

# report

Interim Report January 1 – June 30, 2013

Working in collaboration with our customers, we develop, build and manage knowledge environments that contribute to Sweden's success as a nation of knowledge. With our experience, expertise and size, we contribute to effective, sustainable environments for education, research and innovation.



- Rental revenue amounted to SEK 2,686 million (2,649). The increase can be attributed to the commissioning of newly constructed buildings, mainly in the Stockholm region.
- Net operating income totalled SEK 1,764 million (1,848). Increased costs for media provision and maintenance have resulted in a fall in net operating income.
- Net changes in property values amounted to SEK 443 million (291).
- Net financial income and expense for the period totalled SEK -138 million (-303). This figure includes changes in the value of financial instruments totalling SEK 86 million (-72).
- Profit before tax for the period amounted to SEK 2,031 million (1,800) and profit for the period was SEK 1,573 million (1,327). The improvement in profit compared to 2012 can be attributed to the reduction in corporation tax and positive changes in value.
- Investment in redevelopment and new construction for the year to date totalled SEK 1,292 million (1,301).
- The yield on a full-year basis (excluding properties under construction) was 6.9 per cent (7.1).



AKADEMISKA HUS

# Sound property operations and sustainable investment

## Statement by President Kerstin Lindberg Göransson:

»The investments being made by the major centres of education in research and innovation are continuing and Akademiska Hus now has a project portfolio worth SEK 26.4 billion. Several major new construction projects in research-intensive sectors are in progress in the Stockholm/Uppsala region. The largest decided projects are Biomedicum in Solna on behalf of the Karolinska Institute, the Royal College of Music in Stockholm, the Veterinary and Domestic Animal Centre on behalf of the Swedish University of Agricultural Sciences in Uppsala and the Skandion Clinic on behalf of Uppsala University.

Planning also includes the Albano project in Stockholm. The Albano area represents a geographical link between the Royal Institute of Technology, Stockholm University and the Karolinska Institute. Planning is very much at the forefront when it comes to sustainable urban development in all dimensions.

During the second quarter, a number of new projects were added. The largest is Economics Centre IV for Lund University totalling SEK 523 million. Vitally important for project implementation is the potential to secure financing. Thanks to our ownership situation, good financial position and a strong tenant and lease structure, conditions at Akademiska Hus are good.

Akademiska Hus has disposed of the remaining holdings in Kalmar, as they no longer constitute a sufficiently large base for rational management and operation. The holdings in question house Kalmar Maritime Academy and the Kalmarsund Laboratory and comprise approximately 12,000 square metres with Linnaeus University as the leaseholder.

During the period, Akademiska Hus has signed leases with the City of Stockholm regarding the leasing of 27,000 square metres for school activities in Konradsberg at Kungsholmen. The Campus will be one of the city's larger education areas. To facilitate the move, Akademiska Hus is investing in a series

of redevelopments. The agreement will mean that the City of Stockholm will lease the majority of the education premises on the Konradsberg Campus.

Through assignment or disposal of land, Akademiska Hus is working actively to facilitate the construction of student accommodation on or adjacent to our campuses. In total, we are currently involved in the construction of over 5,000 student accommodation units throughout the country. Planning has commenced, for example, for at least 350 student accommodation units on the Royal Institute of Technology campus in Stockholm. Combined with an established service base, a vibrant campus will be created, marked by movement and life at all times of the day and night.

Sustainability is one of our most important issues for the future. For Akademiska Hus, energy use is the sustainability issue over which we have the greatest influence. New buildings with modern technology are often extremely energy efficient. However, to save energy seriously, the focus is very much on existing holdings. Management has a crucial role to play in our environmental and energy programme and we are working systematically to optimise operations and introduce technology and systems aimed at enhancing energy efficiency. A good example of how older buildings can be made more energy efficient is the Natural Sciences Building in Umeå, built in the 1970s, which after various initiatives has energy values below 50 kWh per square metre per year, which is very much on a par with a newly constructed, energy-efficient building.

Property management reports a stable profit level. By developing the property holdings, revenue is generated that facilitates good customer relationships and a high degree of efficiency. Profit after tax for the period was SEK 1,573 million (1,327). Rental revenue totalled SEK 2,686 million (2,649) and net operating income was SEK 1,764 million (1,848). Net operating income has fallen, due mainly to an increase in operating and maintenance costs. There has been no change in the properties' yield levels



President  
Kerstin Lindberg Göransson

and this is expected to continue for the remainder of the year. Our assessment is that the need for premises at the centres of education will remain stable following the investments that are taking place in the larger university and college towns and cities despite the fall in the total number of students. Akademiska Hus has a high-quality property portfolio with strong tenants and an attractive lease structure. »

