



## AKADEMISKA HUS AB (Publ) Reg. No. 556459-9156

The Board of Directors and President of Akademiska Hus AB hereby present the Year-End Report for 2008.

- **Rental income** increased to SEK 4,793 million (4,635).
- **The net operating income** was SEK 3,054 million (2,918).  
Net operating income improved to 63 per cent (62).
- **Net financial income** was SEK -589 million (-610).
- **Unrealised changes in the value of investment properties** amounted to SEK -2,192 million (-617).
- **The assessed fair value** was SEK 46,351 million (48,389).  
The change can be attributed mainly to the increased direct yield requirement and increased cost of capital.
- **The profit before tax** was SEK 232 million (1,673). The deterioration can be attributed to the change in value of the investment properties. The profit before tax, but excluding the change in value of investment properties, rose from SEK 2,290 million for 2007 to SEK 2,424 million for 2008. An increase in rental income and improved net financial income contributed to the result.
- **Profit for the year** after tax was SEK 749 million (1,253).
- **The total yield on investment properties** amounted to 1.9 per cent (4.6).
  - The direct yield rose to 6.4 per cent (6.0).
  - The change in value amounted to -4.5 per cent (-1.4).
- **Gross investments** amounted to SEK 2,325 million (2,183) and sales amounted to SEK 1,383 million (506).
- **Major commissionings** during the year were the new construction of the Vänern Building in Karlstad, the Bilbergsga Building in Örebro and the redevelopment and extension of parts of Kåkenhus in Norrköping.
- **During the year** part of the Tre Vapen property in Stockholm and the whole of the property holdings in Härnösand were sold. The sales contributed to profit to the amount of SEK 53 million.
- **The Board of Directors** will decide on a proposed dividend at its meeting on March 5, 2009.

### Profit and key figures

	2008	2007
Rental income, SEK m	4,793	4,635
Net operating income, SEK m	3,054	2,918
Changes in value, investment properties, SEK m	-2,192	-617
Profit before tax, SEK m	232	1,673
Vacant space, rent, %	1.5	2.1
Vacant space, area, %	3.7	3.1
Assessed fair value, investment properties, SEK m	46,351	48,389
Rentable floor space, m <sup>2</sup>	3,200,000	3,222,000
Total yield, properties, %	1.9	4.6
of which direct yield, %	6.4	6.0
of which change in value, %	-4.5	-1.4
Net operating income per m <sup>2</sup>	956	906
Return on equity after standard tax, %	0.7	4.9
Equity ratio, %	46.5	47.8
Interest coverage level, % *	369	399

\* Excluding change in value, investment properties, and financial derivatives.

### Statement by the President

Our position as owner of well-located properties with a good, long-term level of demand from the market is a considerable advantage in times such as these. Core operations are marked by long-term contracts with stable customers and good cost control, and the risk of a deterioration in our cash flow is thus very limited.

We have of course become aware of the general uncertainty on the property market. In 2008 we were not affected by loss of income as a result of vacant space, nor did we need to reduce rents in conjunction with renegotiations.

Even back in 2007 we noticed an increasing level of uncertainty and we reported a slight fall in value in the property portfolio. This uncertainty continued during 2008 and the prospects for economic growth have worsened. Risk premiums have generally continued to rise, which is something we must take into account when valuing our property holdings. Increased direct yield requirements and a higher cost of capital have thus had an impact on profit after net financial income, which is lower than last year as a result of the fall in value.

Parts of our large project portfolio were completed during the year and the tenants have now moved in and are operational. This has been an important addition to the property portfolio, amounting to a value of over SEK 2,300 million. In a declining property market we have been successful in finding purchasers for redeveloped properties that no longer house mainly universities and colleges. Following these disposals, amounting to approximately SEK 1,400 million, we still managed to increase our property portfolio by almost SEK 1,000 million and thus also our rental income.

On a positive note, we can report with satisfaction that the long-term work in developing the property holdings is beginning to bear fruit in the form of lower maintenance costs. Operating costs, however, have risen slightly as a result of the increasing cost of energy, primarily at the technically advanced laboratories. It has been possible, however, to limit the increase thanks to the intensive work that is ongoing to bring about further energy savings.

