Studenternas Hus	Universitetet 1	Sommargatan 110	2003	Karlstad University	Karlstad	2,876	1,248	3,785	1,316	0	26,875
		Driftcentral	Universitetet 1	Universitetsgatan 2	2014	—	Karlstad	0	0	0	0	0	0
		Tjärnö	Korsnäs 1:16	Tjärnö	—	Gothenburg University	Tjärnö	5,985	0	10,594	1,770	24,936	57,662
		Kristineberg	Skaftö-Fi 1:500	Fiskebäckskil	1994	Gothenburg University	Kristineberg	2,731	0	5,370	1,966	1,932	30,316
		Forskningsstation	Skaftö-Fi 1:194, 1:224	Fiskebäckskil	1905	Gothenburg University	Kristineberg	2,445	0	2,043	836	0	16,062
		Föreståndarbostaden	Lysekil Skaftö-Fiskebäck 1:556	Fiskebäckskil	1827	—	Kristineberg	233	0	0	0	768	4,000
		Skövde University	Göta 1	Högskolevägen 1	—	Skövde University	Skövde	8,355	1,082	8,994	1,076	34,015	55,938
		Hus G	Göta 1	Högskolevägen	1999	Skövde University	Skövde	11,454	0	16,527	1,443	0	167,873
		Balder	Balder 7	Allégatan 1	1982	Borås University	Borås	32,228	0	36,134	1,121	7,454	330,488
		Sandgårdet	Sandgårdet 6 m.fl.	Järnvägsgatan 5	2001	Borås University	Borås	13,729	0	26,536	1,933	12,256	282,932
		Utb.res. Sandgårdet	Sandgårdet 6 m.fl.	—	—	—	Borås	0	0	0	0	0	3,912
		Properties under construction											154,664
<b>TOTAL</b>								<b>503,202</b>	<b>9,074</b>	<b>758,648</b>	<b>1,508</b>	<b>723,146</b>	<b>7,454,342</b>
Rent reductions and vacancies										-14,275			
Revenue, non-recurring rent payments										8,810			
Rental revenue, net										753,183			

## Property specification Eastern Region



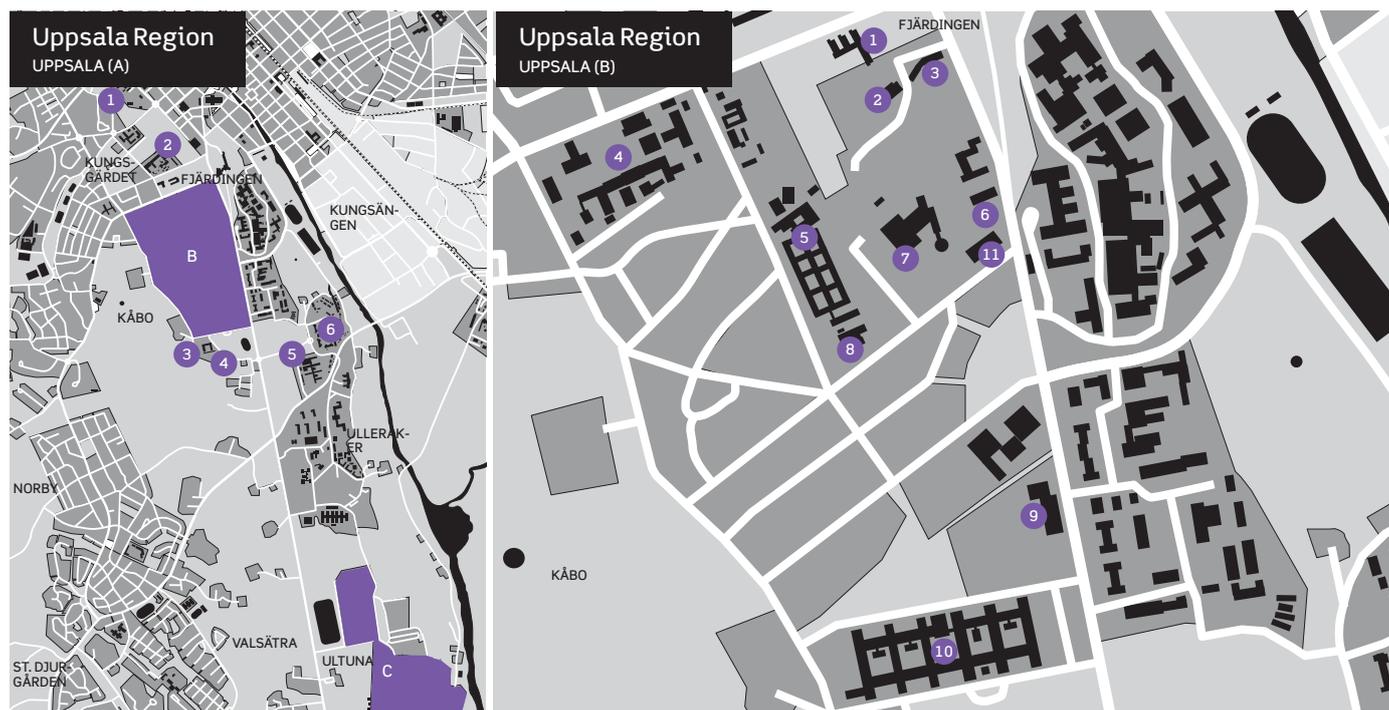
MAP REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
	Intellektet 1	Intellektet 1	Campus Valla	—	—	Linköping	0	0	0	0	1,032,112	0
A 1	A-Building	Intellektet 1	Campus Valla	1990	Linköping University	Linköping	30,886	0	43,576	1,411	0	403,913
A 2	B-huset	Intellektet 1	Campus Valla	1972	Linköping University	Linköping	35,357	0	46,608	1,318	0	431,483
A 3	C-Building	Intellektet 1	Campus Valla	1972	Linköping University	Linköping	11,188	0	10,774	963	0	93,742
A 4	D-Building	Intellektet 1	Campus Valla	1980	Linköping University	Linköping	12,947	0	15,459	1,194	0	149,440
A 5	Temahuset	Intellektet 1	Campus Valla	1987	Linköping University	Linköping	5,882	0	7,423	1,262	0	64,871
A 6	E-Building	Intellektet 1	Campus Valla	1985	Linköping University	Linköping	4,229	0	4,946	1,170	0	43,688
A 7	Kårallen	Intellektet 1	Campus Valla	1987	Linköping University	Linköping	5,647	0	3,651	647	0	20,134
A 8	Akademiska Hus, Adm	Intellektet 1	Campus Valla	1987	Akademiska Hus	Linköping	1,211	0	1,071	1,103	0	9,148
A 9	Nova	Intellektet 1	Campus Valla	1975	ALcontrol AB	Linköping	6,172	0	8,457	1,370	0	59,826
A 10	Vallfarten	Intellektet 1	Campus Valla	1975	Linköping University	Linköping	1,274	0	3,166	2,485	0	10,334
A 11	Terra	Intellektet 1	Campus Valla	1975	VTI	Linköping	21,941	1,817	23,427	1,068	0	204,223
A 12	Provhall	Intellektet 1	Campus Valla	1973	Peab Drift & Underhåll Mellansverige	Linköping	397	0	240	604	0	1,876
A 13	Förråd	Intellektet 1	Campus Valla	1975	Linköping University	Linköping	704	0	28	39	0	0
A 14	Provvägshall/vti	Intellektet 1	Campus Valla	1973	VTI	Linköping	1,287	0	748	581	0	2,476
A 15	Origo	Intellektet 1	Campus Valla	1992	Linköping University	Linköping	4,065	0	4,768	1,173	0	42,425
A 16	Fysikhuset	Intellektet 1	Campus Valla	1995	Linköping University	Linköping	16,919	0	30,971	1,831	0	267,404
A 17	Hus Ett	Intellektet 1	Campus Valla	1987	Linköping University	Linköping	637	0	529	831	0	4,858
A 18	Galaxen	Intellektet 1	Campus Valla	1978	FOI	Linköping	31,209	977	39,221	1,257	0	384,921
A 19	NSC	Intellektet 1	Campus Valla	1978	Linköping University	Linköping	948	350	5,812	6,131	0	26,800
A 20	Mjärdevi Västergård	Intellektet 1	Campus Valla	1780	Kårservice Östergötland AB	Linköping	113	0	63	562	0	416
A 21	Zenit	Intellektet 1	Campus Valla	1998	Linköping University	Linköping	1,957	0	2,480	1,267	0	21,630
A 22	I-Building	Intellektet 1	Campus Valla	1990	Linköping University	Linköping	2,762	0	2,948	1,067	0	27,309
A 23	I-Building 3	Intellektet 1	Campus Valla	1996	Linköping University	Linköping	1,373	0	1,651	1,203	0	17,338
A 24	KEY	Intellektet 1	Campus Valla	2000	Linköping University	Linköping	11,139	0	17,857	1,603	0	181,391
A 25	Idrottshall	Intellektet 1	Campus Valla	2007	Linköping Municipal Authority	Linköping	5,553	0	4,786	862	0	54,345
A 26	Früidrottsarena	Intellektet 1	Campus Valla	2013	Linköping Municipal Authority	Linköping	581	0	6,203	10,676	0	97,871
A 27	L-huset	Intellektet 1	Campus Valla	2011	Linköping University	Linköping	377	0	1,367	3,626	0	13,022
A 28	Ångströmhuset	Intellektet 1	Campus Valla	2011	Linköping University	Linköping	237	0	3,575	15,082	0	33,257
A 29	TMC	Intellektet 1	Campus Valla	2012	Linköping University	Linköping	1,869	0	5,667	3,032	0	52,944
A 30	KMC	Intellektet 1	Campus Valla	2013	Linköping University	Linköping	2,329	0	6,281	2,697	0	90,246
A 31	Kärnhuset NSC	Intellektet 1	Campus Valla	2013	Linköping University	Linköping	3,040	0	10,177	3,348	0	89,449
	Cbr5	Intellektet 1	Campus Valla	2011	Linköping University	Linköping	312	0	934	2,994	0	0
	Utbyggnadsreserv Intellektet 1	Intellektet 1	Campus Valla	—	—	Linköping	0	0	0	0	0	124,340