Kerstin Lindberg Göransson  
President

AKADEMISKA HUS - SUMMARY	2013 April-June	2012 April-June	2013 Jan-June	2012 Jan-June	Rolling 12-month period July 2012- June 2013	2012 Full year	2011 Full year
Rental revenue, SEK m	1,313	1,316	2,686	2,649	5,302	5,265	5,116
Net operating income, SEK m	880	934	1,764	1,848	3,463	3,585	3,389
Changes in value, properties, SEK m	163	125	443	291	-139	-291	361
Profit before tax, SEK m	1,025	842	2,031	1,800	2,738	2,546	3,252
Vacant space, rent, %	0.8	0.9	0.9	1.0	1.1	1.0	1.2
Vacant space, area, %	2.4	2.6	2.4	2.6	2.5	2.6	2.6
Fair value, properties, SEK m	56,425	53,709	56,425	53,709	56,425	54,677	52,071
of which properties under construction, SEK m	4,991	3,288	4,991	3,288	4,991	4,007	2,181
Yield, % (excluding properties under construction)	—	—	—	—	6.9	7.1	6.9
Yield, % (including properties under construction)	—	—	—	—	6.4	6.7	6.7
Net operating income, SEK/m <sup>2</sup>	—	—	—	—	1,080	1,120	1,059
Return on equity after standard tax, %	—	—	—	—	7.8	6.8	9.2
Equity ratio, %	44.8	42.4	44.8	42.4	44.8	46.1	43.4
Interest coverage ratio, % *	869	829	770	727	688	672	716
Internal financing ratio, %	116	107	98	94	95	84	112
Loan-to-value ratio, %	34.8	33.8	34.8	33.8	34.8	33.9	31.8

\*Excluding changes in the value of properties and financial derivatives.

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

### Rental revenue

Rental revenue amounted to SEK 2,686 million (2,649). The increase can be attributed mainly to the commissioning of newly constructed properties in the Stockholm region. Larger, additional properties are the Widerströmska Building, the Wallenberg Laboratory, the Red Cross and the Swedish School of Sport and Health Sciences. The sale of the entire holdings in Kalmar during 2012 and 2013 will have a negative impact on rental revenue to the amount of SEK 42 million on an annual basis.

### Rental and vacancy levels

Property holdings as at June 30, 2013 amounted to 3.2 million square metres of rentable space (3.2). 76,000 square metres (82,000) of the space was vacant, resulting in a vacancy level of 2.4 per cent (2.6). The largest individual blocks of vacant space are Mathematical Sciences in Gothenburg totalling 5,666 square metres, Stora Institutionen Ultuna hamn in Uppsala totalling 5,351 square metres, and the F-J Buildings on the Konradsberg campus in Stockholm totalling 4,498 square metres. The vacant space has a distinctly lower rental value than the average for the holdings. In terms of value, vacant space accounted for only 0.9 per cent (1.0).

### Leases

A characteristic feature of Akademiska Hus is long leases with universities and colleges. The average term of a newly signed lease is just over 10 years. At the period-end, the average remaining lease term was 5.1 years (5.2 at the turn of the year). Laboratories account for 34 per cent of Akademiska Hus property hold-

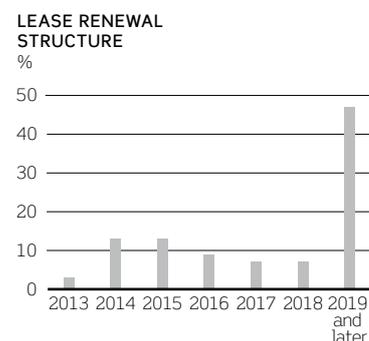
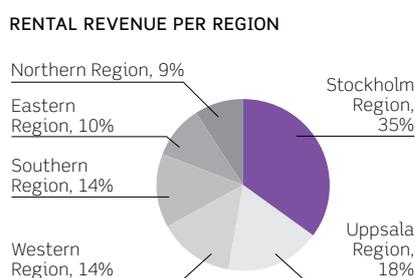
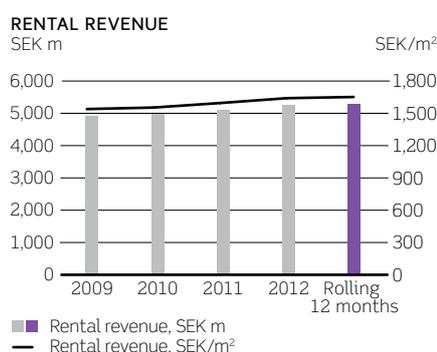
ings. In the case of the large, complex specialist buildings for laboratory and research work, a lease is normally required where a large proportion of the investment is repaid during the term of the lease, which means a lease of ten years or longer.

The dominant customer group, universities and colleges, are stable, creditworthy customers that generate approximately 90 per cent of revenue. All customers that are centres of education, apart from Chalmers University of Technology, have the Swedish government as principal and thus have the highest credit rating.

### Operating and maintenance costs

Operating costs for the period amounted to SEK 470 million (437), of which media provision amounted to SEK 329 million (306). Costs for media provision have increased due to additional properties although during 2013 we have also seen a recoil from the heavy fall in energy prices in 2012. Akademiska Hus has a large proportion of laboratories, accounting for 34 per cent of the property holdings, which means relatively high operating costs. The technical complexity of the buildings exerts a significant influence and several new and redeveloped premises that came into use in recent years are large laboratories that are more resource-intensive than normal teaching premises. This applies both from an energy point of view and in terms of inspection and maintenance. The very snowy winter has resulted in an increase in costs for snow clearance of approximately SEK 11 million compared to 2012.

Maintenance costs amounted to SEK 278 million (234) and vary between the regions, mainly because of maintenance in conjunction with redevelopment. Project maintenance amounts to SEK 86 million (53). The extensive maintenance measures carried out in recent years have meant that the property holdings are now of a very good standard.



### Market development

The financial crisis in the Eurozone and problems in debt crisis countries are still a cause for concern and uncertainty, which is affecting growth prospects. Sweden is still staying out of recession. The Swedish economy, with sound government finances and a relatively low national debt, is in a good position to keep the repo rate low and for continued finance policy stimulation methods to drive growth and keep down unemployment. Monetary policy, with a repo rate that has been gradually reduced to 1 per cent, is at present considered very expansive.

