



AKADEMISKA HUS AB (Publ) Reg. Nr: 556459-9156

The Board of Directors and President of Akademiska Hus AB hereby present the Year-End Report for 2009.

- **Rental income** increased to SEK 4,927 million (4,793).
- **The profit before tax**, excluding the change in value of investment properties, increased from SEK 2,424 million for 2008 to SEK 2,538 million for 2009.
- **Unrealised changes in the value of investment properties** amounted to SEK -1,208 million (-2,192). The change in the fair value can be attributed to an increased risk premium in the valuations.
- **The profit before tax** was SEK 1,330 million (232). The improvement can be attributed to a reduced negative change in value of the investment properties compared with 2008.
- **Profit for the year after tax** was SEK 972 million (749).
- **The total yield on investment properties** amounted to 4.3 per cent (1,9).
 - The direct yield was 6,8 per cent (6,4).
 - The change in value was -2,5 per cent (-4,5).
- **Gross investments** amounted to SEK 1,385 million (1,446). There were no sales during the year (1 383).
- **The Board of Directors** proposes a dividend of SEK 1,219 million.

Profit and key figures

	2009	2008
Rental income, SEK m	4 927	4 793
Net operating income, SEK m	3 149	3 053
Changes in value, investment properties, SEK m	-1 208	-2 192
Profit before tax, SEK m	1 330	232
Vacant space, rent, %	1,9	1,5
Vacant space, area, %	3,8	3,7
Assessed fair value, investment properties, SEK m	47 723	47 524
Rentable floor space, m ²	3 219 000	3 200 000
Total yield, properties, %	4,3	1,9
of which direct yield, %	6,8	6,4
of which change in value, %	-2,5	-4,5
Net operating income per m ²	986	955
Return on equity after standard tax, %	4,0	0,7
Equity ratio, %	47,3	46,5
Interest coverage level, % *	866	369

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

Statement by the President

Akademiska Hus is Sweden's expert in knowledge environments. Together with our customers we are involved in developing Sweden into a knowledge nation. The demand for education and research is countercyclical to the economy. Several customers have reported a continued increase in demand for the development of new and existing premises, which means that Akademiska Hus's property operations continue to be strong and sound. The increase in demand has resulted in the continued expansion of our extensive construction operations. During 2009, the project portfolio increased in extent and there are confirmed projects totalling SEK 5 billion. In addition, there are projects planned for the next few years amounting to SEK 4 billion. There are also concept projects totalling SEK 6 million. Concept projects are projects that are considered likely to materialise although the time and scope remain uncertain. Examples of possible major projects are the development of the Albano area in Stockholm and the continued development of the Ultuna area in Uppsala. The focus of current and planned projects is on Stockholm and Uppsala although demand in Lund has also increased. Akademiska Hus is well equipped, both financially and in terms of expertise, to work in close dialogue with our customers to create these world-leading knowledge environments.

On the finance market, conditions have eased considerably during the past six months but still remain relatively restricted. Demands from financiers have been tightened with a resulting effect on the property market. The limited number of property transactions on the market means continued uncertainty, resulting in an increase in the yield requirements. Coupled with a lower rate of increase in the rents in conjunction with the property valuation, this has resulted in a slight fall in property values.

Akademiska Hus is characterised by long leases with stable customers with a good credit rating. Akademiska Hus reported an improved profit for 2009. The underlying property operations are very stable and it is particularly heartening to see that rental income is increasing more than administration costs. Net operating income has therefore continued to increase and amounted to SEK 3,149 million. As a result of a negative change in value of the investment properties of SEK -1,208 million, the profit before tax remained at SEK 1,330 million. This is nevertheless significantly better than the preceding year when the considerable level of uncertainty resulted in a slightly higher fall in value.

Akademiska Hus is facing greater competition from other property companies and the scope for rent increases in conjunction with renegotiations is extremely limited. A positive effect of this is the increased focus on cost effectiveness in property management in order to maintain good profitability. One of the primary property management objectives for 2010 is improved net operating income. Work is continuing on capitalising on eco-

nomies of scale in procurement and on co-ordination benefits within the Group. Our position as the second largest property company in Sweden and the largest developer presents unique opportunities to achieve good profitability through co-ordination and improved operating efficiency.