## Property specification Eastern Region



MAP REFERENCE NO. PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK	
	Universitetet 1	Örebro Universitetet 1 Fakultetsgatan 1	—	—	Örebro	0	0	0	0	244,185	0	
B 1	Ioh Gymnastikhuset	Örebro Universitetet 1 Fakultetsgatan 1	1969	Örebro University	Örebro	5,157	0	5,597	1,085	0	46,617	
B 1	Ioh Idrottshallen	Örebro Universitetet 1 Fakultetsgatan 1	1970	Örebro University	Örebro	2,410	0	2,077	862	0	13,688	
B 1	Idrottsplaner	Örebro Universitetet 1 Fakultetsgatan 1	—	Örebro University	Örebro	0	0	94	0	0	0	
B 2	Långhuset	Örebro Universitetet 1 Fakultetsgatan 1	1975	Örebro University	Örebro	18,524	0	23,322	1,259	0	201,706	
B 3	Östra Mark Mangårdsbyggnad	Örebro Universitetet 1 Fakultetsgatan 1	1984	Örebro University	Örebro	577	0	593	1,029	0	5,525	
B 3	Östra Mark Västra Flygeln	Örebro Universitetet 1 Fakultetsgatan 1	1996	Örebro University	Örebro	320	0	570	1,782	0	3,487	
B 4	Teknikhuset	Örebro Universitetet 1 Fakultetsgatan 1	1992	Örebro University	Örebro	13,361	0	16,993	1,272	0	159,981	
B 5	Prismahuset	Örebro Universitetet 1 Fakultetsgatan 1	1995	Örebro University	Örebro	14,519	0	18,267	1,258	0	160,602	
B 5	Forum	Örebro Universitetet 1 Fakultetsgatan 1	2001	Örebro University	Örebro	8,513	0	11,091	1,303	0	108,217	
B 6	Bibliotek	Örebro Universitetet 1 Fakultetsgatan 1	1996	Örebro University	Örebro	6,797	0	8,892	1,308	0	88,725	
B 7	Musikhögskola	Örebro Universitetet 1 Fakultetsgatan 1	2004	Örebro University	Örebro	9,237	0	18,951	2,052	0	164,835	
B 7	Bilbergsga	Örebro Universitetet 1 Fakultetsgatan 1	2008	Örebro University	Örebro	5,413	0	16,551	3,058	0	136,242	
B 8	Entrehuset	Örebro Universitetet 1 Fakultetsgatan 1	1998	Örebro University	Örebro	4,713	0	6,976	1,480	0	64,140	
B 8	Kårhuset	Örebro Universitetet 1 Fakultetsgatan 1	1990	Örebro University	Örebro	1,360	0	1,487	1,094	0	8,420	
	Röda Paviljongen	Örebro Universitetet 1 Fakultetsgatan 1	—	Örebro University	Örebro	282	0	108	382	0	844	
	Utbyggnadsres. Universitetet 1	Örebro Universitetet 1 Campus Örebro	—	—	Örebro	0	0	0	0	0	17,301	
	Måltidens Hus	Grythyttan 6:419	Sörälgsvägen 4	1993	Örebro University	Grythyttan	3,117	0	4,141	1,328	15,651	21,126
	Kårnhuset	Grythyttan 6:419	Sörälgsvägen 1	1993	Örebro University	Grythyttan	1,679	0	1,987	1,183	14,710	12,401
C 1	Kåkenhus	Kåkenhus 11	Bredgatan 33	1830, 2008	Linköping University	Norrköping	19,080	0	45,937	2,408	7,167	333,266
C 2	Täppan	Täppan 23	Bredgatan 34	1999	Linköping University	Norrköping	16,274	0	30,883	1,898	1,429	284,861
C 3	Kopparhammaren	Kopparhammaren 6	Kungsgatan 52	1891, 2010	Linköping University	Norrköping	2,538	0	8,517	3,354	946	68,210
	Properties under construction										7,749	
<b>TOTAL</b>						<b>358,413</b>	<b>3,144</b>	<b>537,898</b>	<b>1,501</b>	<b>1,316,200</b>	<b>4,933,064</b>	
	Rent reductions and vacancies							-3,122				
	Revenue, non-recurring rent payments							2,495				
	Rental revenue, net							535,086				

