



The Board of Directors and President of Akademiska Hus AB hereby present the

## Year-End Report 2011

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- Rental income increased to SEK 5,116 million (4,983).
- The profit before tax, excluding the change in value of investment properties, was SEK 2,891 million (2,834).
- The changes in value of investment properties totalled SEK 361 million (87).
- The profit before tax was SEK 3,252 million (2,921). Income from property management increased by SEK 202 million, and costs for property management fell by SEK 52 million. The change in value of investment properties also had a positive impact, whilst net financial income and expense were affected negatively and amounted to SEK -452 million (-263).
- Profit for the year after tax was SEK 2,394 million (2,124).
- The total yield on investment properties was 7.8 per cent (7.0).
  - The direct yield was 6.9 per cent (6.7).
  - The change in value was 0.9 per cent (0.3).
- Gross investments amounted to SEK 2,266 million (1,725). During the year, Akademiska Hus sold properties in Skara for SEK 71 million and the former Mathematics Centre in Gothenburg was sold.
- At a meeting on February 8, the Board of Directors decided on a dividend proposal amounting to SEK 1,245 million.



## Stable, long-term partner

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### STATEMENT BY THE PRESIDENT KERSTIN LINDBERG GÖRANSSON:

»Akademiska Hus is not just a supplier of premises – we are also very much involved in planning and development. This applies not only to centres of education but also towns and cities. As a stable, long-term partner for universities and colleges, we are also involved in strengthening Sweden as a nation of knowledge. During the past year, we have worked actively to develop campuses in dialogue with our customers and community representatives. With our collective expertise and understanding, we help to create attractive knowledge environments with a focus on the person as a whole. We have concentrated on what knowledge environments have to offer beyond good conditions for learning and research.

We are well acquainted with the needs of our customers and the challenges they are facing. With operations throughout the whole country, our collective national expertise can be utilised locally – close to the customer – in the construction, development and management of modern environments for research, education and innovation.

In many places throughout the country, we have seen a steady increase in demand for the development of new and existing knowledge environments. As a result, our project portfolio is now larger than ever. There are currently planning projects with our customers worth in excess of SEK 22 billion. Such a large project portfolio highlights the importance of having assured financing. Akademiska Hus has a stable owner and long-term relationships with its customers and it is an attractive borrower on the bond market. This has made it possible for us to implement bond issues during the year totalling SEK 5.8 billion.

The widespread uncertainty regarding developments in Europe is still with us. The debt crisis has also become more striking and protracted than was previously anticipated. Although there was a slow-down in growth during the final quarter, we have yet to see any

tangible negative impact on the property market although we have noted a fall in certain areas.

During 2011, net investments in new construction and redevelopment took place at a cost of SEK 2.1 billion and the market value of investment properties totalled SEK 52.1 billion at the year-end.

Property operations show an improvement in profits compared to 2010. This can be attributed to the commissioning of new and redeveloped knowledge environments for our customers, coupled with our ability to keep down operating and maintenance costs. The improvement in profit is also a result of a rise in property values.

To create a more flexible capital structure in order to satisfy the owner's demand for long-term solvency and yield, we will implement a merger within the companies in the Group during 2012. The regional division of the Company will not be affected. Strong support locally and proximity to the centres of education that are Akademiska Hus tenants continue to be of major significance.

As a government-owned company, we have considerable social responsibility. We are mindful to ensure that good ethics permeate all our business relationships. We work in the long term by managing existing buildings well and by constructing new buildings flexibly, sustainably and with environmental considerations firmly at the forefront. As the second-largest property company in Sweden we can, and want, to make a real difference when it comes to the environment.»

Gothenburg, February 8, 2012

Kerstin Lindberg Göransson  
President

PROFIT AND KEY FIGURES	2011	2010
Rental income, SEK m	5,116	4,983
Net operating income, SEK m	3,389	3,134
Changes in value, investment properties, SEK m	361	87
Profit before tax, SEK m	3,252	2,921
Vacant space, rent, %	1.2	2.0
Vacant space, area, %	2.6	3.5
Assessed fair value, investment properties, SEK m	52,071	49,497
Rentable floor space, m <sup>2</sup>	3,212,000	3,195,000
Total yield, properties, %	7.8	7.0
of which direct yield, %	6.9	6.7
of which change in value, %		0.3
Net operating income SEK/m <sup>2</sup>	1,059	979
Return on equity after standard tax, %	9.2	8.6
Equity ratio, %	43.4	47.5
Interest coverage level, % *)	716	741

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

## COMMENTS ON ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME AND THE STATEMENT OF FINANCIAL POSITION

### Rental income

Completed new construction and redevelopment projects increased rental income during the year. Rental income amounted to SEK 5,116 million, which is an increase on the corresponding period the previous year (4,983).