The net operating income and the net operating income per square metre have once again improved compared with the preceding year. During 2009, the task of improving management co-ordination and efficiency will be intensified. As one of the largest property companies in the country there are considerable co-ordination benefits to be achieved.

On the financing side, Akademiska Hus is well equipped, with satisfactory long-term capital tie-up, a limited refinancing risk and with the majority of the financing through bonds.

We can see continued long-term potential for investment in our property holdings. We have noted that in many areas there is an increasing demand from our customers to develop new and existing premises and we expect a further increase in project work during 2009. Akademiska Hus is well positioned, both financially and in terms of expertise, to work closely with our customers in order to create modern, efficient, operationally adapted premises.

### Income, costs and result

#### Rental income

Rental income amounted to SEK 4,793 million, which is an increase on the corresponding period the previous year (4,635). Index-linked increases in rent and the supplements arising from new construction and redevelopment have made a positive contribution whilst at the same time sales in Stockholm and Härnösand have reduced income slightly.

#### Rental and vacancy levels

The total holdings amounted to 3,200,000 square metres (3,222,000) of rentable space. The vacancy level was 3.7 per cent (3.1), which is equivalent to 118,797 square metres (99,155). In terms of value, the vacant space accounted for SEK 73 million (98) or just 1.5 per cent (2.1) of the rent, which reflects the fact that a large proportion of the vacant space has a lower rental value than the average for the holdings. Pedagogen in Mölndal was repurchased during the year, which has meant that vacant space has increased by almost 36,000 square metres.

#### Leases

The average term for newly signed lease agreements is 10.3 years (10.4) and as of the year-end the average remaining lease term was 5.9 years (6.3). In the case of investment in specialist buildings for laboratory and research operations, a lease term is normally required during which a large proportion of the investment is repaid within the term of the lease. In these cases leases are signed with terms of 10, 15 or 20 years.

#### Operating costs

For 2008, operating costs amounted to SEK 864 million (786), of which energy, fuel and water amounted to SEK 580 million (530), which is equivalent to SEK 270/m<sup>2</sup> (243). Of the operating costs, SEK 181/m<sup>2</sup> (165) was attributable to energy, fuel and water. The increasing technical complexity of the buildings over time has led to high operating costs. The proportion of laboratories is high, 34 per cent or 1.1 million square metres, and from an energy point of view these are considerably more resource-intensive than other premises. Despite everything, it has been possible

to limit the rise in operating costs through our successful work aimed at saving energy, which will continue in the future.

#### Maintenance costs

The maintenance costs for the year amounted to SEK 585 million (658), which is equivalent to SEK 183/m<sup>2</sup> (204). However, the investment in maintenance made by Akademiska Hus over several years has meant that the standard of the property holdings is now generally high. SEK 126 million (116) of the maintenance costs refers to tenant adaptations.

#### Net financial income/expense

Net financial income/expense totalled SEK -589 million (-610). The financing cost for loans has increased as a result of increases in the short-term interest rates throughout most of the year. The valuation of interest derivatives entered into for the purpose of extending the fixed interest period has been affected negatively by the downturn in long-term interest rates, particularly during the fourth quarter. At the same time, the significant increase in credit spreads has contributed to a positive change in the value of international loans and bonds. Interest expense for the full year amounted to 3.46 per cent (3.63).

#### Financing cost breakdown

	IFRS		According to earlier principles	
	2008	2007	2008	2007
Loan financing cost, %	4.69	3.80	4.69	3.80
Interest swaps, net interest, %	0.00	0.45	0.00	0.45
Period allocation and charges, %	0.02	0.01	0.38	0.49
Changes in value, financial derivatives, %	-1.25	-0.63	-	-
<b>Total financing cost</b>	<b>3.46</b>	<b>3.63</b>	<b>5.07</b>	<b>4.74</b>

#### Tax

In 2008, Akademiska Hus reported tax income. This can be explained by the fact that the tax rate for companies has changed and the reduction in the Group's property values has resulted in lower deferred tax.