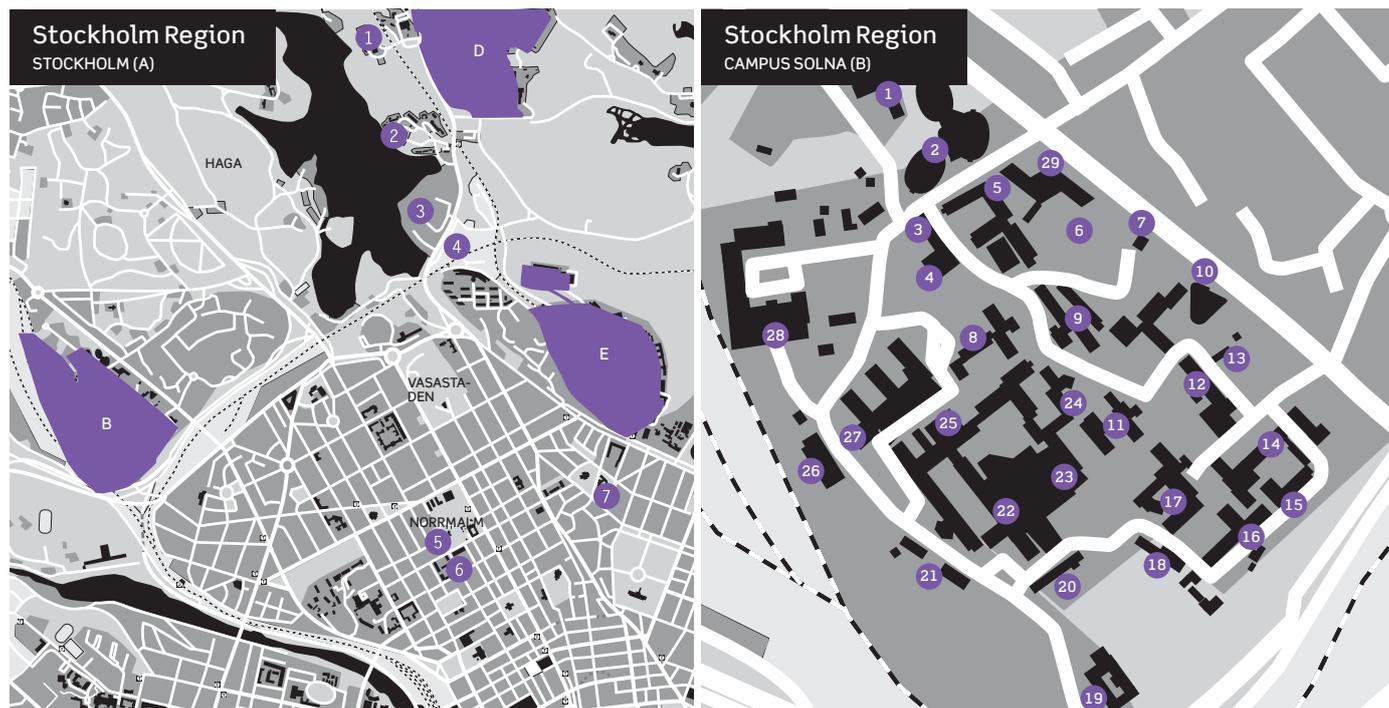
## Property specification Uppsala Region



MAP	REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
A	1	Ekonomikum	Luthagen 62:7	Kyrkogårdsgatan 10	1975	Uppsala University	Uppsala	21,838	0	30,219	1,384	43,620	311,392
A	2	Engelska parken 1	Kåbo 14:3	Thunbergsvägen 3 A-B	1859	Uppsala University	Uppsala	2,719	0	3,933	1,446	34,191	39,328
A	2	Engelska parken 2	Kåbo 14:3	Thunbergsvägen 3 E	1904	Uppsala University	Uppsala	30,508	0	43,800	1,436	0	402,575
A	2	Engelska parken 3	Kåbo 14:3	Thunbergsvägen 3 D	1954	Uppsala University	Uppsala	3,862	0	5,705	1,477	0	57,458
A	2	Engelska parken 4	Kåbo 14:3	Thunbergsvägen 5 A	1986	Uppsala University	Uppsala	2,701	0	4,844	1,793	0	25,881
A	2	Engelska parken 5	Kåbo 14:3	Thunbergsvägen 5 A	1947	Uppsala University	Uppsala	1,103	0	3,610	3,273	0	5,163
A	2	Utb.res. Engelska parken	Kåbo 14:3	—	—	—	Uppsala	0	0	0	0	0	654
A	—	Utb.res. Rosendal	Kåbo 1:20	—	—	—	Uppsala	0	0	0	0	0	157,671
A	3	Rosendalsgymnasiet	Kåbo 1:20	Husargatan 8	1976	Uppsala Municipal Authority	Uppsala	9,062	0	14,553	1,606	19,172	164,490
A	4	Fyrkanten	Kåbo 1:20	Leo Fenders väg	—	—	Uppsala	1,103	1,103	0	0	2,970	0
A	5	Ångströmlab	Kronåsen 7:1	Lägerhyddsvägen 1	1994	Uppsala University	Uppsala	50,105	0	100,347	2,003	82,442	1,033,307
A	5	Frejhallen, Ångström lab 2	Kronåsen 7:1	Lägerhyddsvägen 1	2013	Uppsala University	Uppsala	1,143	0	4,618	4,040	0	40,612
A	5	Utb.res. Ångström	Kronåsen 7:1	—	—	—	Uppsala	0	0	0	0	0	21,743
A	6	ITC 1	Kronåsen 1:15	Lägerhyddsvägen 2	1909	Uppsala University	Uppsala	21,473	0	34,200	1,593	68,695	352,268
A	6	ITC 2	Kronåsen 1:15	Lägerhyddsvägen 2	1916	Svensk Markservice AB	Uppsala	3,190	362	3,110	975	0	17,366
A	6	ITC 3	Kronåsen 1:15	Lägerhyddsvägen 2	1903	Science Students Union	Uppsala	2,545	1,907	646	254	0	0
A	6	ITC 4	Kronåsen 7:1	Lägerhyddsvägen 3	1879	Uppsala University	Uppsala	1,976	0	2,410	1,220	0	28,568
A	6	Utb.res. ITC	Kronåsen 1:15	—	—	—	Uppsala	0	0	0	0	0	3,826
B	1	Blåsenhus 1	Kåbo 5:1	von Kraemers Allé 1	2009	Uppsala University	Uppsala	20,736	0	49,880	2,405	137,808	714,129
B	2	Idrottshuset	Kåbo 5:1	von Kraemers Allé 5	2009	Uppsala University	Uppsala	2,986	0	6,540	2,190	0	90,877
B	3	Stora Lugnet	Kåbo 5:4	Dag Hammarskjölds väg 11 A-B	1955	Uppsala University	Uppsala	2,133	376	3,103	1,455	4,090	26,221
B	3	Lugnet	Kåbo 5:1	von Kraemers Allé 8	1750	Uppsala Municipal Authority	Uppsala	358	0	311	869	0	1,567
B	4	EBC 1, Zoologen	Kåbo 34:12	Villavägen 9	1916	Uppsala University	Uppsala	7,560	0	9,318	1,233	53,794	106,212
B	4	EBC 2	Kåbo 34:12	Norbyvägen 14	1999	Uppsala University	Uppsala	2,401	0	4,019	1,674	0	47,123
B	4	EBC 4 Lab	Kåbo 34:12	Norbyvägen 18 A	1962	Uppsala University	Uppsala	14,511	0	25,165	1,734	0	239,880
B	4	EBC 5, Paleontologen	Kåbo 34:12	Norbyvägen 22	1933	Uppsala University	Uppsala	2,738	0	1,952	713	0	14,120
B	4	EBC 7	Kåbo 34:12	Norbyvägen 18 E	2009	Uppsala University	Uppsala	2,405	0	11,630	4,836	0	117,217
B	4	Utb.res. Lagerträdet	Kåbo 34:12	—	—	—	Uppsala	0	0	0	0	0	1,353
B	5	Västra Lugnet	Kåbo 5:1	Villavägen	1912	—	Uppsala	1,722	1,722	693	402	0	7,000
B	5	Geocentrum	Kåbo 5:1	Villavägen 18	1979	Uppsala University	Uppsala	18,906	0	25,458	1,347	0	273,160
B	6	Kunskaps gymnasiet	Kåbo 5:1	von Kraemers Allé 24	1967	Kunskapsskolan	Uppsala	2,881	0	7,547	2,620	0	93,078
B	11	Skandion Clinic	Kåbo 5:9	von Kraemers Allé 26	2014	Kommunalförb. Avancerad Strålbehandling	Uppsala	10,236	0	25,861	4,548	6,115	806,798
B	7	Arkivcentrum	Kåbo 5:1	von Kraemers Allé 19	1953	Landsarkivet i Uppsala	Uppsala	13,503	0	14,597	1,081	0	153,450
B	8	Kontor Akademiska Hus	Kåbo 5:1	Artillerigatan 7	2003	Akademiska Hus	Uppsala	2,237	0	7,659	3,424	8,300	50,136
B	9	Magistern	Kåbo 01:10	Dag Hammarskjölds v 31	1943	Kunskapsskolan	Uppsala	4,401	0	9,797	2,226	0	121,482
B	9	Utb.res. Magistern	Kåbo 01:10	—	—	—	Uppsala	0	0	0	0	0	47,485
B	10	Biomedicinskt centrum	Kåbo 1:10	Husargatan 3	1997	Uppsala University	Uppsala	80,833	0	185,757	2,298	98,732	1,705,322
B	—	Utb.res. Blåsenhus	Kåbo 5:1	—	—	—	Uppsala	0	0	0	0	0	49,985
B	—	Kv Blåsenhus	Kåbo 5:1	Norbyvägen 6	—	—	Uppsala	0	0	0	0	0	41,000