### Rental and vacancy levels

Total holdings amounted to 3,212,000 square metres (3,195,000) of rentable space. The vacancy level was 2.6 per cent (3.5), which is equivalent to 82,417 square metres (111,970). The fall in vacant floor space can be attributed to sales and lets. In terms of value, vacant space accounted for SEK 64 million (102) or 1.2 per cent (2.0) of the rent revenue. 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 ten years and as of the year-end, the average remaining lease term was 5.6 years (5.5). 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 2011, operating costs amounted to SEK 885 million (939), which is equivalent to SEK 277/m<sup>2</sup> (293). The decrease in operating costs is mainly attributable to energy, fuel and water, which amounted to SEK 618 million (650) and are equivalent to SEK 193/m<sup>2</sup> (203). The main reason for the deviation is lower electricity prices in 2011. The proportion of laboratories is high, 34 per cent or 1.1 million square metres (same as 2010), and from an energy point of view, these are considerably more resource-intensive than other premises.

### Maintenance costs

Maintenance costs for the year amounted to SEK 604 million (657), which is equivalent to SEK 189/m<sup>2</sup> (205). The investments made by Akademiska Hus over several years have meant that the standard of the property holdings is now generally high. SEK 117 million (118) of the maintenance costs refer to tenant adaptations.

### Changes in value, properties

Changes for the year in the value of properties amounted to SEK 361 million (87), of which unrealised changes in value amounted to SEK 364 million (106) and realised changes in value SEK -3 million (-19).

## FINANCING

### Growing concern and uncertainty on the finance market

2011 proved to be a turbulent year and the optimism during in the first half of the year was replaced by uncertainty and risk aversion, mainly after the summer. The scenario is very different: monetary restraints have been replaced by relief measures and there has been a sharp downward revision of growth forecasts.

The trend was not as dramatic as during the autumn of 2008 but as the measures presented were regarded as insufficient to resolve the European debt crisis, prospects gradually darkened. The uncertain timeframe for a political solution is a key reason for the high degree of volatility that has marked the reaction of the interest and share markets.

The financial markets have been characterised by a high degree of uncertainty and rising risk premiums. In the credit market, this has resulted in generally higher credit spreads, in particular for financial borrowers and heavily indebted governments.

Since the first quarter, the Swedish ten-year government bond interest rate has fallen from 3.4 per cent to 1.5 per cent. The decision by the Swedish Central Bank to raise the repo rate during the first half the year from 1.25 per cent to 2.0 per cent caused the yield curve to flatten out.

Bond issues took place totalling SEK 5,805 million, of which SEK 2,475 million, with terms of between 15 and 30 years, has been implemented. This ensures that the long-term part of the financing is in place to cover the extensive investments that will be made in the years to come. It is also a strategic pre-financing measure, motivated by the expectation that the increasingly tighter conditions on the credit market will continue. In the uncertain climate on the financial markets, it is an advantage that considerable confidence has been shown in us by lenders, thus allowing these issues to take place.

### BOND ISSUES DURING 2011

AMOUNT	TERM
CHF 200 million (c. SEK 1,480 million)	10 years
SEK 150 million	15 years
SEK 300 million	7 years
CHF 150 million (c. SEK 1,050 million)	Just under 5 years
SEK 500 million	Just over 5 years
SEK 325 million	25 years
SEK 1,000 million	30 years
SEK 1,000 million	30 years

Bonds with terms longer than 15 years affect the average fixed interest and average maturity significantly and are handled within a separate long-term portfolio. According to a new mandate issued by the Board of Directors, this must not represent more than 30 per cent of the total portfolio. At the year-end, the figure was approximately 11.5 per cent.

The average maturity in the total portfolio had increased from 4.1 years to 7.1 years at the year-end as a result of bond issues. The fixed interest term, excluding bonds in the long-term portfolio, was 3.1 years (2.8).

LOANS AMOUNTS IN SEK M	31-12-2011		31-12-2010	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
Commercial paper	0	0	1,563	1,557
ECP	2,357	2,345	680	678
Bonds & MTN	2,666	2,708	2,797	2,756
EMTN	14,174	14,705	8,780	8,844
Other loans	3,288	3,467	3,968	3,938
<b>TOTAL LOANS</b>	<b>22,485</b>	<b>23,225</b>	<b>17,788</b>	<b>17,773</b>

Derivatives are used to handle interest risk exposure and to eliminate exchange risks in conjunction with financing in a foreign currency.

DERIVATIVES AMOUNTS IN SEK M	31-12-2011		31-12-2010	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Independent derivatives	626	479	532	223
Hedging instruments, fair value hedging	2,390	0	1,726	7
Hedging instruments, cash flow hedging	91	54	72	27
<b>TOTAL, DERIVATIVES</b>	<b>3,107</b>	<b>533</b>	<b>2,330</b>	<b>257</b>

The fair value of interest rate swap agreements and cross-currency interest rate swap agreements includes underlying capital amounts and accrued interest. Fair value is equivalent to the carrying value in the table above.

FINANCING COST BREAKDOWN	ACCORDING TO EARLIER PRINCIPLES*			
	01-01-2011- 31-12-2011	01-01-2010- 31-12-2010	01-01-2011- 31-12-2011	01-01-2010- 31-12-2010
Loan financing cost, %	2.75	1.18	2.75	1.18
Interest swaps, net interest, %	0.44	0.96	0.44	0.96
Inter-period allocation and charges, %	0.03	0.03	-0.12	0.63
Changes in value, financial derivatives, %	-0.23	-0.33	-	-
<b>TOTAL FINANCING COST</b>	<b>2.99</b>	<b>1.84</b>	<b>3.07</b>	<b>2.77</b>

\* Excluding unrealised changes in value of financial instruments and including period allocation of realised changes in value over the remaining term of the underlying instruments.