Mikael Lundström
President

Comments on items in the Statement of Comprehensive Income and the Statement of Financial Position

Rental income

Rental income amounted to SEK 4,927 million, which is an increase on the corresponding period the previous year (4,793). Index-linked increases in rent have made a positive contribution of approximately SEK 90 million. Completed new construction and redevelopment during the year resulted in a positive contribution of approximately SEK 70 million. The Vänern Building in Karlstad was the biggest project during 2009. Sales in Stockholm and Härnösand at the end of 2008 led to a slight fall in income.

Rental and vacancy levels

The total holdings amounted to 3,219,000 square metres (3,200,000) of rentable space. The vacancy level was 3.8 per cent (3.7), which is equivalent to 122,437 square metres (118,797). In terms of value, the vacant space accounted for SEK 94 million (73) or just 1.9 per cent (1.5) of the rent. A large proportion of the vacant space has a lower rental value than the average for the holdings.

Leases

The average term for newly signed lease agreements is 10.3 years (10.3) and as of the year-end the average remaining lease term was 5.4 years (5.9). 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 2009, operating costs amounted to SEK 866 million (864), which is equivalent to SEK 271/m² (270). Energy, fuel and water amounted to SEK 595 million (580) and account for 69 per cent of the operating costs. 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 energy-saving initiatives.

Maintenance costs

Maintenance costs for the year amounted to SEK 657 million (585), which is equivalent to SEK 206/m² (183). The investments made by Akademiska Hus over several years have meant that the standard of the property holdings is now generally high. SEK 128 million (126) of the maintenance costs refer to tenant adaptations.

Financing

Improved conditions on the finance market

Conditions on the finance market eased significantly during the past year. The hope of an economic recovery is underpinned by an extraordinarily light monetary policy and an invigorating finance policy. This has increased risk propensity on the financial markets and led to a fall in risk premiums. A significant fall in credit spreads was noted even if there was a certain degree of concern towards the end of the year about the creditworthiness of some countries. Uncertainty regarding financing of rising budget deficits is limiting the potential for lower long-term interest rates and the yield curves are generally very steep.

Even if we have yet to return to pre-crisis conditions the increase in the level of activity on the bond market has been a positive feature in the economic recovery phase. Financing opportunities for borrowers with a good credit rating have been very favourable in the short-term markets.

The bond issues that took place during 2008 and prior to that put Akademiska Hus in a secure maturity situation during the past year. Refinancing has taken place exclusively via the short-term financing programmes. Maturity has thus been shortened and at the year-end was 3.3 years compared with 4.2 years at the previous year-end.

The fixed interest period has been extended from 1.9 years at the turn of the year to 3.5 years. Interest swaps have been entered into totalling SEK 3,550 million with terms of five to ten years. The potential for a continued fall in long-term interest rates is considered to be relatively limited and in addition swap spreads have been noted at low levels.

Net financial income and expense

Net financial income and expense totalled SEK -576 million (-589), which is equivalent to an interest cost, including changes in value of financial derivatives, of 3.63 per cent (3.46) during the period. According to earlier calculation principles, the financing cost has been halved, from 5.07 per cent to 2.39 per cent. Financing at the low, variable rate of interest has had a significant impact on profit. At the same time, the earlier unrealised

increases in value in credit spreads for fair value hedges have been turned into unrealised losses. This can be attributed to falling credit spreads.

Financing cost breakdown

	IFRS		According to earlier principles	
	2009	2008	2009	2008
Loan financing cost, %	1,70	4,69	1,70	4,69
Interest swaps, net interest, %	0,60	0,00	0,60	0,00
Period allocation and charges, %	0,02	0,02	0,09	0,38
Changes in value, financial derivatives, %	1,31	-1,25	-	-
Total financing cost (Full-year basis)	3,63	3,46	2,39	5,07

The past year has been a very favourable year with low interest rates and good cash flow from property operations as a result of upward indexing. The interest coverage ratio, which is calculated on the impact on cash flow of net financial income and expense, was a reassuring 866 per cent (369). The increase in the net debt was thus limited to SEK 441 million (-1,321) despite a dividend of SEK 978 million (967) and net investments totalling SEK 1,395 million (73).