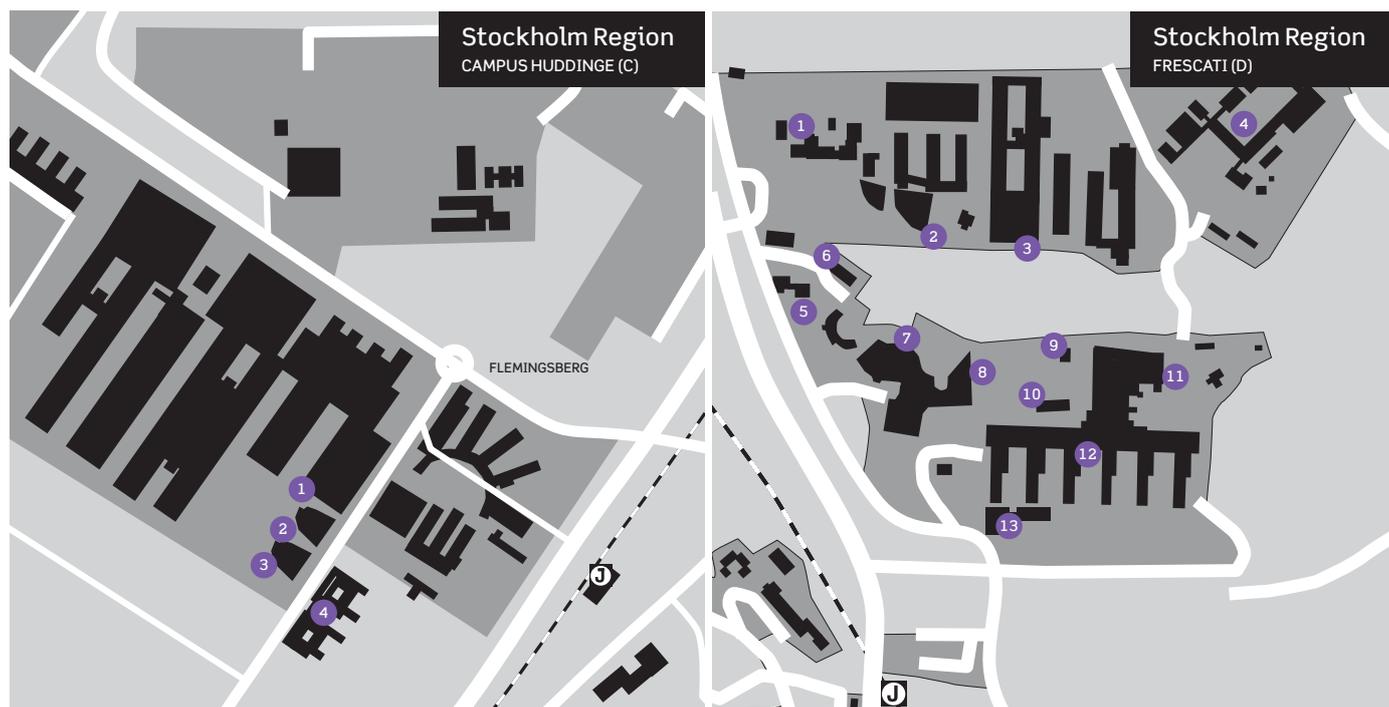


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A	1	Botanicum	N Djurgården 1:46	Lilla Frescativägen 5	1973	Stockholm University	Stockholm	8,839	0	13,813	1,563	0	111,484
A	2	Psyk. Inst.	N Djurgården 01:45	Frescati Hagväg 8	1916	Stockholm University	Stockholm	6,308	138	8,197	1,299	53,364	83,823
A	2	Psyk. Inst.	N Djurgården 01:45	Frescati Hagväg 14	1944	Stockholm University	Stockholm	2,823	0	3,245	1,150	0	26,633
A	2	Stressforskningsinst.	N Djurgården 01:45	Frescati Hagväg 16 A	1955	Stockholm University	Stockholm	3,562	64	5,568	1,563	0	35,908
A	2	Fytotronen	N Djurgården 01:45	Frescati Hagväg 9	1965	Stockholm University	Stockholm	1,012	0	2,239	2,213	0	25,242
A	2	Trädgårdsvillan	N Djurgården 01:45	Frescati Hagväg 7	1800	Stockholm University	Stockholm	489	209	402	822	0	759
A	2	Psyk. Inst.	N Djurgården 01:45	Frescati Hagväg 12	1948	MUM Projektbyggarna	Stockholm	720	0	1,027	1,425	0	9,518
A	3	Inst. Orientaliska språk	N Djurgården 01:44	Kräftriket 1 A	1911	Stockholm University	Stockholm	315	0	342	1,084	70,540	2,274
A	3	Företagsekon. Inst.	N Djurgården 01:44	Kräftriket 2 A-C	1911	Stockholm University	Stockholm	9,501	1,004	17,043	1,794	0	180,899
A	3	Inst. Orientaliska språk	N Djurgården 01:44	Kräftriket 4 A-B	1911	Stockholm University	Stockholm	2,165	50	2,229	1,030	0	14,924
A	3	Matematiska Inst.	N Djurgården 01:44	Kräftriket 5 A-B	1911	Stockholm University	Stockholm	2,474	0	4,329	1,750	0	47,433
A	3	Matematiska Inst.	N Djurgården 01:44	Kräftriket 6 A-B	1911	Stockholm University	Stockholm	2,651	0	4,728	1,784	0	52,242
A	3	Score	N Djurgården 01:44	Kräftriket 7 A-C	1911	Stockholm University	Stockholm	1,343	21	1,995	1,486	0	18,206
A	3	Vårdshuset	N Djurgården 01:44	Kräftriket 9 A-C	1911	Kräftan AB	Stockholm	723	0	1,028	1,421	0	7,066
A	3	Silm Resilience Center	N Djurgården 01:44	Kräftriket 10 A-C	1911	Stockholm University	Stockholm	631	0	1,030	1,632	0	11,682
A	3	Centraltvätt	N Djurgården 01:44	Kräftriket 11 A	1911	Arcimboldo AB	Stockholm	500	125	438	876	0	0
A	3	Kontorsbyggnad	N Djurgården 01:44	Kräftriket 16 A-D	1944	Boomerang Int.	Stockholm	1,176	0	2,254	1,917	0	25,547
A	3	Butik & garagebyggnad	N Djurgården 01:44	Kräftriket 14 A	1930	Akademiska Hus	Stockholm	244	240	233	954	0	1,580
A	3	Naprapathögskolan	N Djurgården 01:44	Kräftriket 24 A-C	1952	Midbacken AB	Stockholm	3,334	235	7,407	2,222	0	87,835
A	3	Inst. Orientaliska språk	N Djurgården 01:44	Kräftriket 22	1957	Stockholm University	Stockholm	1,582	398	1,484	938	0	1,178
A	4	Albano	—	—	—	Hochtief Solutions AG	Stockholm	0	0	0	0	48,692	74,000
A	5	Studenspalatset	Bergsmannen S. 8	Norr tullsgatan 2	1920	Stockholm University	Stockholm	3,147	0	5,023	1,596	1,232	61,632
A	6	Spökslottet	Kungstenen 4	Drottninggatan 116	1700	Stockholm University	Stockholm	1,350	0	3,154	2,337	1,211	45,533
A	7	Arkitektur	Domherren 1	Östermalmsgatan 26	1970	Royal Institute of Technology	Stockholm	12,021	136	15,016	1,249	5,294	100,000
B	1	Hagaskolan	Haga 04:35	Fogdevreten 2 A-D	1942	Karolinska Institute	Solna	2,671	2,014	3,948	1,478	0	40,764
B	2	KI Science Park	Haga 04:35	Tomtebodavägen 23	1960	Swedish Orphan Biovitrum AB	Solna	24,747	0	99,386	4,016	0	1,301,474
B	3	SMI säk.lab.	Haga 04:35	Nobelsväg 23	2000	Swedish Institute for Infectious Disease Control	Solna	1,068	0	10,621	9,944	0	62,527
B	4	Vir. Lab. SMI	Haga 04:35	Nobels väg 21	2005	Swedish Institute for Infectious Disease Control	Solna	2,979	0	11,163	3,747	0	141,116
B	5	Swedish Institute for Infectious Disease Control	Haga 04:35	Nobels väg 18	1952	Karolinska Institute	Solna	13,342	0	52,576	3,941	0	507,588
B	6	Bakteriologiska Inst.	Haga 04:35	Theorells väg 3	1957	DEMOLISHED in 2013	Solna	0	0	0	0	0	0
B	7	Röda Villan	Haga 04:35	Theorellsväg 5	2007	DEMOLISHED in 2013	Solna	0	0	0	0	0	0
B	8	Rättsmedicin	Haga 04:35	Retzius väg 5	1951	Rättsmedicinalverket	Solna	4,619	0	9,873	2,137	0	123,522
B	9	Wargentinhuset	Haga 04:35	Nobels väg 12 A-B	1948	Karolinska Institute	Solna	7,723	0	23,114	2,993	0	292,735
B	10	KI bibl., Friskis & Svettis	Haga 04:35	Theorellsväg 8A	1947		Solna	2,050	0	1,331	649	0	13,470
B	10	KI aula och kontor	Haga 04:35	Nobelsväg 6 B	2013	Karolinska Institute	Solna	9,967	0	39,275	3,940		563,352
B	11	Farmakologiska Inst.	Haga 04:35	Nanna Svartz väg 2	1950	Karolinska Institute	Solna	4,559	0	11,849	2,599	0	103,173