Tax	SEK m
Current tax	-258
Change in tax rate	498
Reversal of deferred tax	277
<b>Tax on profit for the year</b>	<b>517</b>

#### Comments on the Balance Sheet

##### Investment properties

Property companies generally reported a negative change in value in 2008 following a year when turnover on the property market fell constantly and during the final quarter it came to a complete standstill. This financial concern has led to a tangible rise in the cost of venture capital and loan-to-value levels have been adjusted downwards considerably as a result of the banks' stricter stipulations with regard to financing property business. Several sales that were already under way were discontinued due to difficulty financing the purchases but also to the fact that the seller was unable to realise the anticipated price. The financial crisis that has flared up has triggered powerful market forces and also led to widespread uncertainty. In the prevailing market situation the valuations are marked by greater uncertainty than normal. The valuations cannot be more certain than the underlying market. The valuations are often based on actual transactions on the market and in the absence of such transactions there is an increasing degree of doubt. This situation is particularly obvious in the valuation made as of December 31, 2008. In recent years the difference in the yield requirement between attractive and less attractive objects has also increased. Stable, well-located properties with a strong customer base and very good rental potential are expected to be able to withstand better the fall in value. In this case, Akademiska Hus is well positioned to meet the future as tenant factors such as category of tenant, the long-term approach of the tenant and payment capacity are very strong.

In the light of the current market situation, Akademiska Hus has chosen to check the direct yield requirements and cost of capital with several independent valuation institutes, including DTZ, NewSec and Öhrlings PricewaterhouseCoopers. Following the increase in the direct yield requirement and cost of capital by 0.25 percentage points in the third quarter, the conclusion is that during the fourth quarter the direct yield requirement needs to be increased by 0.50–0.75 percentage points for properties in smaller towns at the same time that the cost of capital needs to be increased for all properties by 0.25–1.50 percentage points. This would result in the average direct yield requirement amounting to 7.1 per cent (6.7). The average cost of capital will be 7.9 per cent (7.3).

The assessed fair value of Akademiska Hus investment properties as of December 31, 2008 was determined by means of an internal property valuation. The fair value was SEK 46,351 million (48,389). Investments made during the year totalled SEK 1,442 million, acquisitions totalled SEK 147 million and sales totalled SEK 1,383 million. In addition, there was a negative

change in value amounting to SEK -2,245 million (of which SEK 53 million has been realised).

Change in the property holdings during 2008	SEK m
Assessed fair value, December 31, 2007	48,389
+ Investments in new construction and redevelopment	1,442
+ Acquisitions	147
- Sales	-1,383
- Unrealised change in fair value	-2,245
Of which a decrease in value as a result of increased cost of capital	-1,702
Of which a decrease in value as a result of the increasing direct yield requirement	-1,098
Of which a decrease in value as a result of an amended value index (valuations location, average remaining lease period, type of premises)	-166
Of which other changes in value	721
<b>Assessed fair value, December 31, 2008</b>	<b>46,351</b>

The internal cash flow valuation according to the above-reported prerequisites accounts for SEK 44,798 million (97 per cent) of the reported value of the investment properties. The expansion reserves of SEK 894 million (2 per cent) have been valued using the location price method. The remaining value of SEK 659 million (1 per cent) refers to objects with a special valuation basis. These mainly include development properties with uncertain future income and costs as well as the few Akademiska Hus residential buildings.

Assessed fair value, investment properties	SEK m	Proportion, %
Internal valuation model	44,798	97
Expansion reserves	894	2
Other valuation (including development properties)	659	1
<b>Assessed fair value, investment properties, December 31, 2008</b>	<b>46,351</b>	<b>100</b>

External valuations have been made as a benchmark for the internal cash flow valuations. Twelve of the 100 highest-valued objects at Akademiska Hus been valued externally. The value of these amounts to over 9 per cent of the total value. The deviation in value for the externally valued objects compared with the internal valuation is on the whole within the +/- 10 per cent margin of error. External valuations confirm the reliability of the Akademiska Hus internal valuation model.

#### Assessed fair values, investment properties, regions, SEK m

Region	31-12-2008	31-12-2007	Change	Of which investments/acquisitions	Of which sales/disposals	Of which change in value
North	3,846	4,264	-418	62	-224	-257
Uppsala	6,720	6,334	386	171	-12	227
Stockholm	18,077	19,571	-1,494	373	-1,070	-797
East	4,539	4,604	-65	372	-	-437
West	7,041	7,240	-199	566	-24	-741
South	6,129	6,377	-248	45	-53	-240
<b>Total</b>	<b>46,351</b>	<b>48,389</b>	<b>-2,038</b>	<b>1,589</b>	<b>-1,383</b>	<b>-2,245</b>

New construction in progress as of December 31, 2008 amounted to SEK 1,173 million (1,316).