Effect of financial instruments on profit

The significant rise in credit spreads that was noted at the turn of the year culminated at the end of the first quarter. This resulted in significant unrealised gains in fair value hedges of foreign bond financing. Since the end of the first quarter there has been a dramatic reduction in credit spreads. For borrowers with a high rating, there has been a return to more normal levels. The unrealised profits noted previously have now been eliminated. This impact on the result amounts to the equivalent of just over 1.5 percentage points of the interest cost. Interest swaps are being entered into with the aim of extending the fixed interest period in the liability portfolio. The unrealised changes in value represent a current value of future cash flow-impacting positions at current interest rates. If the interest rates were to become permanent, the changes in value would also gradually have an ongoing impact on the cash flow. In cash flow terms, the profit would thus be the same as it would be if financing had taken place at a fixed rate of interest. If no new financial instruments are entered into, the change in value will gradually decrease as the due date approaches. The same principle applies to fair value hedges of the non-Swedish bond financing.

Interest-bearing liabilities		
Amounts in SEK m	31-12-2009	31-12-2008
Commercial paper	270	49
ECP	2 851	-
Bonds & MTN	4 012	4 207
EMTN	6 053	9 050
Other loans	4 509	4 665
Total loans	17 695	17 971
Financial derivatives	354	481
Collateral received for derivative transactions	480	723
Pension provisions	252	239
Total, other interest-bearing liabilities	1 086	1 443
Total, interest-bearing liabilities	18 781	19 414

Tax

Current tax	-362
Reversal of deferred tax	4
Tax expense for the year	-358

Property valuation

Swedish property companies have reported a somewhat diverse picture regarding fair value growth in 2009. There were few transactions during 2009 which means that it has not been possible to obtain a clear, unequivocal understanding of the value trend. The majority of property companies, however, report a slight fall in value. The fundamental reason is the increase in direct yield requirements as a result of the increase in market risk. Akademiska Hus has followed the change in market terms regarding valuation and increased both the direct yield requirement and the cost of capital. The cost of capital was raised back in 2007 from an average of 7.1 per cent to an average of 7.3 per cent. In 2008, Akademiska Hus reacted quickly to the shift in market conditions and increased the average cost of capital to 7.9 per cent and the average direct yield requirement from 6.7 per cent to 7.1 per cent.

At the beginning of 2009 the direct yield requirement for all equipment-intensive buildings, mainly laboratories, was increased by 0.25 per cent. In conjunction with the valuation of the property holdings as of December 31, 2009, the valuation model has been made more detailed by means of a more refined location division. A direct yield requirement and cost of capital have been assigned to each location compared with the situation previously where the locations were grouped together. The effect has been a slightly lower direct yield requirement and a slightly higher cost of capital. In the light of the market situation, Akademiska Hus has chosen to verify the direct yield requirement, cost of capital and other valuation conditions with the aid of two independent valuation institutes, NAI Svefa and DTZ.

The opinion now is that the financial crisis has culminated although many feel that the improved circumstances are largely

due to support measures taken by central banks and other government bodies. The path to a situation where the financial markets are functioning normally is far from certain and the increased risk premiums and downward adjustment of the loan-to-value ratios mean that the banks' stricter requirements with regard to property transactions will continue.

In the prevailing market situation valuations are marked by greater uncertainty than normal. The valuations cannot be more certain than the underlying market and are often based on actual market transactions. In the absence of such transactions there is an increasing degree of doubt. During 2009 it was noted that 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 letting 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.

The assessed fair value of Akademiska Hus investment properties as of December 31, 2009 was determined by means of an internal property valuation. The fair value was SEK 47,723 million (47,524). The fair value per square metre is SEK 14,009 (14,207). Investments made during the year totalled SEK 1,348 million. In addition, there was a negative change in value of SEK -1,028. The average direct yield requirement was 6.6 per cent (7.1) and the average cost of capital was 8.7 per cent (7.9).

Change in the value of property holdings during 2009	SEK m
Assessed fair value, December 31, 2008	47 524
+ Investments in new construction and redevelopment	1 348
+ Acquisitions	37
+ Capitalised interest expense	22
- Sales	0
+ Change in fair value	-1 208
Of which a decrease in value as a result of a change in cost of capital and direct yield requirement	(-722)
Of which a decrease in value as a result of an amended value index (valuation location, average remaining lease period, type of premises)	(-272)
Of which a change in value as a result of a lower upward indexing of rental income for 2010	(-579)
Of which other changes in value	(+364)
Assessed fair value, December 31, 2009	47 723