### Net financial income and expense

Net financial income and expense totalled SEK -452 million (-263), which is equivalent to an interest cost, including changes in the value of financial derivatives, of 2.99 per cent (1.84) during the period. According to earlier calculation principles, with period allocation of derivatives, the financing cost rose to 3.07 per cent (2.77). This can be explained in part by the fact that short-term interest rates (STIBOR) have risen as a result of tighter monetary policy during the year and increased risk premiums and in part by large bond issues at a fixed rate of interest. The financing cost is limited partly by positive changes in the value of financial instruments.

The interest coverage ratio, which is calculated on the impact on cash flow of net financial income and expense, was a reassuring 716 per cent (741). The strong underlying cash flow from property operations limited the increase in the net debt to SEK 1,052 million (194) despite a dividend of SEK 1,207 million (1,219) and net investments totalling SEK 2,150 million (1,673).

### Effect of financial instruments on profit

The increase in value is equivalent to a reduction in interest expense of 0.23 percentage points for the full year.

Interest swaps are being entered into with the aim of extending the fixed interest period in the liability portfolio. The interest and currency risk that arise in conjunction with financing of foreign currency are hedged throughout the whole of the term through interest rate and currency swaps. The unrealised changes in value represent a current value of future cash flow-impacting positions at current interest rates. These should be reported at fair value (market value) and changes are charged to profit or loss. Major variations in market values between the reporting periods could entail substantial changes in the reported profit. A loss or profit, however, remains unrealised as long as the derivative is not terminated in advance. Viewed over the whole

of the term of the borrowing, in those cases where derivatives are retained until maturity, the profit is not affected by accumulated changes as the market value of each derivative contract starts and finishes at zero.

### Tax

The table below shows the different components in the tax expense for the year.

TAX AMOUNTS IN SEK M	01-01-2011- 31-12-2011	01-01-2010- 31-12-2010
Current tax	-345	-314
Change in deferred tax	-513	-483
- of which tax allocation fund	-36	-57
- of which investment properties	-471	-385
- of which financial instruments	-6	-41
<b>TAX EXPENSE FOR THE YEAR</b>	<b>-858</b>	<b>-797</b>

### Property valuation

The previously strong upturn in the world economy lost momentum during 2011. The optimism that was apparent during the first half of 2012 has been replaced by uncertainty and risk aversion. The trend has not been as striking as it was in 2008 and it has not affected the real economy in Sweden to any noticeable extent. However, the risk of repercussions has increased. The current uncertainty has given rise to a certain level of doubt even in the property market. As yet, there have not been any tangible consequences in the property market. Conditions on the credit market have been tightened and if the current trend continues and deepens, this could have a negative impact on property values.

Yield levels during the first half of the year were down slightly on many sub-markets, even outside the cities. During the second half of the year, yield levels generally remained still. There was interest on the market in making purchases, particularly quality properties with assured cash flows. The opinion at Akademiska Hus is that on the whole the value trend remained stationary throughout the year.

For Akademiska Hus, the current trend is not a question of a fall in demand for existing premises. At present, centres of education throughout the country are investing in research, development and education, which is generating a demand for Akademiska Hus properties.

Akademiska Hus is following the change in valuation conditions on the market. The unrealised change in value during the year is positive, amounting to SEK 364 million, equivalent to a marginal increase of 0.9 per cent (increase of 0.2 per cent) of the market value.

The average direct yield requirement was 6.4 per cent (6.4) and the average cost of capital was 8.5 per cent (8.6) following an adjustment for stamp duty.

In addition to financial parameters, the property value is affected by the letting level/level of vacant space, rent levels, net operating income, lease length, property category and type of customer. Vacant space is low within Akademiska Hus and the financial level of vacant space in recent years has been around two per cent and is expected to remain on that level for the next few years.

Characteristic of Akademiska Hus is very long leases with stable, creditworthy customers. A total of 88 per cent of the Group income derives from the dominant customer group, universities and colleges, and 91 per cent from tenants who have the Swedish government as principal. These tenants present no credit risk. The average remaining lease term is 5.6 years (5.5).

Each year, Akademiska Hus has the direct yield requirement, cost of capital and other valuation conditions verified through two independent valuation institutes, NAI Svefa and DTZ.

External valuations have been made by DTZ as a benchmark for the internal cash flow valuations. Of the 100 properties with the highest market value, 14 were valued externally. The value of these objects is 5 per cent of the total value. External valuations confirm the reliability of the Akademiska Hus internal valuation model.

The fair value of Akademiska Hus investment properties as of December 31, 2011 was determined by means of an internal property valuation and covers all properties. The fair value was SEK 52,071 million (49,497). The unrealised change in value for the year is positive, amounting to SEK 364 million (106). The fair value per square metre is SEK 15,220 (14,645).