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B	12 KI administration	Haga 04:35	Nobels väg 5	1951 Karolinska Institute	Solna	5,347	0	11,155	2,086	0	152,543
B	13 Gammalgården	Haga 04:35	Nobels väg 2	1750 Karolinska Institute	Solna	345	0	442	1,281	0	4,903
B	14 Ludwiginstitutet	Haga 04:35	Nobels väg 3	1948 Karolinska Institute	Solna	5,918	0	11,927	2,015	0	106,696
B	15 CGB laboratoriet	Haga 04:35	Berzelius väg 37	1950 Karolinska Institute	Solna	4,451	0	16,174	3,634	0	184,622
B	16 Cell & molekylärbioologi	Haga 04:35	von Eulers väg 5	1960 Karolinska Institute	Solna	4,521	0	31,339	6,932	0	213,320
B	17 Fysiologiska Inst.	Haga 04:35	von Eulers väg 4 A-B	1948 Karolinska Institute	Solna	7,747	772	21,859	2,822	0	232,534
B	18 Inst. för Tumörbiologi	Haga 04:35	Berzelius väg 8	1983 Akademiska Hus	Solna	2,158	0	4,049	1,876	0	51,751
B	19 Astrid Fagreuslab.	Haga 04:35	Tomtebodavägen 2	2003 Karolinska Institute	Solna	4,693	0	28,822	6,142	0	189,280
B	20 Hyresbostäder	Haga 04:35	Berzeliusväg 2 A-G	1949 Karolinska Institute	Solna	646	0	438	677	0	1,428
B	21 Jernhusmark	Haga 04:35	Tomtebodavägen 3 D	— Akademiska Hus	Solna	1,313	157	1,524	1,161	0	0
B	22 Berzeliuslaboratoriet	Haga 04:35	Berzelius väg 3	1972 Karolinska Institute	Solna	13,368	0	38,712	2,896	0	379,386
B	23 Restaurang Jöns Jacob	Haga 04:35	Retzius väg 24	1978 Karolinska Institute	Solna	2,978	0	4,332	1,455	0	32,225
B	24 ICHAR	Haga 04:35	Nobels väg 9	1942 Karolinska Institute	Solna	4,747	0	12,116	2,552	0	127,876
B	25 Scheelelaboratoriet	Haga 04:35	Tomtebodavägen 6	1997 Karolinska Institute	Solna	18,990	0	54,554	2,873	0	794,961
B	26 P-hus KI söder	Haga 04:35	Tomtebodavägen 7-9	2003 Swedish Institute for Infectious Disease Control	Solna	4,956	0	0	0	0	0
B	27 Retziuslab	Haga 04:35	Retzius väg 8	2001 Karolinska Institute	Solna	14,526	0	60,467	4,163	0	664,206
B	28 Tomteboda, ECDC	Haga 04:35	Tomtebodavägen 11 A	1888 ECDC	Solna	11,545	575	21,688	1,879	319,319	285,983
B	29 Widerströmska huset	Haga 04:35	Tomtebodavägen 18A	2012 Karolinska Institute	Solna	14,759	0	35,692	2,418	0	596,840
C	1 Ki-Syd huvudbyggnad	Medicinaren 4	Alfred Nobels Allé 8	— Karolinska Institute	Flemingsberg	35,773	0	66,160	1,849	26,941	623,852
C	2 Bipontus	Medicinaren 4	Alfred Nobels Allé 10	1998 Karolinska Institute	Flemingsberg	6,557	0	14,417	2,199	0	70,835
C	3 Pontus	Medicinaren 4	Alfred Nobels Allé 12	1998 Karolinska Institute	Flemingsberg	5,927	0	11,918	2,011	0	98,104
C	4 Zanderska huset	Embryot 1	Alfred Nobels Allé 23	2002 Karolinska Institute	Flemingsberg	16,819	0	40,256	2,393	36,119	463,873
D	1 Manne Sieghbathshuset	N Djurgården 01:48	Frescativ 24 A m fl	— Stockholm University	Stockholm	6,762	0	10,715	1,585	0	117,617
D	2 Geovetenskapens hus	N Djurgården 01:48	S. Arrhenius v 6 A	1997 Stockholm University	Stockholm	18,143	0	49,586	2,733	0	563,591
D	3 Arrheniuslab.	N Djurgården 01:48	S. Arrhenius v 16 C-D	1973 Stockholm University	Stockholm	46,409	19	108,167	2,331	0	1,187,919
D	4 Frescatibackehuset	N Djurgården 01:48	S. Arrhenius väg 21 A	1944 Stockholm University	Stockholm	8,961	151	15,173	1,693	0	127,721
D	5 Nobelhusen	N Djurgården 01:48	Frescativ 14 A-B	— Stockholm University Student Union	Stockholm	1,362	0	1,549	1,137	0	11,707
D	6 Pic-Nic restaurang	N Djurgården 01:48	Lilla Frescativägen 18	— Restaurang Universitetet	Stockholm	287	0	448	1,560	0	2,822
D	7 Aula magna	N Djurgården 01:48	Lilla Frescativägen 6	1997 Stockholm University	Stockholm	6,480	0	19,065	2,942	0	269,101
D	8 Allhuset Lantis	N Djurgården 01:48	Universitetsvägen 7	1994 Stockholm University	Stockholm	9,332	51	11,237	1,204	291,895	95,186
D	9 Vaktm.bost Skära villan	N Djurgården 01:48	S. Arrhenius väg 30	1800 Stockholm University	Stockholm	1,911	0	2,101	1,100	0	17,288
D	10 Rektorsämb. Bloms hus	N Djurgården 01:48	Universitetsvägen 16	1850 Stockholm University	Stockholm	1,420	0	1,873	1,319	0	18,081
D	11 Universitetsbibl.	N Djurgården 01:48	S. Arrhenius v 28	1982 Stockholm University	Stockholm	21,581	0	41,377	1,917	0	446,704
D	12 Södra Huset	N Djurgården 01:48	Universitetsv 10 A m fl	1971 Stockholm University	Stockholm	53,916	0	91,515	1,697	0	1,046,874
D	13 Studenthuset	N Djurgården 01:48	Universitetsvägen 2 A-F	2013 Stockholm University	Stockholm	5,205	0	15,296	2,939	0	199,986