The market focus now is on properties with stable cash flows and a low rental risk (long leases, tenants with a good credit rating), which is to our advantage. The geographically broad-based Akademiska Hus portfolio also offers a good spread of risk that can benefit from the growth in strong regional markets, such as university and college towns and cities. There is a strong demand for high-quality properties and these are regarded as a relatively safe form of investment, offering a stable yield in both good times and bad. The majority of Akademiska Hus tenants are only affected to a limited extent by the temporary fluctuations in the economy, which means a lower risk compared to commercial properties in general. Even a long recession would have a limited effect on rental revenue. Demand for premises is at present driven by a desire to make more efficient use of floor space and to trim back rather than expand. For this reason, there is continued demand for modern, flexible premises with a high technical standard whilst older properties and properties in more peripheral locations are encountering a fall in demand. The market assessment is that there will be no change in yield requirements during the coming year even if the risk of a rise in yield requirements cannot be dismissed completely.

Sweden as a nation of knowledge is changing and several centres of education are growing by focusing on research and development. They are upgrading their use of premises to achieve greater efficiency and at the same time increase their attractiveness, which is reflected in the very extensive Akademiska Hus project portfolio. Alongside major investments in research and innovation in larger university and college towns and cities, there is a fall in the number of students. Despite this, our assessment is that the need for premises will continue to be reasonably stable. Continuous investment in new production at Akademiska Hus and above all maintenance/modernisation of

existing properties is taking place to ensure the attractiveness of the property portfolio. Akademiska Hus will handle a possible change in the demand for premises by, among other things, developing and broadening the use of the campuses. A focus on premises suitable for more general use makes operations less vulnerable and makes the campuses more attractive, which is something tenants in the higher education sector are anxious to promote. The majority of Akademiska Hus campuses are in prime locations in attractive towns and cities and the risk to Akademiska Hus in these locations is limited by access to an active, highly efficient rental market.

Through the 2012 Research Bill, the higher education sector will continue to receive a major increase in funding in the future, which could counterbalance a possible downturn in education activities. At the smaller centres of education, research grants will not compensate for a possible fall in the number of students and there is greater uncertainty in the long term regarding the need for premises.

### Properties (property valuation)

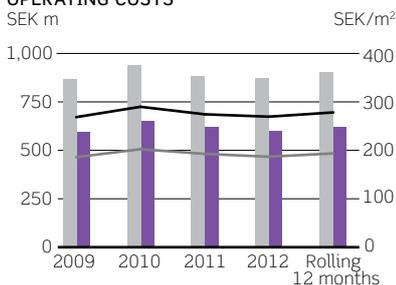
The fair value of properties was SEK 56,425 million (54,677). The fair value also includes properties under construction amounting to SEK 4,991 million (4,007). All property assets are reported at fair value. The fair value has been set through an internal property valuation of all properties. The unrealised change in fair value for the period is positive, amounting to SEK 443 million compared to SEK -291 million for 2012. The change in fair value includes a realised change in value of SEK 33 million following the sale of the Eldaren 1 property in Kalmar. The unrealised change in value totalled SEK 410 million and comprises mainly changes in value resulting from the change in the value index, commissioned projects, revaluation of cash flow etc. The fair value per square metre is SEK 15,724, excluding properties under construction (15,504).

There has been no change in the yield requirement or cost of capital during the period. The average yield requirement was 6.4 per cent (6.4) and the average cost of capital was 8.5 per cent (8.6). An external valuation of yield, cost of capital and other valuation variables has been made by DTZ and NAI Svefa. Apart from financial parameters, the property value is affected by factors such as the rent level, net operating income, lease term, property category and type of customer.

PROPERTIES (SEK M)	01-01-2013 - 30-06-2013	01-01-2012 - 31-12-2012
Opening fair value	54,677	52,071
Investment in new construction and redevelopment	1,487	2,901
Acquisitions	0	7
Capitalised interest expense	45	107
Sales	-194	-146
Change in fair value (unrealised)	410	-262
of which change in value due to a change in the cost of capital and yield requirement	0	-29
of which change in value due to a change in the assumed rate of inflation	0	-232
of which change in value as a result of the change in the value index (mainly average remaining lease term)	228	-262
of which capitalised interest expense	-45	-107
of which start-up of projects, revaluation of cash flow etc.	227	367
<b>CLOSING FAIR VALUE</b>	<b>56,425</b>	<b>54,677</b>

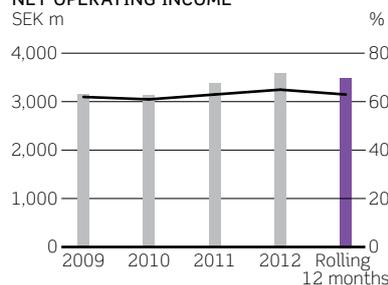
For a more detailed account of the Akademiska Hus view of property valuation, reference can be made to the 2012 Annual Report.