CHANGE IN THE VALUE OF PROPERTY HOLDINGS DURING 2011	SEK m
Assessed fair value, December 31, 2010	49,497
+ Investments in new construction and redevelopment	2,254
+ Acquisitions	0
+ Capitalised interest expense	73
- Sales	-117
+ Change in fair value	364
Of which a change in value as a result of a change in cost of capital and direct yield requirement	256
Of which a change in value as a result of an amended value index (valuation location, average remaining lease period, type of premises)	-104
Of which capitalised interest expense	-73
Of which other changes in value	285
<b>ASSESSED FAIR VALUE, DECEMBER 31, 2011</b>	<b>52,071</b>

Total of SEK 49,289 million (95 per cent) of the assessed fair value has been assessed through an internal cash flow valuation. Other properties (expansion reserves, properties under construction and development properties) have been valued individually and using the most appropriate evaluation method.

#### FAIR VALUES, INVESTMENT PROPERTIES, REGIONS, SEK M

REGION	31-12-2011	31-12-2010	CHANGE	OF WHICH INVESTMENTS/ACQUISITIONS	OF WHICH SALES/ DISPOSALS	OF WHICH UN- REALISED CHANGE IN VALUE
North	4,057	3,849	208	162	0	46
Uppsala	9,424	8,572	852	693	0	159
Stockholm	20,859	19,437	1,422	1,094	0	328
East	4,496	4,316	180	78	0	102
West	6,771	6,684	87	103	-117	101
South	6,464	6,639	-175	124	0	-299
<b>TOTAL</b>	<b>52,071</b>	<b>49,497</b>	<b>2,574</b>	<b>2,254</b>	<b>-117</b>	<b>437</b>

#### INVESTMENTS

Net investments in 2011 totalled SEK 2,150 million (1,623). Gross investments in investment properties totalled SEK 2,254 million (1,719). Sales took place during 2011 amounting to SEK 117 million (83).

##### Major new construction projects completed during the year include:

- Umeå Experimental Research Centre. Extension and redevelopment on behalf of Umeå University, SEK 183 million.
- Centre for Chemistry and Chemical Engineering 3. Redevelopment on behalf of Lund University, SEK 125 billion.
- Architecture. Redevelopment on behalf of Lund University, SEK 106 million.
- EBC 3, Redevelopment and extension on behalf of Uppsala University, SEK 118 million.

##### Major redevelopment projects in progress include:

- Veterinary and Pet Centre (VHC) in Uppsala. New construction on behalf of the Swedish University of Agricultural Sciences, SEK 1,447 million.
- Skandion Clinic. New construction on behalf of Local Authority Association Advanced Radiation Treatment, SEK 759 million.
- Niagara. New construction on behalf of Malmö University, SEK 623 million.
- Biomedical Centre in Uppsala. New construction on behalf of the Swedish University of Agricultural Sciences, SEK 551 million.
- Karolinska Institute Hall in Solna. New construction, SEK 510 million.

#### 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 5.6 years. Follow-up of vacant space is a top priority and special measures are being prepared. Vacant space was 2.6 per cent of the floor space and 1.2 per cent of the rent. 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 57 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 the Company's procurement policy. 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 2011.

#### RENEWAL STRUCTURE FOR FIXED INTEREST AND LOAN MATURITY SEK M

	CAPITAL TIE-UP, LOANS	FIXED INTEREST, LOANS	FIXED INTEREST, DERIVATIVES	FIXED INTEREST, TOTAL
2012	3,314	5,014	5,316	10,330
2013	2,199	2,350	-662	1,688
2014	1,832	1,832	-704	1,128
2015	4,666	3,166	-2,416	750
2016	1,949	1,949	-699	1,250
2017	0	0	400	400
2018	3,022	3,022	-2,322	700
2019	120	120	1,000	1,120
2020	450	450	0	450
2021 and later	4,342	3,991	-1,166	2,825
<b>TOTAL</b>	<b>21,894</b>	<b>21,894</b>	<b>-1,253</b>	<b>20,641</b>

The above table shows nominal amounts. The nominal amounts have been recalculated at the closing rate. As all loans raised in foreign currency are swapped to Swedish kronor, the exchange rate effect is neutralised. A positive figure means that the Group pays interest; a negative figure means that the Group receives interest.

#### FINANCIAL OBJECTIVES AND PROFITABILITY

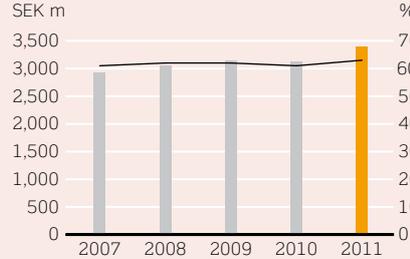
The owner's financial objectives have been set as follows:

- 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 dividend decision taken each year shall take into account the Company's strategy, financial position and other financial objectives.
- The Group's equity ratio should be between 30 and 40 per cent.