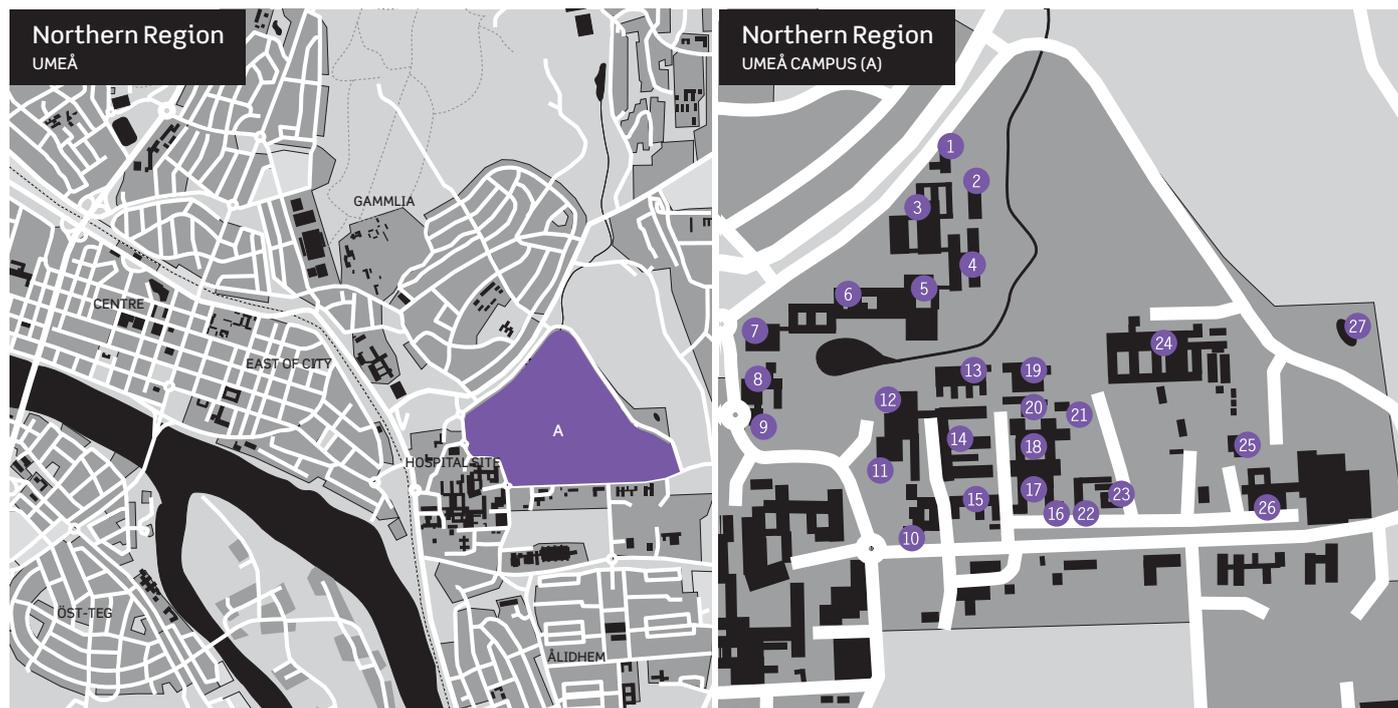
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E 1 KTH & Danshögskolan	Maskining. 1	Brinellvägen 58	1966 Royal Institute of Technology	Stockholm	23,849	1,420	53,585	2,247	24,383	741,250
E 2 Byggnad för KTH	N Djurgården 01:49	Drn Kristinas v 48	1946 Royal Institute of Technology	Stockholm	4,313	0	8,997	2,086	0	163,504
E 3 Bergsvetenskap	N Djurgården 01:49	Brinellvägen 23	1967 Royal Institute of Technology	Stockholm	10,829	0	22,163	2,047	0	283,786
E 4 Väg- & vatten	N Djurgården 01:49	Brinellvägen 30-36	1972 Dans och Cirkushögskolan	Stockholm	6,492	241	9,135	1,407	0	116,997
E 5 Väg- & vatten	N Djurgården 01:49	Teknikringen 72-76	1957 Royal Institute of Technology	Stockholm	9,269	0	19,821	2,138	0	277,824
E 6 Byggkonstruktion	N Djurgården 01:49	Teknikringen 78	1957 Royal Institute of Technology	Stockholm	3,411	0	4,740	1,390	0	86,906
E 7 Lantmäteriet	N Djurgården 01:49	Drn Kristinas v 30	1958 Royal Institute of Technology	Stockholm	7,678	0	13,538	1,763	0	175,031
E 8 Hyresbostäder	N Djurgården 01:49	Teknikringen 60, 62	1947 Private individual	Stockholm	2,262	0	1,698	751	0	3,263
E 9 Alfvén och Opera	N Djurgården 01:49	Teknikringen 31-35	1953 Royal Institute of Technology	Stockholm	12,892	0	17,655	1,369	0	188,841
E 10 Röda Korset	N Djurgården 1:1	Brinellvägen 2	1927 Royal Institute of Technology	Stockholm	6,420	0	20,538	3,199	0	361,047
E 11 Trafikstudier	N Djurgården 01:49	Teknikringen 10	1931 Royal Institute of Technology	Stockholm	1,276	0	3,039	2,381	0	56,114
E 12 Rest System & Bror	N Djurgården 01:49	Drn Kristinas v 22-24	1964 Festvåningen Muren AB	Stockholm	902	0	1,673	1,855	0	13,350
E 13 Farkostteknik	N Djurgården 01:49	Teknikringen 6	1931 Royal Institute of Technology	Stockholm	10,231	0	24,836	2,428	0	397,981
E 14 Byggnad för kemi	N Djurgården 01:49	Teknikringen 26-36	1922 Royal Institute of Technology	Stockholm	19,831	0	52,023	2,623	0	690,375
E 15 Teknisk fysik	N Djurgården 01:49	Teknikringen 14	1962 Royal Institute of Technology	Stockholm	4,313	0	20,665	4,791	0	145,127
E 16 Sing Sing	N Djurgården 01:49	Lindstedtsvägen 30	1948 Royal Institute of Technology	Stockholm	10,841	0	23,661	2,183	0	326,503
E 17 Värme- och kraft	N Djurgården 01:49	Drn Kristinas v 14-18	1952 H3G Access AB	Stockholm	32	0	0	0	0	-92
E 18 KTH Bibliotek	N Djurgården 01:49	Osquars backe 31	1917 Royal Institute of Technology	Stockholm	9,350	0	22,681	2,426	0	322,040
E 19 Hållfasthetslära	N Djurgården 01:49	Drn Kristinas v 4-8	1943 Royal Institute of Technology	Stockholm	4,346	0	7,372	1,696	0	211,170
E 20 KTH huvudbyggnad	N Djurgården 01:49	Lindstedtsvägen	1917 Royal Institute of Technology	Stockholm	22,117	0	54,302	2,455	0	705,209
E 21 IVL	N Djurgården 01:49	Valhallavägen 81	1930 Swedish Environmental Research Institute	Stockholm	3,313	0	7,872	2,376	0	102,076
E 22 KTH adm.byggnad	N Djurgården 01:49	Valhallavägen 79	1935 Royal Institute of Technology	Stockholm	2,915	0	4,374	1,501	161,507	98,123
E 23 Huvudbyggnad	Forskningen 1	Drn Kristinas v 25	1939 Akademiska Hus	Stockholm	2,443	237	3,068	1,256	63,747	47,004
E 24 Provningsanstalt	Forskningen 1	Drn Kristinas v 33 A-D	1920 Swedish National Defence College	Stockholm	2,870	0	3,787	1,319	0	29,155
E 25 Swedish National Defence College	Forskningen 1	Drn Kristinas v 31	1920 Swedish National Defence College	Stockholm	16,400	0	44,033	2,685	0	701,545
E 26 Fd Hovjägarbostället	Forskningen 1	Drn Kristinas v 41	1886 Swedish National Defence College	Stockholm	263	0	359	1,365	0	4,115
E 27 Ytkemiska Inst.	Forskningen 1	Drn Kristinas v 47-51	1943 SP Technical Research Institute of Sweden	Stockholm	6,680	0	9,741	1,458	0	89,323
E 28 Q-Buildinga	Forskningen 1	Osqudas väg 10-12	1991 Royal Institute of Technology	Stockholm	13,554	0	30,637	2,260	0	407,964
E 29 KTH-byggnad	Forskningen 1	Drn Kristinas v 53	1958	Stockholm	1,752	0	1,748	998	0	12,267
E 30 Huvudbyggnad STF1	Forskningen 1	Drn Kristinas v 55-63	1946 Invention AB	Stockholm	10,457	0	17,322	1,656	0	238,767
E 31 Träteknik	Forskningen 1	Drn Kristinas v 65-67	1946 SP Technical Research Institute of Sweden	Stockholm	3,013	0	3,354	1,113	0	32,827
E 32 Röda Korsets högskola	N Djurgården 1:1	Teknikringen 1	1927 Röda Korsets högskola	Stockholm	4,164	0	6,960	1,671	0	117,982
E 33 GIH	Idrottshögskolan 1	Lidingövägen 1	1940 College of Physical Education and Sports	Stockholm	14,869	0	25,048	1,685	32,030	273,255