#### Investments

Net investments in 2008 totalled SEK 953 million (1,682). Gross investments in investment properties amounted to SEK 2,325 million (2,183) and sales amounted to SEK 1,383 million (506).

Three major new construction projects were completed during the year. These were the Vänern Building for Karlstad University, the Bilbergska Building for Örebro University and the Pharmaceutical Centre for the University of Gothenburg. Of the completed redevelopment projects, the National Academy of Mime and Acting in Stockholm was the biggest. The building was sold later in the year. Of the other completed redevelopment projects, Kåkenhus 6 & 7 in Norrköping and Kunskapsskolan in Uppsala were the biggest.

Major current new construction projects include

- Karolinska Institute Science Park in Solna
- Pedagogikum in Uppsala
- Evolution Biology Centre (EBC) in Uppsala

Major current redevelopment projects include

- Centre for Chemistry and Chemical Engineering in Lund
- Biology Centre in Lund
- Geosciences in Uppsala
- Department of Earth Sciences in Uppsala

#### Interest-bearing liabilities

Net loan debt at the year-end amounted to SEK 15,090 million compared to SEK 16,411 million as of December 31, 2007.

The downturn can be attributed mainly to the sale of properties amounting to approximately SEK 1,383 million. During the first half of the year bond issues took place totalling SEK 2,400 million, of which SEK 1,800 million was on the Swiss market with a further SEK 600 million on the Japanese market. The average maturity at the beginning of the year was 4.2 years compared with 3.6 years at the turn of the year.

The fixed interest period has been extended to 1.9 years compared to 1.6 years at the preceding turn of the year. The extension has taken place gradually during the substantial fall in interest rates towards the end of the year.

Interest-bearing liabilities		
Amounts in SEK m	31-12-2008	31-12-2007
Commercial paper	49	1,611
ECP	-	385
Bonds and MT	4,207	4,918
EMTN	9,050	6,926
Other loans	4,665	3,074
<b>Total loans</b>	<b>17,971</b>	<b>16,914</b>
Financial derivatives	481	846
Collateral received for derivatives entered into	723	29
Pension provision	239	220
<b>Total, other interest-bearing liabilities</b>	<b>1,443</b>	<b>1,095</b>
<b>Total, interest-bearing liabilities</b>	<b>19,414</b>	<b>18,009</b>

### Risk management

Rental income is assured through leases which, by comparison with the industry in general, are long. The average term for a newly signed lease with Akademiska Hus is ten years and the average remaining lease term is 5.9 years. Follow-up of vacant space is a top priority and special measures are drawn up. Compared with other property companies the level of vacant space at Akademiska Hus is very low.

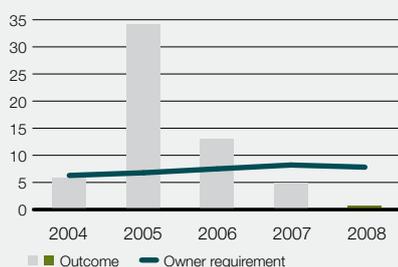
Akademiska Hus is not exposed fully to increases in operating costs as 53 per cent of costs for energy, fuel and water is passed on to tenants as a rent supplement. The price of electricity is hedged to counter any price increases. The purchase of electricity takes place on a groupwide basis directly through Nord Pool and is governed by special internal guidelines. Maintenance costs are to a large extent floating and can be reduced to counter a decrease in profit or increase in vacant space. The management organisation is working on maintenance planning for each individual building. The measures taken over the years have meant that the property holdings are now well maintained. Akademiska Hus financing operations are conducted with well-adapted strategies, striking a balance between financial risks and a low financing cost. The Finance Policy decided by the Board of Directors lays down the Group's risk approach and how exposure to financial risks will be handled. The handling of the liability portfolio interest risk takes place within a separate fixed interest mandate. For a more detailed description of Akademiska Hus's risk management, reference can be made to the Annual Report.