**RETURN ON EQUITY**

■ Yield target  
 ■ Return on equity  
 — Average return on equity over five years

Return on equity was 9.2 per cent. The owner target is 6.3 per cent as the average five-year government bond interest rate during 2011 was 2.3 per cent. Return on equity over the past five years varied between 0.7 per cent and 9.2 per cent. During the same period, the yield target varied between 6.3 per cent and 8.3 per cent.

**NET OPERATING INCOME**

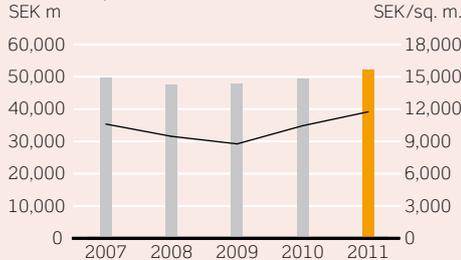
■ Net operating income, SEK m  
 ■ Net operating income, %  
 — Net operating income, %

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 3,389 million (3,134) for 2011. The net operating income level was 63 per cent (61).

**TOTAL YIELD**

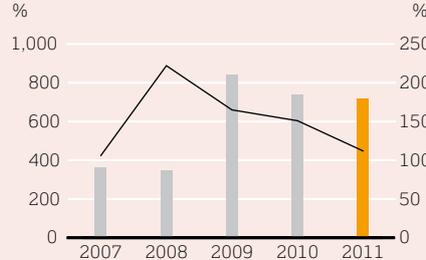
■ Change in value, %  
 ■ Direct yield, excluding properties under construction, %  
 — Total yield, properties, %

The total yield amounted to 7.8 per cent (7.0), of which the direct yield was 6.9 per cent (6.7) and the change in value was 0.9 per cent (0.3).

**FAIR VALUE, INVESTMENT PROPERTIES**

■ Assessed fair value, properties, SEK m  
 — Assessed fair value, properties, SEK/sq. m.

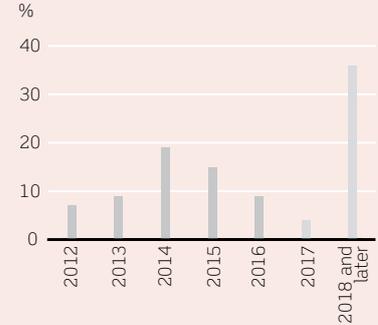
The fair value of the properties was SEK 52,071 million (49,497). The increase is mainly the result of projects completed during the year. The fair value of the properties in SEK/sq. m. was 15,220 (14,645).

**INTEREST COVERAGE AND INTERNAL FINANCING**

■ Interest coverage, %  
 — Internal financing, %

Interest coverage (profit before financial items, excluding changes in the value of properties in relation to net interest income and expense, excluding changes in value of financial derivatives and including period allocation of the realised profit on derivatives), totalled 716 (741).

Internal financing (the part of the acquisition of tangible fixed assets for the year that could be financed with funds contributed internally during the year) totalled 112 (151).

**LEASE RENEWAL STRUCTURE****EVENTS AFTER THE REPORTING PERIOD**

Vice-President Anette Henriksson has stepped down. She will leave the Company in May 2012 to take up the position of Municipal Chief Executive in Lund.

**FIVE-YEAR SUMMARY**

<b>STATEMENT OF COMPREHENSIVE INCOME, SEK M</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Management income	5,378	5,176	5,115	4,957	4,786
Operating costs	-885	-939	-866	-864	-786
Maintenance costs	-604	-657	-657	-585	-658
Property administration	-268	-249	-252	-258	-239
Net operating income	3,389	3,134	3,149	3,053	2,930
Change in value, investment properties	361	87	-1,208	-2,192	-617
Central administration costs	-45	-37	-35	-40	-30
Profit before financial items	3,704	3,184	1,906	821	2,283
Net financial income	-452	-263	-576	-589	-610
Profit before tax	3,252	2,921	1,330	232	1,673
Profit for the year	2,394	2,124	972	749	1,253

**STATEMENT OF FINANCIAL POSITION, SEK M**

Assessed fair value, properties	52,071	49,497	47,723	47,524	49,705
Other assets	9,002	4,029	4,064	5,139	2,449
Equity	26,521	25,406	24,477	24,462	24,700
Interest-bearing liabilities	24,693	18,973	18,782	19,414	18,009
Other liabilities and provisions	9,859	9,147	8,528	8,787	9,445

**CASH FLOW, SEK M**

Cash flow from current operations	2,017	2,444	1,761	1,981	1,814
Cash flow from investments	-1,898	-1,459	-1,123	290	-685
Cash flow before financing	119	985	638	2,271	1,129
Cash flow from financing	3,779	-1,175	-771	-2,100	-1,664
Cash flow for the year	3,897	-190	-133	171	-535