The internal cash flow valuation according to the above-reported prerequisites accounts for SEK 46,039 million (96 per cent) of the reported value of the investment properties. The expansion reserves of SEK 979 million (2 per cent) have been valued using the location price method. The remaining value of SEK 705 million (2 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	46 039	96%
Expansion reserves	979	2%
Other valuation (including properties under construction and development properties)	705	2%
Assessed fair value, investment properties, December 31, 2009	47 723	100%

Assessed fair values, investment properties, regions, SEK m

Region	31-12-2009	31-12-2008	Change	Of which investments/ acquisitions	Of which sales/ disposals	Of which change in value
North	3 697	3 871	-174	65	0	-239
Uppsala	7 816	7 301	515	584	0	-88
Stockholm	18 504	18 523	-19	437	0	-454
East	4 471	4 552	-81	77	0	-159
West	6 869	7 081	-212	78	0	-291
South	6 365	6 196	169	144	0	23
Total	47 723	47 524	199	1 385	0	-1 208

External valuations have been made as a benchmark for the internal cash flow valuations. Fourteen of the 100 highest-valued objects at Akademiska Hus been valued externally. The value of these amounts to 8 per cent of the total value. The deviation in value for the externally valued objects compared with the internal valuation is within the +/- 10 per cent margin of error. External valuations confirm the reliability of the Akademiska Hus internal valuation model.

Investments

Net investments in 2009 totalled SEK 1,395 million (73). Gross investments in investment properties amounted to SEK 1,385 million (1,446). No sales took place during 2009 (1,383).

One major new construction project was completed during the year. The Evolution Biology Centre 3 was completed on behalf of Uppsala University. The Department of Earth Sciences in Stockholm is the largest completed redevelopment project. Other completed redevelopment projects include the Biomedical Centre, stages 31 and 32 in Uppsala.

Major current new construction projects include

- Karolinska Institute Science Park in Solna
- Blåsenhus (Pedagogikum) i Uppsala
- Biomedical Centre in Uppsala

Major current redevelopment projects include

- Biology Centre in Lund
- Special Laboratory Campus in Umeå

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 5.4 years. Follow-up of vacant space is a top priority and special measures are drawn up. Vacant space was 3.8 per cent of the floorspace and 1.9 per cent of the rental value. 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 56 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 carries on financing operations 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 for 2009.

Return on equity

Return on equity amounted to 4.0 per cent (0.7). During 2009, the average five-year government bond interest rate was 2.5 per cent and the owner requirement was thus 6.5 per cent.



Net operating income, 2005–2009

The net operating income, i.e. the result of the Group's operations before changes in value, central administration expenses and net financial income and expense, amounted to SEK 3,149 million (3,053) for 2009. The net operating income level was 62 per cent (62).



Total yield

The direct yield amounted to 6.8 per cent (6.4) due to the increase in net operating income in combination with a lower market value for the investment properties. The total yield was 4.3 per cent (1.9).



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 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.