### OPERATING COSTS



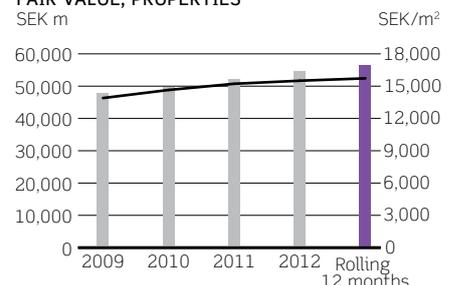
■ Net operating cost, SEK m  
■ of which media provision, SEK m  
— Operating cost, SEK/m²  
— of which media provision, SEK/m²

### NET OPERATING INCOME



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

### FAIR VALUE, PROPERTIES



■ Fair value, properties, SEK m  
— Fair value, properties, SEK/m²

## PROJECTS, INVESTMENTS AND SALES

The project portfolio totals SEK 26,368 million, of which SEK 21,441 million refers to decided and planned projects and SEK 4,927 million refers to concept projects. The term 'concept project' refers to projects that are considered likely but which remain uncertain in terms of time and scope. SEK 4,991 million of the project portfolio has already been invested. The project portfolio covers future investments over several years and the emphasis is on Stockholm and Uppsala with several major new construction projects. For further information about major projects, reference can be made to the 2012 Annual Report.

Net investment in properties during the period amounted to SEK 1,292 million. The Eldaren 1 property in Kalmar was sold during the period for SEK 138 million.

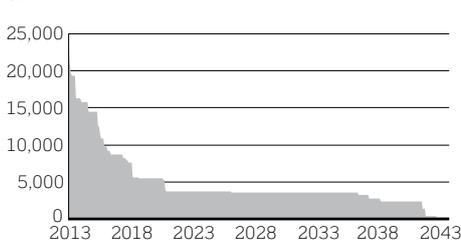
PROJECT PORTFOLIO (SEK M)	30-06-2013	31-12-2012
Decided projects	13,914	13,594
Planned projects	7,527	8,575
<b>Decided and planned projects</b>	<b>21,441</b>	<b>22,169</b>
Concept projects	4,927	3,908
<b>TOTAL PROJECT PORTFOLIO</b>	<b>26,368</b>	<b>26,077</b>
of which already invested	-4,991	-4,006
<b>REMAINING PROJECT PORTFOLIO</b>	<b>21,377</b>	<b>22,071</b>
of which decided and planned	16,450	18,163

## FINANCING

The focus on the formulation of monetary policy on the global level continued to characterise the market in the second quarter. For the first time in several years, however, the debt crisis in the Eurozone has not dominated developments. In the USA, the Federal Reserve has now put winding up of the powerful liquidising measures on the agenda. The main reason for this move is the increasingly positive trend on the labour market. The expectation of a slowdown in bond purchases has caused bond interest rates with long terms to rise. An American government bond with a ten-year term has risen by around 80 basis points since the turn of the year. The financial trend in the future will decide when and at what rate this wind-down will take place. At the same time, the serious problems in Europe are persisting and they will continue to be a potential source of concern on the financial markets.

The prospects for the Swedish economy improved slightly towards the end of the second quarter although the overall picture is still split. The GNP for the first quarter was surprisingly strong although the component breakdown produced a more mixed picture. The Purchasing Manager Index for manufacturing industry has risen and unemployment has fallen. The latest report from the National Institute of Economic Research included a stronger forecast than previously. At the same time, the rate of inflation remains very low. The slightly more positive trend in both Sweden and the world has resulted in the Swedish Riksbank deciding in July to leave the repo rate unchanged at one per cent.

## LOAN MATURITY STRUCTURE



Since 2011, Akademiska Has implemented issues in Swedish kronor with terms of between 15 and 30 years and at a fixed rate of interest totalling SEK 3,305 million. The reason for the issues is to ensure very long-term financing of the substantial investment portfolio. Since the turn of the year, demand has been noted mainly within the medium-term segment and the first bond issue of the year on the Swedish market was for SEK 500 million with a term of 4.6 years. The ECP programme has continued to be a highly efficient financing source on the short-term market. At the end of the quarter, the average loan maturity and fixed interest term for the long-term bond portfolio was 27.1 years. The average loan maturity in the total portfolio was 6.5 years (6.8).

The fixed interest term, excluding bonds in the long-term portfolio, was 3.4 years (3.0) at the end of the quarter, compared to 3.2 years at the end of the year.

## Net interest income and expense

Net interest income and expense was SEK -138 million (-303), which is equivalent to an interest cost, including changes in the value of financial derivatives, of 1.8 per cent (4.1) during the period. Changes in value, which were largely unrealised, correspond to an increase in the cost of capital of 0.8 per cent (+0.8). The interest coverage ratio, calculated on the cash flow impact of net interest income and expense, amounted to a reassuring 770 per cent (727).

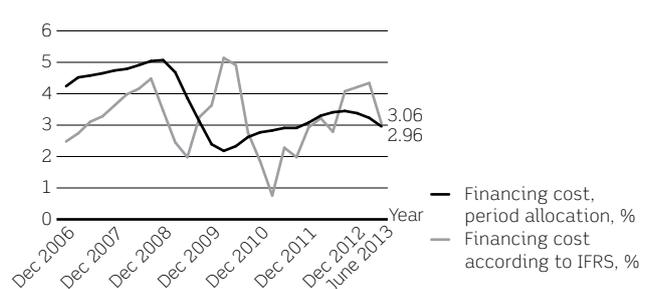
## Effect of financial derivatives on profit

Interest swaps are entered into with the aim of securing the desired fixed interest period in the liability portfolio. The interest and currency risks that arise in conjunction with financing in foreign currency are hedged throughout the whole of the term through currency swaps. These should be reported at fair value (market value) with changes charged to profit or loss. Changes in the fair values represent a current value of future cash flow-impacting positions at current interest levels. Variations in market values between the reporting periods could entail substantial changes in reported net financial income and expense. There is no real exchange rate risk and the changes in value will be eliminated on the respective due date.