**PROPERTY-RELATED KEY FIGURES**

Total yield, properties, %	7.8	7.0	4.3	1.9	4.6
- of which direct yield, % <sup>1)</sup>	6.9	6.7	6.8	6.4	6.0
- of which change in value, %	0.9	0.3	-2.5	-4.5	-1.4
Rental revenue, SEK/m <sup>2</sup>	1,599	1,557	1,543	1,500	1,439
Operating costs, SEK/m <sup>2</sup>	277	293	271	270	244
Maintenance costs, SEK/m <sup>2</sup> (including tenant adaptations)	189	205	206	183	204
Net operating profit in relation to management income, %	63	61	62	62	61
Net operating profit, SEK/m <sup>2</sup>	1,059	979	986	955	909
Level of vacant space, area, %	2.6	3.5	3.8	3.7	3.1
Level of vacant space, rent, %	1.2	2.0	1.9	1.5	2.1
Assessed fair value, properties, SEK/m <sup>2</sup> <sup>2)</sup>	15,220	14,645	13,896	14,207	14,713

**FINANCIAL KEY FIGURES**

Return on equity after standard tax, % <sup>3)</sup>	9.2	8.6	4.0	0.7	4.9
Return on total assets, %	6.5	6.5	4.4	2.1	4.8
Interest-bearing net loan liability, SEK m	16,778	15,726	15,531	15,090	16,411
Equity ratio, %	43.4	47.5	47.3	46.5	47.8
Interest coverage ratio, %	716	741	841	347	362
Interest cost in relation to average interest-bearing net loan liability, %	2.9	1.8	3.6	3.5	3.6
Loan-to-value ratio, %	32.2	31.8	32.5	32.6	33.9
Internal financing ratio, %	112	151	165	222	106
Dividend, SEK m	1 245 <sup>4)</sup>	1,207	1,219	978	967

**PERSONNEL**

Average number of employees	396	401	399	399	397
Satisfied Employee Index (NMI)	<sup>5)</sup>	67	70	70	69

<sup>1)</sup> Excluding properties under construction.<sup>2)</sup> Excluding the value of properties under construction and expansion reserves.<sup>3)</sup> The owner's yield target is that the yield on average equity should be equivalent to the five-year government bond interest rate plus 4.0 percentage points viewed over a business cycle. During 2011, the average five-year government bond interest rate was 2.3 per cent.<sup>4)</sup> At a meeting on February 8, the Board of Directors decided on a dividend proposal.<sup>5)</sup> Presented in the Annual Report on March 31, 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY (SEK M)	OCT-DEC 2011	OCT-DEC 2010	JAN-DEC 2011	JAN-DEC 2010
Rental revenue	1,279	1,276	5,116	4,983
Other property management income	89	51	262	193
Total income from property management	1,368	1,327	5,378	5,176
Operating costs	-234	-265	-885	-939
Maintenance costs	-181	-265	-604	-657
Property administration	-75	-74	-268	-249
Other property management expenses	-73	-57	-233	-197
Total costs, property management	-563	-661	-1,990	-2,042
<b>NET OPERATING INCOME</b>	<b>805</b>	<b>666</b>	<b>3,389</b>	<b>3,134</b>
Changes in property values, positive	689	571	1,913	1,748
Changes in property values, negative	-672	-211	-1,553	-1,661
Total changes in property value	17	360	361	87
Central administration costs	-16	-11	-45	-37
<b>PROFIT BEFORE FINANCIAL ITEMS</b>	<b>807</b>	<b>1,015</b>	<b>3,704</b>	<b>3,184</b>
Net financial income/expense	-89	87	-452	-263
<b>PROFIT BEFORE TAX</b>	<b>717</b>	<b>1,102</b>	<b>3,252</b>	<b>2,921</b>
Tax	-196	-318	-858	-797
<b>NET PROFIT FOR THE PERIOD</b>	<b>521</b>	<b>784</b>	<b>2,394</b>	<b>2,124</b>
Of which are attributable to the Parent Company's shareholder	521	784	2,394	2,124
<b>GROUP REPORT - COMPREHENSIVE INCOME, SUMMARY (SEK M)</b>	<b>OCT-DEC 2011</b>	<b>OCT-DEC 2010</b>	<b>JAN-DEC 2011</b>	<b>JAN-DEC 2010</b>
Income for the period	521	784	2,394	2,124
Other comprehensive income				
Cash flow hedges, result	-60	55	-133	27
Tax attributable to items reported in other comprehensive income	14	-14	26	-9
Cash flow hedges, dissolved in profit and loss	7	1	35	7
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-39</b>	<b>42</b>	<b>-72</b>	<b>25</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>482</b>	<b>826</b>	<b>2,322</b>	<b>2,149</b>
Of which attributable to the Parent Company's shareholder	482	826	2,322	2,149

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY (SEK M)	31-12-2011	31-12-2010
<b>ASSETS</b>		
Fixed assets		
Tangible fixed assets		
Investment properties	52,071	49,497
Equipment and fittings	24	19
Total tangible assets	52,095	49,516
Financial fixed assets		
Derivatives	2,828	2,141
Other non-current receivables	456	432
Total financial fixed assets	3,282	2,573
Total fixed assets	55,379	52,089
Current assets		
Current receivables		
Derivatives	279	189
Other current receivables	825	556
Total current assets	1,104	745
Cash and cash equivalents		
Cash and cash equivalents	4,590	692
Total cash and cash equivalents	4,590	692
Total current assets	5,694	1,437
<b>TOTAL ASSETS</b>	<b>61,073</b>	<b>53,526</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	26,521	25,406
<b>LIABILITIES</b>		
Non-current liabilities		
Debt	19,350	14,024
Derivatives	379	216
Deferred tax	7,554	7,067
Other non-current liabilities	321	284
Total non-current liabilities	27,604	21,591
Current liabilities		
Debt	3,337	3,764
Derivatives	154	41
Other current liabilities	3,457	2,724
Total current liabilities	6,948	6,529
Total liabilities	34,552	28,120
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>61,073</b>	<b>53,526</b>
<b>MEMORANDUM ITEMS</b>		
Pledged assets	119	54
Contingent liabilities	3	3

## ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDER

CHANGES IN CONSOLIDATED EQUITY, SUMMARY AMOUNTS IN SEK M	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	HEDGING RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Equity 1-1-2010	2,135	2,135	9	20,198	24,476
Dividend	-	-	-	-1,219	-1,219
Total, comprehensive income Jan-Dec 2010	-	-	25	2,124	2,149
Equity 31-12-2010	2,135	2,135	34	21,103	25,406
Dividend	-	-	-	-1,207	-1,207
Total, comprehensive income Jan-Dec 2011	-	-	-72	2,394	2,322
<b>EQUITY 31-12-2011</b>	<b>2,135</b>	<b>2,135</b>	<b>-38</b>	<b>22,289</b>	<b>26,521</b>

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY AMOUNTS IN SEK M	JAN - DEC 2011	JAN - DEC 2010
<b>CURRENT OPERATIONS</b>		
Profit before tax	3,252	2,921
Adjustment for items not included in the cash flow	-520	-106
Tax paid	-440	-295
<b>CASH FLOW FROM CURRENT OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>	<b>2,292</b>	<b>2,520</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>		
Increase (-)/decrease (+) in current receivables	-173	72
Increase (+)/decrease (-) in current liabilities	-102	-148
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>2,017</b>	<b>2,444</b>
<b>INVESTMENT</b>		
Investment in investment properties	-1,917	-1,495
Sale of investment properties	85	53
Investment in other fixed assets	-13	-6
Increase (-)/decrease (+) in non-current receivables	-53	-11
<b>CASH FLOW FROM INVESTMENT</b>	<b>-1,898</b>	<b>-1,459</b>
<b>FINANCING</b>		
Raising of interest-bearing loans, excluding refinancing	4,986	44
Dividend paid	-1,207	-1,219
<b>CASH FLOW FROM FINANCING</b>	<b>3,779</b>	<b>-1,175</b>
<b>CASH FLOW FOR THE YEAR</b>	<b>3,898</b>	<b>-190</b>
Liquid funds at the beginning of the year	692	882
Liquid funds at the year-end	4,590	692

**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 129 million (131). Of this figure, income from regional companies amounted to SEK 116 million (115). The operating profit was SEK -26 million (-7) and net financial

income and expense was SEK 911 million (1,201), including dividends from regional companies of SEK 765 million (910). The profit before appropriations and tax was SEK 884 million (1,194).

**Investments**

Investment in machinery and equipment amounted to SEK 5 million (1).

**Equity**

Equity totalled SEK 5,617 million compared to SEK 6,065 million for the previous year.

**PARENT COMPANY INCOME STATEMENT, SUMMARY  
AMOUNTS IN SEK M**

	OCT-DEC 2011	OCT-DEC 2010	JAN-DEC 2011	JAN-DEC 2010
Income	42	36	129	131
Costs	-66	-47	-155	-138
Profit before financial items	-24	-11	-26	-7
Net financial income/expense	69	225	911	1,201
Profit after financial items	45	214	884	1,194
Appropriations	-	-	-27	-
Profit before tax	45	214	857	1,194
Tax	-6	-59	-26	-77
<b>NET PROFIT FOR THE PERIOD</b>	<b>39</b>	<b>155</b>	<b>831</b>	<b>1,117</b>

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, SUMMARY SEK M  
AMOUNTS IN SEK M**

	2011 OKT-DEC	2010 OKT-DEC	2011 JAN-DEC	2010 JAN-DEC
Income for the period	39	155	831	1,117
Other comprehensive income				
Cash flow hedges, result	-60	55	-133	27
Tax attributable to items reported in other comprehensive income	14	-14	26	-9
Cash flow hedges dissolved in profit and loss	7	1	35	7
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-39</b>	<b>42</b>	<b>-72</b>	<b>25</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>0</b>	<b>197</b>	<b>759</b>	<b>1,142</b>