## Property specification Northern Region



MAP REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
A 1	Humanistpaviljong	Stadsliden 6:6	Humanioragränd 4	1992	Umeå University	Umeå	595	0	569	956	0	4,686
A 2	Norra BVH	Stadsliden 6:6	Humanioragränd 5	2003	Umeå University	Umeå	4,751	0	5,761	1,213	0	57,395
A 3	Humanities Building	Stadsliden 6:6	Biblioteksgränd 3	1972	Umeå University	Umeå	13,535	0	14,134	1,044	0	191,256
A 4	BVH	Stadsliden 6:6	Mediagränd 14	1992	Umeå University	Umeå	7,092	0	8,412	1,186	0	84,223
A 5	Bibliotek	Stadsliden 6:6	Biblioteksgränd 12	1968	Umeå University	Umeå	19,708	0	17,989	913	0	228,850
A 6	Samhällsvetarhuset	Stadsliden 6:6	Hörsalstorget 4	1968	Umeå University	Umeå	20,978	0	22,068	1,052	0	218,020
A 7	Läroarbildningshuset	Stadsliden 6:6	Universitetstorget 30	1996	Umeå University	Umeå	8,899	0	10,010	1,125	0	99,133
A 8	Förvaltningshuset	Stadsliden 6:6	Universitetstorget 18	1983	Umeå University	Umeå	7,896	0	8,616	1,091	0	79,157
A 9	Hus för samverkan	Stadsliden 6:6	Universitetstorget 14	2004	Umeå University	Umeå	2,841	0	5,101	1,795	0	45,097
A 10	UCCB	Stadsliden 6:6	Johan Bures väg 5	1980	Umeå University	Umeå	6,802	0	21,147	3,109	0	251,559
A 11	Aula Nordica	Stadsliden 6:6	Universums gränd 4	1987	Umeå University	Umeå	2,696	0	2,321	861	0	21,477
A 12	Universum	Stadsliden 6:6	Universums gränd 8-10	1970	Umeå University	Umeå	8,953	265	8,276	924	0	59,115
A 13	MIT	Stadsliden 6:6	Campustorget 5	1992	Umeå University	Umeå	12,846	0	21,833	1,700	0	176,757
A 14	Naturvetarhuset	Stadsliden 6:6	Johan Bures väg 14	1970	Umeå University	Umeå	23,354	0	26,822	1,148	0	290,423
A 15	Biologihuset	Stadsliden 6:6	Johan Bures väg 12	1963	Umeå University	Umeå	9,819	0	9,097	926	0	48,847
A 16	Fysiologihuset	Stadsliden 6:6	Artedigränd 7	1969	Umeå University	Umeå	10,891	1,051	14,467	1,328	0	89,325
A 17	KBC	Stadsliden 6:6	Linnaeus väg 6	1999	Umeå University	Umeå	11,369	0	18,541	1,631	0	155,806
A 18	Kemihuset	Stadsliden 6:6	Linnaeus väg 10	1963	Umeå University	Umeå	11,417	0	12,699	1,112	0	113,545
A 19	Teknikhuset	Stadsliden 6:6	Håken Gulleasons väg 20	1992	Umeå University	Umeå	6,446	0	8,651	1,342	0	96,967
A 20	Fysikhuset	Stadsliden 6:6	Linnaeus väg 20	1980	Umeå University	Umeå	3,200	0	3,912	1,223	0	47,125
A 21	Kemiskt säkerhetshus	Stadsliden 6:6	Håkan Gulleasons väg 11	1985	Umeå University	Umeå	462	0	589	1,275	0	5,076
A 22	Akademiska Hus offices	Stadsliden 6:6	Artedigränd 2	1977	Akademiska Hus	Umeå	1,682	0	1,810	1,076	0	16,996
A 23	Wallenberglab	Stadsliden 6:6	Artedigränd 14	1973	SLU	Umeå	1,000	89	1,614	1,614	0	9,821
A 24	Swedish University of Agricultural Sciences	Stadsliden 6:6	Skogsmarksgränd 17	1978	SLU	Umeå	23,722	324	41,007	1,729	0	371,258
A 25	NTK Kårhus	Stadsliden 6:6	Gösta Skoglund's väg 25	2007	Umeå University	Umeå	440	0	677	1,539	0	5,680
A 26	Iksu Sportcenter	Stadsliden 6:6	Sportgränd 5	2006	Universitetshallen Foundation	Umeå	5,307	0	6,862	1,293	0	75,542
A 27	Umeå Campus Friidrottsarena	Stadsliden 6:6	Petrus Lestadius väg 15	2010	Umeå Municipal Authority	Umeå	393	0	3,149	n/a	0	34,380
A	Land and expansion reserves Umeå Campus	Stadsliden 6:6	P-områden & vägar	—	Umeå University	Umeå	0	0	85		878,392	63,854
B 1	D-Building	Porsön 1:405	Laboratorievägen D2	1971	Luleå University of Technology	Luleå	15,292	0	20,312	1,328	0	96,067
B 1	Centekhuset	Porsön 1:405	Tekniktorget 3	1987	Luleå University of Technology	Luleå	1,576	0	1,830	1,161	0	17,324
B 2	E-Building	Porsön 1:405	Laboratorievägen E12	1974	Luleå University of Technology	Luleå	18,166	0	27,879	1,535	0	214,540