### Events after the end of the reporting period

No events of material importance took place after the end of the reporting period.

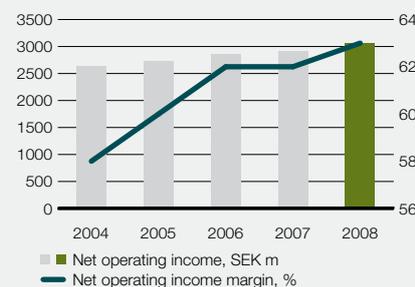
### Return on equity, %

Return on equity amounted to 0.7 per cent (4.9). During 2008, the average five-year government bond interest rate was 3.8 per cent and the owner requirement was thus 7.8 per cent.



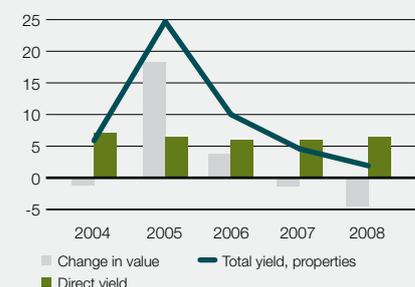
### Net operating income, 2004-2008

The net operating income, i.e. the result of the Group's operations before changes in value, central administration expenses and net financial income/expense, amounted to SEK 3,054 million (2,918) for the period. The net operating income level was 63 per cent (62).



### Total yield, %

The direct yield amounted to 6.4 per cent (6.0) due to the increase in net operating income, in combination with a lower market value for the investment properties. The total yield was 1.9 per cent (4.6).



### Objectives and profitability

Akademiska Hus has been commissioned to provide suitable, sound premises for universities and colleges.

The owner's financial objectives were set at:

- The yield requirement, calculated as the return (profit after tax) on average equity, should be equivalent to the average five-year government bond interest rate plus four percentage points viewed over a business cycle.
- The Group's dividend target is 50 per cent of the profit after financial items, excluding unrealised changes in value, with a deduction for current tax.
- The Group's equity ratio should be a minimum of 35 per cent.

## Consolidated Income Statement, Summary

Amounts in SEK m	2008 Jan-Dec	2007 Jan-Dec	2008 Oct-Dec	2007 Oct-Dec
Rental income	4,793	4,635	1,211	1,207
Other property management income	53	58	14	20
<b>Total income from property management</b>	<b>4,846</b>	<b>4,693</b>	<b>1,225</b>	<b>1,227</b>
Operating costs				
Maintenance costs	-864	-786	-262	-215
Property administration	-585	-658	-177	-178
Other property management costs	-258	-239	-80	-67
Total costs from property management	-85	-92	-24	-27
<b>Total costs from property management</b>	<b>-1,792</b>	<b>-1,775</b>	<b>-543</b>	<b>-487</b>
<b>Net operating income</b>	<b>3,054</b>	<b>2,918</b>	<b>682</b>	<b>740</b>
Changes in value, properties, positive	1,116	1,224	335	191
Changes in value, properties, negative	-3,308	-1,841	-1,472	-1,026
<b>Total changes in value, properties</b>	<b>-2,192</b>	<b>-617</b>	<b>-1,137</b>	<b>-835</b>
Central administration costs	-40	-30	-7	-10
Other operating income	111	93	34	29
Other operating costs	-112	-81	-27	-24
<b>Total, other operating items</b>	<b>-1</b>	<b>12</b>	<b>7</b>	<b>5</b>
<b>Profit before financial items</b>	<b>821</b>	<b>2,283</b>	<b>-455</b>	<b>-100</b>
Net financial income/expense	-589	-610	4	-188
<b>Profit before taxes</b>	<b>232</b>	<b>1,673</b>	<b>-451</b>	<b>-288</b>
Taxes	517	-420	609	112
<b>Net profit for the year</b>	<b>749</b>	<b>1,253</b>	<b>158</b>	<b>-176</b>

## Accounting principles

The Akademiska Hus consolidated accounts have been prepared according to the International Financial Reporting Standards (IFRS) and the interpretations of the International Reporting Interpretations Committee (IFRIC). This Year-End Report has been prepared according to IAS 34 Interim Financial Reporting. The Parent Company's accounting records have