## Comparison of the present financing cost with the previous calculation base

The variation in net interest income and expense means a corresponding variation in the financing cost interest rate. The graph below shows a comparison between the financing cost that is reported according to the Statement of Comprehensive Income (IFRS) and a calculation where the effect of financial derivatives on profit is allocated to a specific period over the term of the underlying instrument. The comparison is calculated to annualised percentage rates of interest.

## COMPARISONS BETWEEN DIFFERENT ANNUALISED FINANCING COST CALCULATIONS



## FINANCING COST, BREAKDOWN

	01-01-2013- 30-06-2013	01-01-2012- 30-06-2012	01-01-2012- 31-12-2012
Loan financing cost, including charges, %	2.26	2.95	2.75
Interest swaps, net interest, %	0.46	0.36	0.40
<b>Financing cost, %</b>	<b>2.72</b>	<b>3.31</b>	<b>3.15</b>
Changes in value, financial derivatives, %	-0.86	0.80	1.06
<b>TOTAL FINANCING COST, %</b>	<b>1.86</b>	<b>4.11</b>	<b>4.21</b>

**RISK MANAGEMENT**

The Akademiska Hus property portfolio has a strategic risk: campuses have a specific purpose and are not general in the broad sense. Purchases and sales of properties take place to handle the strategic risk in the property portfolio.

Each year, the Akademiska Hus Board decides on long-term development, the strategic plan, the competitive situation and total risk exposure. The Board has routines and processes in place to check how the organisation handles the risks that can arise in business operations. This means that the risks can be identified, analysed, assessed and handled effectively. Major disputes are reported on an ongoing basis to the Board of Directors.

An Audit Committee assists the Board of Directors in matters concerning financial risks, reporting and control as well as property valuation. In addition, a Finance Committee follows and prepares in more detail the handling of the financial risks.

As regards changes in value, reporting according to IFRS means that the properties are recorded at fair value in the Statement of Financial Position and that changes in value affect the Statement of Comprehensive Income. The value of the properties is determined by general market factors such as risk premiums as well as availability and demand on the property market and specific changes in the properties.

Rental revenue is assured through leases that are long in comparison to the industry in general. The average term for a newly signed lease with Akademiska Hus is ten years and the average remaining lease term is 5.1 years. Rents from state customers comprise approximately 90 per cent of the rental revenue and these do not represent a credit risk. Compared to other property companies, the level of vacant space is very low. Specialist buildings for research and development frequently have leases of 10 years or longer that repay the whole of the investment and there is very good potential for extending the lease. In other respects, the aim is to have general premises that can be easily readjusted for alternative use.

Around half of the cost of media provision is passed on to tenants. The use of power is price hedged and purchase takes

place directly through Nord Pool. The property holdings are well maintained and maintenance planning takes place for each individual building.

Akademiska Hus carries on financing operations with well-adapted strategies, striking a balance between the financial risks and a low financing cost. The Finance Policy lays down the long-term strategic orientation, allocation of responsibility, the Group's approach to financial risks and the mandates that are in place to handle these risks. The Financial Risk Management Plan includes authorisations and mandates as well as concrete financing plans. The handling of the interest risk in the liability portfolio 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 2012.

**OBJECTIVES AND PROFITABILITY**

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

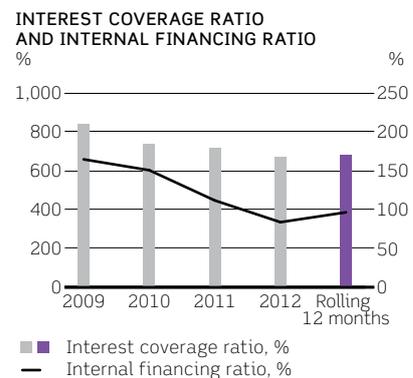
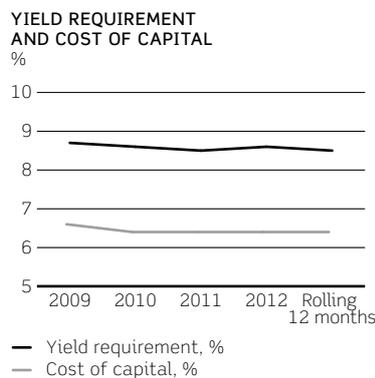
- The return on average equity should be equivalent to the average five-year government bond interest rate plus four percentage points viewed over a business cycle.
- The dividend target is 50 per cent of the profit after financial items, excluding unrealised changes in value with a deduction for current tax.
- The equity ratio should be between 30 and 40 per cent.

Over the past five years, the average return on equity has been 5.9 per cent whilst the target was 6.4 per cent.

Towards the end of 2012, the owner commenced a corporate review, which will be followed by a review of the financial objectives.