Five-year Summary

	2009	2008	2007	2006	2005
Statement of Comprehensive Income, SEK m					
Management income	5 115	4 957	4 786	4 704	4 606
Operating costs	-866	-864	-786	-803	-762
Maintenance costs	-657	-585	-658	-624	-717
Property administration	-252	-258	-239	-253	-254
Net operating income	3 149	3 053	2 930	2 813	2 738
Change in value, investment properties	-1 208	-2 192	-617	1 874	7 214
Central administration costs	-35	-40	-30	-38	-35
Operating profit	1 906	821	2 283	4 649	9 917
Net financial income	-576	-589	-610	-419	-647
Profit before taxes	1 330	232	1 673	4 229	9 270
Profit for the year	972	749	1 253	3 038	6 654
Statement of Financial Position, SEK m					
Assessed fair value, properties	47 723	47 524	49 705	49 348	46 738
Other assets	4 064	5 139	2 449	3 147	3 413
Equity	24 477	24 462	24 700	24 801	22 455
Interest-bearing liabilities	18 782	19 414	18 009	18 270	19 140
Other liabilities and provisions	8 528	8 787	9 445	9 424	8 556
Cash flow, SEK m					
Cash flow from current operations	1 761	1 980	1 814	1 777	1 675
Investments	-1 123	291	-684	-1 000	-328
Cash flow before financing	638	2 271	1 129	777	1 347
Cash flow from financing	-771	-2 100	-1 664	-624	-450
Cash flow for the year	-133	171	-535	153	897
Property-related key figures					
Total yield, properties, %	4,3	1,9	4,6	9,8	24,7
Of which direct yield, %	6,8	6,4	6,0	6,0	6,5
Of which change in value, %	-2,5	-4,5	-1,4	3,8	18,2
Rental income, SEK/m ²	1 543	1 500	1 439	1 399	1 372
Operating costs, SEK/m ²	271	270	244	247	233
Maintenance costs, SEK/m ² (including tenant adaptations)	206	183	204	192	219
Net operating income in relation to management income, %	62	62	61	60	59
Net operating income, SEK/m ²	986	955	909	866	839
Level of vacant space, area	3,8	3,7	3,1	3,5	3,2
Level of vacant space, rent	1,9	1,5	2,1	2,6	2,1
Assessed fair value, properties, SEK/m ²	14 009	14 207	14 713	14 695	13 610
Financial key figures					
Return on equity after standard tax, %*	4,0	0,7	4,9	12,9	34,2
Return on total equity, %	4,4	2,1	4,8	10,0	22,6
Interest-bearing net loan liability, SEK m	15 531	15 090	16 411	16 250	16 336
Equity ratio, %	47,3	46,5	47,8	47,2	44,8
Interest coverage ratio, %	866	369	399	434	435
Interest cost in relation to average interest-bearing net loan liability, %	3,6	3,5	3,6	2,5	3,8
Loan-to-value ratio, %	32,5	32,6	33,9	33,5	35,8
Dividend, SEK m	1 219**	978	967	1 400	660
Tenants and personnel					
Satisfied Customer Index (NKI)	***	70	69	69	67
Average number of employees	399	399	397	398	446
Satisfied Employee Index (NMI)	70	70	69	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 viewed over a business cycle. During 2009, the average five-year government bond interest rate was 2.5 per cent.

** According to a proposal by the Board of Directors to the Annual General Meeting on April 28, 2010.

*** Presented in the Annual Report on March 31, 2010.

Consolidated Statement of Comprehensive Income, Summary

Amounts in SEK m	2009 Oct-Dec	2008 Oct-Dec	2009 Jan-Dec	2008 Jan-Dec
Rental income	1 249	1 211	4 927	4 793
Other property management income	48	48	188	164
Total income from property management	1 297	1 259	5 115	4 957
Operating costs	-241	-262	-866	-864
Maintenance costs	-240	-177	-657	-585
Property administration	-72	-80	-252	-258
Other property management costs	-63	-51	-191	-197
Total costs from property management	-616	-570	-1 966	-1 904
Net operating income	681	689	3 149	3 053
Changes in value, properties, positive	695	335	1 490	1 116
Changes in value, properties, negative	-1 230	-1 472	-2 698	-3 308
Total changes in value, properties	-535	-1 137	-1 208	-2 192
Central administration costs	-8	-7	-35	-40
Profit before financial items	138	-455	1 906	821
Net financial income/expense	-61	4	-576	-589
Profit before taxes	77	-451	1 330	232
Taxes	-29	609	-358	517
Net profit for the year	48	158	972	749

Group report – Comprehensive Income, summary

Amounts in SEK m	2009 Oct-Dec	2008 Oct-Dec	2009 Jan-Dec	2008 Jan-Dec
Income for the period	48	158	972	749
Other comprehensive income				
Cash flow hedges, net after deferred tax	57	-84	19	-58
Effect of change in the tax rate	0	0	0	39
Dividend	0	0	-978	-967
Total, Other comprehensive income for the period	57	-84	-959	-986
Comprehensive income for the period	105	74	13	-237

Consolidated Statement of Financial Position, Summary

Amounts in SEK m	31-12-2009	31-12-2008
Assets		
Fixed assets		
Tangible fixed assets		
Investment properties	47 723	47 524
Equipment and fittings	22	20
Total tangible assets	47 745	47 544
Financial assets		
Derivatives	1 811	2 565
Other non-current receivables	439	389
Total financial fixed assets	2 250	2 954
Total fixed assets	49 995	50 498
Current assets		
Derivatives	311	574
Other current receivables	599	576
Liquid funds	882	1 015
Total current assets	1 792	2 165
Total assets	51 787	52 663
Equity and liabilities		
Equity	24 477	24 462
Liabilities		
Non-current liabilities		
Loans	11 300	15 164
Derivatives	251	299
Deferred tax	6 574	6 571
Other non-current liabilities	277	247
Total non-current liabilities	18 402	22 281
Current liabilities		
Loans	6 396	2 808
Derivatives	109	248
Other current liabilities	2 403	2 864
Total current liabilities	8 908	5 920
Total liabilities	27 310	28 201
Total equity and liabilities	51 787	52 663
Memorandum items		
Pledged assets	167	157
Contingent liabilities	3	3