## Consolidated Balance Sheet, Summary

Amounts in SEK m	31-12-2008	31-12-2007
<b>ASSETS</b>		
Tangible assets		
Investment properties	46,351	48,389
New construction in progress	1,173	1,316
Equipment and fittings	20	19
<b>Total tangible assets</b>	<b>47,544</b>	<b>49,724</b>
Financial assets	2,954	909
<b>Current assets</b>		
Receivables	1,150	677
Liquid funds	1,015	844
<b>Total current assets</b>	<b>2,165</b>	<b>1,521</b>
<b>Total assets</b>	<b>52,663</b>	<b>52,154</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	24,462	24,700
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Interest-bearing	15,652	13,109
Non-interest-bearing	6,629	7,414
<b>Total non-current liabilities</b>	<b>22,281</b>	<b>20,523</b>
<b>Current liabilities</b>		
Interest-bearing	3,762	4,900
Non-interest-bearing	2,158	2,031
<b>Total current liabilities</b>	<b>5,920</b>	<b>6,931</b>
<b>Total liabilities</b>	<b>28,201</b>	<b>27,454</b>
<b>Total equity and liabilities</b>	<b>52,663</b>	<b>52,154</b>
<b>Memorandum items</b>		
Pledged assets	157	260
Contingent liabilities	3	2

been prepared in accordance with the Annual Accounts Act as well as recommendations from the Swedish Financial Reporting Board. The accounting principles and computation methods have remained unchanged compared with the Annual Report for the previous year.

This report has not been the subject of an examination by the auditors.

## Changes in consolidated equity

Amounts in SEK m	Attributable to the Parent Company's shareholders				Total equity
	Share capital	Share premium reserve	Hedging reserve	Profit brought forward	
Equity 1-1-2007	2,135	2,135	2	20,529	24,801
Items not reported in the Income Statement	-	-	45	-	45
Dividend	-	-	-	-1,400	-1,400
Profit for the year Jan-Dec 2007	-	-	-	1,253	1,253
<b>Equity 31-12-2007</b>	<b>2,135</b>	<b>2,135</b>	<b>47</b>	<b>20,382</b>	<b>24,700</b>
Items not reported in the Income Statement	-	-	-58	-	-58
Dividend	-	-	-	-967	-967
Effect of change in tax rate	-	-	-	39	39
Profit for the year Jan-Dec 2008	-	-	-	749	749
<b>Equity 31-12-2008</b>	<b>2,135</b>	<b>2,135</b>	<b>-11</b>	<b>20,203</b>	<b>24,462</b>

## Consolidated Cash Flow Statement, Summary

Amounts in SEK m	2008	2007
Cash flow from current operations		
before changes in working capital	2,119	1,777
Change in working capital (excl. liquid funds)	-138	37
<b>Cash flow from current operations</b>	<b>1,981</b>	<b>1,814</b>
Net investments <sup>1)</sup>	290	-685
<b>Cash flow from investments</b>	<b>290</b>	<b>-685</b>
Dividend granted	-967	-1,400
Financing	-1,133	-264
<b>Cash flow from financing</b>	<b>-2,100</b>	<b>-1,664</b>
<b>Cash flow for the year</b>	<b>171</b>	<b>-535</b>

<sup>1)</sup> Refers to the part of net investments that has affected net profit.

## Segment Report Group's Geographical Areas, Summary

Amounts in SEK m	2008	2007	2008	2007
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
<b>Income, including other operating income</b>				
South	713	702	183	183
West	758	715	203	182
East	503	474	130	126
Uppsala	770	737	195	202
Stockholm	1,692	1,658	420	424
North	520	500	128	139
Other operations	120	119	30	29
Elimination of intra-Group income	-119	-119	-30	-29
<b>Total income</b>	<b>4,957</b>	<b>4,786</b>	<b>1,259</b>	<b>1,256</b>
<b>Profit before financial items, excluding central overheads</b>				
South	151	172	-53	-180
West	-279	400	-356	-31
East	-98	43	-239	-50
Uppsala	683	406	163	91
Stockholm	338	1,111	49	98
North	77	173	17	-13
Other operations	25	44	-20	4
Elimination of intra-Group items	-36	-36	-9	-9
<b>Profit before financial items, excluding central overheads</b>	<b>861</b>	<b>2,313</b>	<b>-448</b>	<b>-90</b>
<b>Income Statement reconciliation</b>				
Profit before financial items, excluding central overheads	861	2,313	-448	-90
Central overheads	-40	-30	-7	-10
Profit on financial items (net)	-589	-610	4	-188
Tax for the period	517	-420	609	112
<b>Profit for the period according to the Income Statement</b>	<b>749</b>	<b>1,253</b>	<b>158</b>	<b>-176</b>