**Events after the reporting period**

No events of a material nature occurred after the end of the reporting period.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY (SEK M)	2013 April-June	2012 April-June	2013 Jan-June	2012 Jan-June	Rolling 12-month period, July 2012- June 2013	2012 Full year
Rental revenue	1,313	1,316	2,686	2,649	5,302	5,265
Other property management revenue	48	56	108	117	237	246
Total property management revenue	1,361	1,372	2,794	2,766	5,539	5,511
Operating costs	-181	-182	-470	-437	-903	-870
Maintenance costs	-175	-126	-278	-234	-608	-564
Property administration	-68	-75	-147	-141	-287	-281
Other property management expenses	-57	-55	-135	-106	-240	-211
Total property management expenses	-481	-438	-1,030	-918	-2,038	-1,926
<b>NET OPERATING INCOME</b>	<b>880</b>	<b>934</b>	<b>1,764</b>	<b>1,848</b>	<b>3,501</b>	<b>3,585</b>
Changes in property values, positive	736	310	1,445	941	1,708	1,204
Changes in property values, negative	-573	-185	-1,002	-650	-1,847	-1,495
Total changes in property values	163	125	443	291	-139	-291
Central administration expenses	-22	-20	-38	-36	-68	-66
<b>PROFIT BEFORE FINANCIAL ITEMS</b>	<b>1,021</b>	<b>1,040</b>	<b>2,169</b>	<b>2,103</b>	<b>3,294</b>	<b>3,228</b>
Financial income/expense	4	-197	-138	-303	-517	-682
<b>PROFIT BEFORE TAX</b>	<b>1,025</b>	<b>842</b>	<b>2,031</b>	<b>1,800</b>	<b>2,777</b>	<b>2,546</b>
Tax	-237	-221	-458	-473	616	601
<b>NET PROFIT FOR THE PERIOD</b>	<b>788</b>	<b>621</b>	<b>1,573</b>	<b>1,327</b>	<b>3,393</b>	<b>3,147</b>
Attributable to the Parent Company's shareholder	788	621	1,573	1,327	3,393	3,147

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY (SEK M)	2013 April-June	2012 April-June	2013 Jan-June	2012 Jan-June	Rolling 12-month period, July 2012- June 2013	2012 Full year
Profit for the period	788	621	1,573	1,327	3,393	3,147
Other comprehensive income						
Profit/loss from cash flow hedges	-12	25	-12	34	-8	38
Tax attributable to items reported in other comprehensive income	4	-5	4	-4	7	-1
Cash flow hedges, dissolved against profit and loss	-3	-8	-5	-19	-19	-33
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-12</b>	<b>12</b>	<b>-14</b>	<b>11</b>	<b>-21</b>	<b>4</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>776</b>	<b>633</b>	<b>1,559</b>	<b>1,338</b>	<b>3,372</b>	<b>3,151</b>
Of which attributable to the Parent Company's shareholder	776	633	1,559	1,338	3,372	3,151

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY (SEK M)	30-06-2013	30-06-2012	31-12-2012
<b>ASSETS</b>			
Non-current assets			
Tangible non-current assets			
Properties	56,425	53,709	54,677
Equipment and fittings	20	25	23
Total tangible non-current assets	56,445	53,734	54,700
Financial non-current assets			
Derivatives	1,277	2,300	1,867
Other non-current receivables	435	454	433
Total financial non-current assets	1,712	2,754	2,300
Total non-current assets	58,157	56,488	57,000
Current assets			
Current receivables			
Derivatives	794	559	382
Other current receivables	923	872	1,003
Total current receivables	1,717	1,431	1,385
Cash and cash equivalents			
Cash and cash equivalents	4,037	4,861	3,247
Total cash and cash equivalents	4,037	4,861	3,247
Total current assets	5,755	6,292	4,632
<b>TOTAL ASSETS</b>	<b>63,912</b>	<b>62,780</b>	<b>61,632</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	28,631	26,616	28,427
<b>LIABILITIES</b>			
Non-current liabilities			
Loans	16,789	19,974	18,293
Derivatives	251	244	416
Deferred tax	6,835	7,792	6,597
Other non-current liabilities	308	344	344
Total non-current liabilities	24,183	28,354	25,650
Current liabilities			
Loans	7,512	4,195	4,176
Derivatives	21	144	132
Other current liabilities	3,565	3,471	3,247
Total current liabilities	11,098	7,810	7,555
Total liabilities	35,276	36,164	33,205
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63,912</b>	<b>62,780</b>	<b>61,632</b>
<b>MEMORANDUM ITEMS</b>			
Pledged assets	104	94	270
Contingent liabilities	3	3	3

CHANGES IN GROUP EQUITY, SUMMARY, (SEK M)	Attributable to the Parent Company's shareholder				
	Share capital	Other contributed capital	Hedge reserve	Retained earnings	Total equity
Equity, 01-01-2012	2,135	2,135	-38	22,289	26,521
Dividend	—	—	—	-1,245	-1,245
Total comprehensive income, Jan-Dec 2012	—	—	4	3,147	3,151
Equity, 31-12-2012	2,135	2,135	-34	24,190	28,427
Dividend	—	—	—	-1,355	-1,355
Total comprehensive income, Jan-June 2013	—	—	-14	1,573	1,559
<b>EQUITY 30-06-2013</b>	<b>2,135</b>	<b>2,135</b>	<b>-48</b>	<b>24,408</b>	<b>28,631</b>