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 1-1-2008	2 135	2 135	47	20 383	24 700
Dividend	-	-	-	-967	-967
Effect of change in the tax rate	-	-	-	39	39
Profit for the year Jan-Dec 2008	-	-	-58	749	691
Equity 31-12-2008	2 135	2 135	-11	20 204	24 462
Dividend	-	-	-	-978	-978
Profit for the year Jan-Dec 2009	-	-	20	972	992
Equity 31-12-2009	2 135	2 135	9	20 198	24 477

Consolidated Statement of Cash Flows, Summary

Amounts in SEK m	2009	2008
	Jan-Dec	Jan-Dec
Current operations		
Profit after financial items	1 330	232
Adjustment for items not included in the cash flow	1 235	2 131
Tax paid	-284	-244
Cash flow from current operations before changes in working capital	2 281	2 119
Cash flow from changes in working capital		
Increase (-)/decrease (+) in current receivables	-91	-41
Increase (+)/decrease (-) in current liabilities	-429	-98
Cash flow from current operations	1 761	1 980
Investment		
Investment in participations in Group companies	-19	-
Investment in investment properties	-1 128	-1 152
Sale of investment properties	-	1 426
Investment in other fixed assets	-9	-11
Sale of other fixed assets	1	-
Increase (-)/decrease (+) in non-current receivables	32	28
Cash flow from investment	-1 123	291
Financing		
Raising of interest-bearing loans, excluding refinancing	207	-
Amortisation of interest-bearing liabilities	-	-1 133
Dividend paid	-978	-967
Cash flow from financing	-771	-2 100
Cash flow for the year	-133	171

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 130 million (122). Of this figure, income from regional companies amounted to SEK 116 million (121). The operating profit was SEK 0 million (-12) and net financial income and expense was SEK 725 million (1,186), in-

cluding dividends from regional companies of SEK 813 million (650). The profit before appropriations and tax was SEK 725 million (1,174).

Investments

Investment in machinery and equipment amounted to SEK 4 million (1).

Equity

Equity totalled SEK 6,141 million compared to SEK 6,359 million for the previous year.

Parent Company Income Statement, Summary

Amounts in SEK m	2009	2008	2009	2008
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Income	22	19	130	122
Costs	-38	-39	-130	-134
Total, other operating items	-16	-20	0	-12
Profit before financial items	-16	-20	0	-12
Net financial income/expense	20	289	725	1 186
Profit before appropriations and tax	4	269	725	1 174
Appropriations	-	-	-8	-36
Profit before taxes	4	269	717	1 138
Taxes	0	-64	24	-136
Net profit for the year	4	205	741	1 002

Parent Company Balance Sheet, Summary

Amounts in SEK m	31-12-2009	31-12-2008
Fixed assets	3 387	4 131
Current assets	21 849	22 237
Total assets	25 236	26 368
Equity	6 141	6 359
Untaxed reserves	366	358
Non-current liabilities	11 471	15 440
Current liabilities	7 258	4 211
Total liabilities	18 729	19 651
Total equity and liabilities	25 236	26 368

Accounting principles

Akademiska Hus complies with the EU-approved International Financial Reporting Standards (IFRS) and the interpretations made by the International Financial Reporting Interpretations Committee (IFRIC). This Interim Report for the Group has been prepared according to IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and the recommendation of the Financial Reporting Board RFR 2.2 Accounting for Legal Entities.

Unless stated otherwise, accounting principles and computation methods are the same as the accounting principles employed in the most recent Annual Report.

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

New accounting principles 2009

The change in IAS 1 Presentation of Financial Statements has been applied since January 1, 2009. The change means that certain income and expense previously reported under Equity is now presented in a separate report directly after the Income Statement, which is named Statement of Comprehensive Income.