PARENT COMPANY BALANCE SHEET, SUMMARY (SEK M)	31-12-2011	31-12-2010
<b>ASSETS</b>		
Fixed assets		
Tangible fixed assets		
Equipment, fixtures and fittings	7	4
Total tangible fixed assets	7	4
Financial fixed assets		
Shares in Group companies	1,564	1,564
Derivatives	2,828	2,141
Total financial fixed assets	4,392	3,705
Total fixed assets	4,399	3,709
Current assets		
Current receivables		
Derivatives	279	189
Other current receivables	21,447	20,755
Total current receivables rules	21,726	20,944
Liquid funds		
Liquid funds	4,589	692
Total liquid funds	4,589	692
Total current assets	26,315	21,636
<b>TOTAL ASSETS</b>	<b>30,714</b>	<b>25,345</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	5,617	6,065
Untaxed reserves	393	366
<b>LIABILITIES</b>		
Long-term liabilities		
Loans	19,156	13,822
Other long-term liabilities	471	329
Total long-term liabilities	19,627	14,151
Current liabilities		
Loans	3,329	3,756
Other current liabilities	1,748	1,007
Total current liabilities	5,077	4,763
Total liabilities	24,704	18,914
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,714</b>	<b>25,345</b>
<b>MEMORANDUM ITEMS</b>		
Pledged assets	119	54
Contingent liabilities	168	150

## SEGMENT REPORT

SEGMENT DATA 2011 AMOUNTS IN SEK M	SOUTH	WEST	EAST	UPPSALA	STOCK- HOLM	NORTH	TOTAL, OPERATING SEGMENTS	OTHER OPERATIONS	ELIMINA- TION	GROUP
Income, including other operating income	783	814	528	947	1,802	503	5,377	1	-	5,378
Inter-segment sales	-	-	-	-	1	-	1	128	-129	0
Total income	783	814	528	947	1,803	503	5,378	129	-129	5,378
Costs for property management, including other operating costs	-406	-313	-155	-364	-551	-190	-1,979	-110	99	-1,990
Changes in value, properties	-306	94	100	116	315	42	361	-	-	361
Central overheads	-6	-6	-4	-6	-10	-4	-36	-45	36	-45
Profit/loss from financial items (net)	-72	-89	-64	-80	-245	-48	-598	911	-765	-452
Appropriations	-7	61	-19	-82	-76	-40	-163	-27	190	0
Tax for the year	3	-141	-103	-141	-328	-70	-780	-26	-52	-858

**PROFIT FOR THE YEAR ACCORDING TO THE INCOME STATEMENT**

**TOTAL ASSETS**

Total assets include: Investments

**TOTAL LIABILITIES**

SEGMENT DATA 2010 AMOUNTS IN SEK M	SOUTH	WEST	EAST	UPPSALA	STOCK- HOLM	NORTH	TOTAL, OPERATING SEGMENTS	OTHER OPERATIONS	ELIMINA- TION	GROUP
Income, including other operating income	751	794	530	858	1,746	496	5,175	1	-	5,176
Inter-segment sales	-	-	-	-	1	-	1	130	-131	0
Total income	751	794	530	858	1,747	496	5,176	131	-131	5,176
Costs for property management, including other operating costs	-392	-330	-169	-373	-561	-204	-2,029	-101	88	-2,042
Changes in value, properties	174	-238	-262	25	363	25	87	-	-	87
Central overheads	-6	-6	-4	-6	-13	-4	-39	-37	39	-37
Profit/loss from financial items (net)	-70	-89	-59	-68	-224	-45	-555	1,201	-909	-263
Appropriations	-11	-30	-18	-48	-71	-16	-194	-	194	0
Tax for the year	-120	-37	-6	-111	-329	-67	-670	-77	-50	-797

**PROFIT FOR THE YEAR ACCORDING TO THE INCOME STATEMENT**

**TOTAL ASSETS**

**TOTAL ASSETS INCLUDE: INVESTMENTS**

Total assets include: Investments

**TOTAL LIABILITIES**

## ACCOUNTING PRINCIPLES

Akademiska Hus complies with the EU-endorsed International Financial Reporting Standards (IFRS) and the interpretations made by the International Financial Reporting Interpretations Committee (IFRIC). This Year-End 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 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.

## New accounting principles 2011

The following amended standards and new interpretations came into effect in 2011:

STANDARD/INTERPRETATION	
Change in IAS 24	Related party disclosures
Change in IAS 32	Financial instruments: Presentation
Improvements to IFRS in 2010	
IFRIC 14	IAS 19. The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments.

## Amended accounting principles for Parent Companies

The amendments in RFR 2 Accounting for legal entities, which have come into effect and are valid for the 2011 financial year, have meant that group contributions are no longer reported against equity. A group contribution received by a parent company from a subsidiary is reported according to the same principles as customary dividends from subsidiaries and is reported as financial income. This amendment has not had any effect on the Parent Company financial statements.

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

The President hereby certifies that this Year-End Report provides a true and fair overview of the Company's and the Group's operations, financial position and results and describes material risks and uncertainties that face the Company and the companies that form part of the Group.

Gothenburg, February 8, 2012

Kerstin Lindberg Göransson

# Definitions

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## 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 and expense, excluding changes in value, financial derivatives, and including period allocation of realised profits from derivatives.

## INTERNAL FINANCING RATIO

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

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## FINANCIAL INFORMATION (CALENDAR)

Annual Report 2011	March 2012
1st Quarter 2012	April 25, 2012
Annual General Meeting	April 25, 2012
2nd Quarter 2012	July 16, 2012
3rd Quarter 2012	October 30, 2012
Year-End Report 2012	February 2013
Annual Report 2012	March 2013

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