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY (SEK M)	2013 Jan-June	2012 Jan-June	2012 Full year
<b>CURRENT OPERATIONS</b>			
Profit before tax	2,031	1,800	2,546
Adjustment for items not included in the cash flow	-717	-260	475
Tax paid	-51	-312	-433
<b>CASH FLOW FROM CURRENT OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>	<b>1,263</b>	<b>1,228</b>	<b>2,588</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>			
Increase (-)/decrease (+) in current receivables	-64	26	-102
Increase (+)/decrease (-) in current liabilities	210	-12	-360
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>1,408</b>	<b>1,242</b>	<b>2,126</b>
<b>INVESTMENT</b>			
Investment in properties	-1,487	-1,301	-2,503
Sale of properties	227	6	118
Investment in other non-current assets	-2	-6	-9
Increase (-)/decrease (+) in non-current receivables	-13	-19	5
<b>CASH FLOW FROM INVESTMENT</b>	<b>-1,275</b>	<b>-1,320</b>	<b>-2,388</b>
<b>FINANCING</b>			
Raising of interest-bearing loans, excluding refinancing	2,012	1,595	164
Dividend paid	-1,355	-1,245	-1,245
<b>CASH FLOW FROM FINANCING</b>	<b>657</b>	<b>350</b>	<b>-1,081</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>790</b>	<b>272</b>	<b>-1,343</b>
Cash and cash equivalents at the beginning of the period	3,247	4,590	4,590
Cash and cash equivalents at the period-end	4,037	4,861	3,247

SEGMENT INFORMATION 01-04-2013 - 30-06-2013 (SEK M)	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other opera- tions	Elimi- nation	Group
Revenue, including other operating revenue	391	414	269	483	984	262	2,804	1	-11	2,794
Inter-segment sales	—	—	—	—	—	—	0	—	—	0
Total revenue	391	414	269	483	984	262	2,804	1	-11	2,794
Property management costs, including other operating costs	-159	-148	-80	-164	-307	-91	-949	-86	6	-1,030
Net operating income	231	266	189	319	677	172	1,855	-86	-5	1,764

## Total assets include:

Properties	6,718	6,944	4,586	10,751	23,360	4,067	56,425	—	—	56,425
of which investments	192	51	55	640	535	13	1,487	2	—	1,489

SEGMENT INFORMATION 01-04-2012 - 30-06-2012 (SEK M)	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other opera- tions	Elimi- nation	Group
Revenue, including other operating revenue	406	408	270	481	936	265	2,766	—	—	2,766
Inter-segment sales	—	—	—	—	—	—	0	79	-79	0
Total revenue	406	408	270	481	936	265	2,766	79	-79	2,766
Property management costs, including other operating costs	-171	-136	-77	-171	-271	-92	-918	-59	59	-918
Net operating income	235	272	193	310	665	173	1,848	20	-20	1,848

## Total assets include:

Properties	6,612	6,894	4,579	9,790	21,681	4,153	53,709	—	—	53,709
of which investments	9	14	0	88	75	1	187	1	—	188

SEGMENT INFORMATION 01-01-2012 - 31-12-2012 (SEK M)	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other opera- tions	Elimi- nation	Group
Revenue, including other operating revenue	802	809	544	945	1,884	526	5,510	1	—	5,511
Inter-segment sales	—	—	—	—	—	—	1	116	-117	0
Total revenue	802	809	544	945	1,884	526	5,511	116	-117	5,511
Property management costs, including other operating costs	-339	-282	-164	-344	-597	-184	-1,910	-90	75	-1,926
Net operating income	463	528	380	601	1,287	342	3,601	25	-42	3,585

## Total assets include:

Properties	6,620	6,975	4,557	10,094	22,335	4,096	54,677	—	—	54,677
of which investments	30	21	12	168	846	5	1,083	—	—	1,083

PARENT COMPANY INCOME STATEMENT, SUMMARY (SEK M)	2013 April-June	2012 April-June	2013 Jan-June	2012 Jan-June	2012 Full year
Rental revenue	1,313	0	2,686	0	5,265
Other property management revenue	22	45	42	79	75
Total revenue from property management	1,335	45	2,728	79	5,340
Operating expenses	-180	0	-468	0	-867
Maintenance costs	-175	0	-278	0	-564
Property administration	-62	0	-139	0	-268
Other property management costs	-22	-50	-40	-95	-90
Total costs from property management	-439	-50	-925	-95	-1,789
<b>NET OPERATING INCOME</b>	<b>896</b>	<b>-5</b>	<b>1,803</b>	<b>-16</b>	<b>3,551</b>
Depreciation and write-downs as well as reversed write-downs in property management	-335	0	-634	0	-1,288
Net operating income after depreciation and write-downs as well as reversed write-downs in property management	560	-5	1,168	-16	2,263
Central administration costs	-22	0	-38	0	-67
Other operating revenue	98	0	134	0	287
Other operating costs	-19	0	-79	0	-227
Total, other operating items	57	0	17	0	-7
<b>PROFIT/LOSS BEFORE FINANCIAL ITEMS</b>	<b>618</b>	<b>-5</b>	<b>1,186</b>	<b>-16</b>	<b>2,256</b>
Net financial income/expense	-11	1,026	-183	1,097	-790
Profit/loss after financial items	607	1,021	1,003	1,081	1,466
Appropriations	0	0	0	0	-188
<b>PROFIT BEFORE TAX</b>	<b>607</b>	<b>1,021</b>	<b>1,003</b>	<b>1,081</b>	<b>1,278</b>
Tax	-144	10	-230	-6	-271
<b>PROFIT FOR THE PERIOD</b>	<b>463</b>	<b>1,031</b>	<b>773</b>	<b>1,075</b>	<b>1,007</b>

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, SUMMARY (SEK M)	2013 April-June	2012 April-June	2013 Jan-June	2012 Jan-June	2012 Full year
Profit for the period	463	1,031	773	1,075	1,007
Other comprehensive income					
Profit/loss from cash flow hedges	-12	25	-12	34	38
Tax attributable to items reported in other comprehensive income	4	-5	4	-4	-1
Cash flow hedges, dissolved against profit and loss	-3	-8	-5	-19	-33
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-12</b>	<b>12</b>	<b>-14</b>	<b>11</b>	<b>4</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>451</b>	<b>1,043</b>	<b>759</b>	<b>1,086</b>	<b>1,011</b>