## Parent Company

Akademiska Hus AB is the Parent Company in the Akademiska Hus Group. Operations comprise Group management and other Group functions. The Parent Company handles all financing and electricity procurement within the Group.

### Income and profit/loss

The Company's income totalled SEK 122 million (129). Of this figure, income from regional companies amounted to SEK 121 million (118). The operating profit was SEK -12 million (16) and net financial income/expense was SEK 1,186 million (2,204), including dividends from regional companies of SEK 650 million

(1,760). The profit after financial items was SEK 1,174 million (2,220).

### Investments

Investment in machinery and equipment amounted to SEK 1 million (1).

### Equity

Equity totalled SEK 6,359 million compared to SEK 6,382 million at the previous turn of the year.

## Parent Company Income Statement, Summary

Amounts in SEK m	2008	2007	2008	2007
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Income	122	129	19	30
Costs	-134	-113	-39	-35
<b>Total, other operating items</b>	<b>-12</b>	<b>16</b>	<b>-20</b>	<b>-5</b>
<b>Profit before financial items</b>	<b>-12</b>	<b>16</b>	<b>-20</b>	<b>-5</b>
Net financial income/expense	1,186	2,204	289	85
<b>Profit after financial items</b>	<b>1,174</b>	<b>2,220</b>	<b>269</b>	<b>80</b>
Appropriations	-36	-49	-36	-49
<b>Profit before taxes</b>	<b>1,138</b>	<b>2,171</b>	<b>233</b>	<b>31</b>
Taxes	-136	-117	-64	-11
<b>Net profit for the year</b>	<b>1,002</b>	<b>2,054</b>	<b>169</b>	<b>20</b>

## Parent Company Balance Sheet, Summary

Amounts in SEK m	31-12-2008	31-12-2007
Fixed assets	4,131	1,973
Current assets	22,237	22,786
<b>Total assets</b>	<b>26,368</b>	<b>24,759</b>
<b>Equity</b>	<b>6,359</b>	<b>6,382</b>
<b>Untaxed reserves</b>	<b>358</b>	<b>322</b>
Non-current liabilities	15,440	12,813
Current liabilities	4,211	5,242
<b>Total liabilities</b>	<b>19,651</b>	<b>18,055</b>
<b>Total equity and liabilities</b>	<b>26,368</b>	<b>24,759</b>