Since January 1, 2009, the Group has applied the new standard IFRS 8 Operating Segments for its segment reporting. IFRS 8 means that the Group provides financial and descriptive information about its segments based on information which the

President uses to follow up the operating segments. The application of IFRS 8 has not led to any change in the Group's reportable segments.

Since January 1, 2009, the Group has applied IAS 23 Borrowing costs. No retroactive application is required. IAS 23 means that the Group capitalises interest expense attributable to investment properties under construction which take a significant amount of time to complete. During the period, SEK 22 million was capitalised, which had a positive impact on net financial income and expense to the amount of SEK 22 million and a negative impact on the change in the fair value of investment properties by the same amount.

Since January 1, 2009, the Group has applied the change in IAS 40, Investment Properties (Improvements to IFRS 2008). The change in IAS 40 means that investment properties under construction are reported at fair value (assessed market value). The application of IAS 40 has meant that new construction in progress (investment properties under construction) have been reclassified as investment properties, which has affected the opening balance as of January 1, 2009 to the amount of SEK 1,172 million.

Other new and amended standards and interpretation statements have not had any material effect on the Group's financial statements.

Segment report

Group's geographical areas, summary

January 1 – December 31, 2009

Amounts in SEK m	South	West	East	Uppsala	Stockholm	North	Other operations	Elimination	Total
Income, including other operating income	746	818	516	814	1 738	483	1	-1	5 115
Inter-segment sales	-	-	-	-	-	-	129	-129	0
External income	746	818	516	814	1 738	483	130	-130	5 115
Costs for property management, including other operating costs	-338	-315	-155	-403	-545	-203	-95	88	-1 966
Changes in value, properties	23	-291	-159	-88	-454	-239	-	-	-1 208
Central overheads	-6	-6	-4	-6	-10	-5	-35	37	-35
Profit from financial items (net)	-64	-71	-54	-61	-199	-38	725	-814	-576
Appropriations	-28	-38	-10	-25	-111	-8	-8	228	0
Tax for the year	-88	-28	-36	-62	-112	2	24	-58	-358
Profit for the year according to the Statement of Comprehensive Income	245	69	98	169	307	-8	741	-649	972
Total assets	6 400	7 140	4 500	8 045	19 099	3 786	25 238	-22 421	51 787
Total liabilities	3 665	4 195	2 803	4 795	11 036	2 200	18 729	-20 112	27 311

January 1 – December 31, 2008

Amounts in SEK m	South	West	East	Uppsala	Stockholm	North	Other operations	Elimination	Total
Income, including other operating income	713	758	503	770	1 692	519	2	-	4 957
Inter-segment sales	-	-	-	-	-	-	120	-120	0
External income	713	758	503	770	1 692	519	122	-120	4 957
Costs for property management, including other operating costs	-329	-298	-163	-317	-571	-213	-95	82	-1 904
Changes in value, properties	-234	-739	-438	231	-784	-229	-	-	-2 192
Central overheads	-5	-6	-4	-6	-11	-5	-39	36	-40
Profit from financial items (net)	-145	-172	-119	-150	-455	-86	1 186	-648	-589
Appropriations	-16	-5	-13	-15	-11	-6	-36	102	0
Tax for the year	58	201	96	-56	320	62	-136	-27	517
Profit for the year according to the Statement of Comprehensive Income	42	-261	-138	457	180	42	1 002	-575	749
Total assets	6 239	7 381	4 591	7 440	19 023	3 936	26 370	-22 317	52 663
Total liabilities	3 704	4 515	2 931	4 289	11 015	2 170	19 651	-20 074	28 201

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, m², 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, m². 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 and expense, excluding changes in value, financial derivatives.

Internal financing ratio. The part of the assets procured during the year that could be financed using funds earned during the year.

Letting and vacant space levels. Let or vacant floor space in relation to the total 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 fixed assets plus depreciation and impairments minus revaluations.

Net operating income ratio. Net operating income in relation to 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 human resource 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 capital employed. The operating profit plus financial income in relation to the average total assets.

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. Total of the direct yield from the investment properties and their change in value, expressed in per cent.

Financial information (Calendar)

1st Quarter 2010 April 28, 2010

Annual General Meeting , April 28, 2010

2nd Quarter 2010 July 14, 2010

3rd Quarter 2010 October 28, 2010

Year-End Report 2010 February 2011

Annual Report, March 2011