## Property specification Northern Region



MAP REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT SEK/M <sup>2</sup>	LAND AREA M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
B 3	K-Building	Porsön 1:405	Laboratorievägen 14	1976	Luleå University of Technology	Luleå	1,014	0	852	840	0	6,256
B 3	F-Building	Porsön 1:405	Laboratorievägen	1976	Luleå University of Technology	Luleå	25,689	0	31,806	1,238	0	331,649
B 4	A-Building	Porsön 1:405	Regnbågsallén 2	1977	Luleå University of Technology	Luleå	13,613	831	14,272	1,048	0	121,512
B 4	Alfahuset	Porsön 1:405	Universitetsvägen A1	1993	Luleå University of Technology	Luleå	4,631	0	5,399	1,166	0	49,039
B 5	B-Building	Porsön 1:405	Regnbågsallén B8, B10	1978	Luleå University of Technology	Luleå	6,152	0	7,915	1,287	0	67,252
B 5	Bibliotek	Porsön 1:405	Vintergatan 2	1994	Luleå University of Technology	Luleå	6,355	0	7,829	1,232	0	72,525
B 6	C-Building	Porsön 1:405	Universitetsvägen C 1	1975	Luleå University of Technology	Luleå	12,596	0	18,368	1,458	0	137,853
B 7	Idrottshall	Porsön 1:405	Universitetsvägen C 11	1976	Luleå University of Technology	Luleå	2,457	0	1,756	715	0	9,298
B	Porsön	Porsön 1:405	Laboratorievägen D2	1998	Luleå University of Technology	Luleå	0	0	129	0	322,072	2,661
B	Utbyggnadsreserv Campus Luleå	Porsön 1:405	—	—	—	Luleå	0	0	0	0	0	9,653
	Norrbyn fältstation	Norrbyn 2:122	Norrbyn	1984	Umeå University	Norrbyn	2,489	0	4,484	1,802	9,504	24,552
	Properties under construction											63,370
<b>TOTAL</b>							<b>337,124</b>	<b>2,560</b>	<b>439,050</b>	<b>1,302</b>	<b>1,209,968</b>	<b>4,164,921</b>
Rent reductions and vacancies									-4,386			
Non-recurring rent payments									52,737			
Rental revenue, disposed properties									519,398			
Rental revenue, net									21,911			
									509,312			

# Definitions

## PROPERTY-RELATED KEY FIGURES

### Gross investments

This year's investments in non-current investments.

### Yield

Operating surplus in relation to the average fair value, excluding buildings under construction.

### Net operating income ratio

Net operating income in relation to management income.

### Net investments

Closing balance minus the opening balance for non-current assets plus depreciation and impairments minus remeasurements.

### Rental and vacancy levels

Leased or vacant floor space in relation to the total floor space. Financial leasing or vacant space levels are rental revenue for space leased and estimated rental revenue for vacant space in relation to the total rental revenue.

## FINANCIAL KEY FIGURES

### Return on equity after standard tax

Earnings after financial items with a deduction for full tax in relation to average equity.

### Return on operating capital

Earnings before financial items, excluding changes in fair value in relation to average operating capital.

### Return on total assets

The operating profit plus financial income in relation to the average total assets.

### Loan-to-value ratio

Interest-bearing net loan debt in relation to the closing value of investment property.

### Financing cost according to IFRS

Net financial income/expense in the form of the financing cost for loans, net interest for financial derivatives and the change in fair value of financial derivatives, in relation to average interest-bearing capital.

### Operating capital

Equity plus interest-bearing net loan liability.

### Period-allocated financing cost

Net interest income and expense in the form of the financing cost for loans, net interest for financial derivatives and period allocation of realised profits on financial derivatives over the remaining term of the underlying instrument, in relation to average, interest-bearing capital.

### Interest-bearing net loan liability

Interest-bearing loans, financial derivatives and current interest-bearing investments. Pension provisions and similar items are not included.

### Interest coverage ratio

Profit before financial items, excluding changes in fair value of investment property in relation to net financial income/expense, excluding changes in value, financial derivatives, including period allocation of realised profits from derivatives and including capitalised interest in projects.

### Internal financing ratio

The part of the tangible, non-current assets procured during the year that could be financed using funds earned internally during the year.

### Equity ratio

Reported equity (for Parent Company including equity share in untaxed reserves) in relation to total assets carried forward.

### Total yield

Direct yield from investment property and their change in value, expressed in per cent.

## DEFINITIONS

### Operating costs

Costs for measures taken at an expected interval of less than one year with the aim of maintaining the function of a managed object. Operating costs are divided into energy and water supply as well as other operating costs.

### Property administration

Cost of management, day-to-day accounting administration, leasing, contact with tenants, handling of registers, contracts and drawings, technical planning and follow-up and human resource administration.

### Rental revenue

The basic rent, index-linked, and estimated rent for vacant rentable floor space and supplements, with a deduction for vacancies and rent reductions.

### Floor space, m<sup>2</sup>, gross

Gross floor space of building. Comprises rentable floor space as well as common areas and the areas surrounding the building.

### Floor space, m<sup>2</sup>

Rentable floor space in square metres.

### Interest-bearing liabilities

Interest-bearing loans, including pension provisions and similar items.

### Maintenance costs

Costs for measures taken aimed at reinstating the original standard and function of worn or damaged parts of a building.

## ADDRESSES

### HEAD OFFICE

Akademiska Hus  
Box 483  
Stampgatan 14  
SE-401 27 Göteborg  
Telephone: +46 31 63 24 00  
akademiskahus.se  
info@akademiskahus.se

### REGIONS

Akademiska Hus Southern  
Region  
Ole Römers väg 2  
SE-223 63 Lund  
Telephone: +46 46 31 13 00

Akademiska Hus Western Region  
Box 476  
Stampgatan 14  
SE-401 27 Göteborg  
Telephone: +46 31 63 25 00

Akademiska Hus Eastern Region  
Olaus Magnus road 34  
SE-583 30 Linköping  
Telephone: +46 13 36 45 00

Akademiska Hus Stockholm Region  
Box 1394  
Berzelius väg 8, vån 3-5  
SE-171 27 Solna  
Telephone: +46 8 685 75 00

Akademiska Hus Uppsala Region  
Box 185  
Artillerigatan 7  
SE-751 04 Uppsala  
Telephone: +46 18 68 32 00

Akademiska Hus Northern Region  
Box 7985  
Artedigränd 2  
SE-907 19 Umeå  
Telephone: +46 90 17 62 00

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#### INFORMATION SCHEDULE

April 28, 2015	Annual General Meeting
April 28, 2015	Interim Report, January-March 2015
July 15, 2015	Interim Report, April-June 2015
October 28, 2015	Interim Report, July-September 2015
February 2016	Year-End Report 2015
March 2016	Annual Report 2015

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#### FOR FURTHER INFORMATION, PLEASE CONTACT:

Kerstin Lindberg Göransson, President  
Telephone: +46 31 63 24 60  
E-mail: Kerstin.LindbergGoransson@akademiskahus.se

Jonas Ragnarsson, CFO  
Telephone: +46 31 63 24 81  
E-mail: jonas.ragnarsson@akademiskahus.se





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