## Five-year Summary

	2008	2007	2006	2005	2004
<b>Income Statement, SEK m</b>					
Management income	4,846	4,693	4,596	4,533	4,530
Operating costs	-864	-786	-803	-762	-783
Maintenance costs	-585	-658	-624	-717	-806
Property administration	-258	-239	-253	-254	-245
Net operating income	3,054	2,918	2,843	2,727	2,625
Change in value, investment properties	-2,192	-617	1,874	7,214	-478
Central administration costs	-40	-30	-38	-35	-35
Operating profit	821	2,283	4,649	9,917	2,119
Net financial income	-589	-610	-419	-647	-794
Profit before taxes	232	1,673	4,229	9,270	1,324
Profit for the year	749	1,253	3,038	6,654	950
<b>Balance sheet, SEK m</b>					
Assessed fair value, properties	46,351	48,389	48,454	45,616	38,230
New construction in progress	1,173	1,316	894	1,121	806
Other assets	5,139	2,449	3,147	3,414	1,385
Equity	24,462	24,700	24,801	22,455	16,618
Interest-bearing liabilities	19,414	18,009	18,270	19,140	17,454
Other liabilities and provisions	8,787	9,445	9,424	8,556	6,349
<b>Cash flow, SEK m</b>					
Cash flow from current operations	1,981	1,814	1,777	1,675	1,200
Investments	290	-685	-1,000	-328	-1,502
Cash flow before financing	2,271	1,129	777	1,347	-302
Cash flow from financing	-2,100	-1,664	-624	-450	164
Cash flow for the year	171	-535	153	897	-139
<b>Property-related key figures</b>					
Total yield, properties, %	1.9	4.6	9.8	24.7	5.9
Of which direct yield, %	6.4	6.0	6.0	6.5	7.1
Of which change in value, %	-4.5	-1.4	3.8	18.2	-1.2
Rental income, SEK/m <sup>2</sup>	1,500	1,439	1,399	1,372	1,365
Operating costs, SEK/m <sup>2</sup>	270	244	247	233	238
Maintenance costs, SEK/m <sup>2</sup> (including tenant adaptations)	183	204	192	219	245
Net operating income in relation to management income, %	63	62	62	60	58
Net operating income, SEK/m <sup>2</sup>	956	906	875	835	799
Level of vacant space, area	3.7	3.1	3.5	3.2	2.8
Level of vacant space, rent	1.5	2.1	2.6	2.1	1.8
Assessed fair value, properties, SEK/m <sup>2</sup>	14,207	14,713	14,695	13,610	11,269
<b>Financial key figures</b>					
Return on equity after standard tax, % *	0.7	4.9	12.9	34.2	5.8
Interest-bearing net loan liability, SEK m	15,090	16,411	16,250	16,336	-
Equity ratio, %	46.5	47.8	47.2	44.8	41.1
Interest coverage ratio, %	369	399	434	435	327
Interest cost in relation to average interest-bearing net loan liability, %	3.5	3.6	2.5	3.8	4.5
Loan to value ratio, %	32.6	33.9	33.5	35.8	-
Dividend, SEK m	**	967	1,400	660	394
<b>Tenants and personnel</b>					
Satisfied Customer Index (NKI)	70	69	69	67	67
Average number of employees	399	397	398	446	442
Satisfied Employee Index (NMI)	70	69	66	66	66

\* The owner's yield requirement is that the yield on adjusted equity should be equivalent to the five-year government bond interest rate plus 4.0 percentage points (up to and including 2004 the requirement was 2.5) viewed over a business cycle. During 2008, the average five-year government bond interest rate was 3.8 per cent.

\*\* The Board of Directors will decide on the proposed dividend at its meeting on March 5, 2009.

## Definitions

**Direct yield.** Operating surplus in relation to the average assessed fair value.

**Equity ratio.** Reported equity in relation to total assets carried forward.

**Floor space, m<sup>2</sup>, gross.** The gross floor space of the buildings. Comprises rentable floor space as well as common areas and the area 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.

**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 the value of properties in relation to net financial income/expense, excluding changes in value, financial derivatives.

**Letting and vacant space levels.** Rented or vacant floor space in relation to the total rentable floor space. Financial letting or vacant space levels are rental income for space let and estimated rental income for vacant space in relation to the total rental income.

**Loan to value ratio.** Interest-bearing net loan debt in relation to the closing value of investment properties

**Maintenance costs.** Costs for measures taken to reinstate worn or damaged parts of buildings to their original standard and function.

**Net investments.** Closing balance minus the opening balance for non-current assets plus depreciation and impairments minus revaluations.

**Net operating income level.** Net operating income in relation to the management income.

**Operating expenses.** Expenses for measures taken with an expected interval of less than once a year aimed at maintaining the function of a management object. Operating expenses are divided into energy and water supply and other operating expenses.

**Property administration.** Cost of management, day-to-day accounting administration, letting, contact with tenants, handling of registers, contracts and drawings, technical planning and follow-up and personnel administration.

**Rental income.** The basic rent, index-linked, and estimated rent for vacant rentable floor space and supplements, with a deduction for vacancies and rent reductions.

**Return on equity after standard tax.** Earnings after financial income and expense with a deduction for full tax in relation to average equity.

**Total yield.** The sum of the direct yield and change in value of investment properties, expressed as a percentage.

## Financial information (Calendar)

Annual Report, March 2009

Annual General Meeting, April 29, 2009

1st Quarter 2009, April 29, 2009

2nd Quarter 2009, August 14, 2009

3rd Quarter 2009, November 2, 2009

Year-End Report 2009, February 2010

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