PARENT COMPANY BALANCE SHEET, SUMMARY (SEK M)	30-06-2013	30-06-2012	31-12-2012
<b>ASSETS</b>			
Non-current assets			
Tangible non-current assets			
Properties	30,167	—	29,453
Equipment and fittings	20	7	23
Total tangible non-current assets	30,187	7	29,476
Financial non-current assets			
Shares in Group companies	1	1,564	—
Derivatives	1,277	2,300	1,867
Other non-current receivables	435	—	434
Total financial non-current assets	1,713	3,864	2,301
Total non-current assets	31,900	3,871	31,777
Current assets			
Current receivables			
Derivatives	794	558	382
Other current receivables	923	22,472	1,004
Total current receivables	1,717	23,030	1,386
Cash and cash equivalents			
Cash and cash equivalents	4,037	4,861	3,247
Total cash and cash equivalents	4,037	4,861	3,247
Total current assets	5,754	27,891	4,633
<b>TOTAL ASSETS</b>	<b>37,654</b>	<b>31,762</b>	<b>36,410</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	5,647	5,458	6,243
Untaxed reserves	3,246	393	3,246
Non-current liabilities			
Loans	16,789	19,551	18,293
Derivatives	251	—	416
Deferred tax	—	—	343
Other non-current liabilities	270	333	310
Total non-current liabilities	17,664	19,884	19,362
Current liabilities			
Loans	7,512	4,187	4,176
Derivatives	21	—	132
Other current liabilities	3,564	1,840	3,251
Total current liabilities	11,096	6,027	7,559
Total liabilities	28,761	25,911	26,921
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,654</b>	<b>31,762</b>	<b>36,410</b>
<b>MEMORANDUM ITEMS</b>			
Pledged assets	104	94	270
Contingent liabilities	3	436	3

**PARENT COMPANY**

Akademiska Hus AB is the Parent Company in the Akademiska Hus Group. Operations comprise mainly owning and managing university and college properties. In December 2012, a merger took place with the subsidiaries that owned and managed the properties within the Group.

**Revenue and profit/loss**

The Company's revenue totalled SEK 2,728 million (79). Of this figure, income from regional companies amounted to SEK 0 million (79). The profit/loss before financial items was SEK 1,186 million (-16) and net financial income and expense was SEK -183 million (1,097). The profit after financial items was SEK 1,003 million (1,081).

**Investments**

Investment in machinery and equipment amounted to SEK 2 million (2) and in properties SEK 1,487 million (0).

**Equity**

Equity totalled SEK 5,647 million compared to SEK 6,243 million at the turn of the year.

**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 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 Accounting for Legal Entities.

Unless stated otherwise below, accounting principles and computation methods are the same as the accounting principles used in the most recent Annual Report. New standards and interpretations that came into effect in 2013 have not had any impact on the financial statements.

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

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The Board of Directors and the President hereby certify that this Interim 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, July 15, 2013

Eva-Britt Gustafsson  
 Chair

Olof Ehrlén  
 Board member

Leif Ljungqvist  
 Board member

Per Granath  
 Board member

Gunnar Svedberg  
 Board member

Maj-Charlotte Wallin  
 Board member

Pia Sandvik  
 Board member

Ingemar Ziegler  
 Board member

Anders Larsson  
 Employee  
 representative

Thomas Jennlinger  
 Employee  
 representative

Kerstin Lindberg Göransson  
 President

**DEFINITIONS**

**EQUITY RATIO**

Reported equity in relation to total assets carried forward.

**FINANCING COST ACCORDING TO IFRS**

Net financial income and expense in the form of the financing cost for loans, net interest for financial derivatives and the change in market value of financial derivatives, in relation to average interest-bearing capital.

**FLOOR SPACE, m<sup>2</sup>, GROSS**

The gross floor space of the building. 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 tangible, non-current 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 revenue for space let and estimated rental revenue for vacant space in relation to the total rental revenue.

**LOAN-TO-VALUE RATIO**

Interest-bearing net loan debt in relation to the closing value of properties.

**MAINTENANCE COSTS**

Maintenance costs are all technical, administrative and managerial measures taken during the lifetime of the unit to maintain it or to reinstate it to a condition that it can perform the required function. Maintenance costs are divided into remedial maintenance and preventive maintenance.

**NET INVESTMENTS**

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

**NET OPERATING INCOME RATIO**

Net operating income in relation to management income.

**OPERATING EXPENSES**

Operating expenses for measures aimed at maintaining the function of a property, installation etc. Operating expenses are divided into media provision and monitoring and service.

**PERIOD-ALLOCATED FINANCING COST**

Net interest income and expense in the form of the financing cost for loans, net interest for financial derivatives and period allocation of realised profits on financial derivatives over the remaining term of the underlying instrument, in relation to average, interest-bearing capital.

**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 REVENUE**

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 items with a deduction for full tax in relation to average equity.

**TOTAL YIELD**

Direct yield from properties and their change in value, expressed in per cent.

**YIELD**

Operating surplus in relation to the average assessed fair value.

**FOR FURTHER INFORMATION, CONTACT**

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**REPORT CALENDAR**

Third Quarter 2013	October 25, 2013
Year-End Report 2013	February 2014
Annual Report 2013	March 2014

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