



AKADEMISKA HUS

FINANCIAL INFORMATION MARCH 2010

**AKADEMISKA HUS**  
**- THE SECOND-LARGEST PROPERTY COMPANY IN SWEDEN**

- Over 3 million square metres of rentable floor space
- Property value of almost SEK 48 billion
- Operations in 31 towns and cities throughout Sweden

**Owns and manages university and college properties**

- 84% of the floor space is let to universities and colleges
- 62% market share from Malmö to Kiruna

**Wholly owned by the Swedish government through the ministry of enterprise, energy and communications**

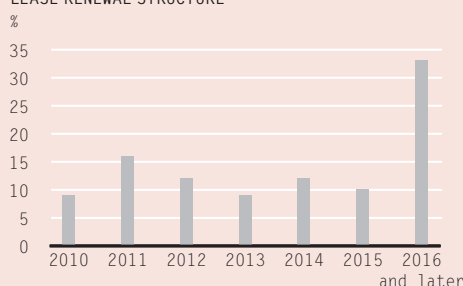
- Ownership clause in the MTN and EMTN programmes

**Long leases with customers with a high credit rating**

- 89% of the rental revenue derives from government-controlled customers

Since 1996, the Group has had a long-term rating from Standard & Poor's of AA with a stable outlook and a short-term rating of A1+/K1

**LEASE RENEWAL STRUCTURE**



**RESULTS 2009**

- Rental revenue increased to SEK 4,927 million (4,793)
- Net operating profit amounted to SEK 3,149 million (3,053)
- Assessed fair value totalled SEK 47,723 million (47,524)
- The properties' unrealised change in value amounted to SEK -1,208 million (-2,192)
- Pre-tax profit, excluding changes in value, increased to SEK 2,538 million (2,424)

The Group's position as owner of well-located properties and with a large proportion of customers with government links is advantageous in times of financial uncertainty. Core operations are characterised by long-term leases with customers with a good credit rating, which limits the risk of a deterioration in the cash flow. The demand for education and research is counter-cyclical to the state of the economy, which in a period of recession could result in increased demand.

The unrealised fall in value reported for the investment properties can be attributed primarily to increased direct yield requirements in the valuations.

**MANAGEMENT**

The total rentable floor space was 3.2 million square metres. There is a high proportion of laboratory premises, 34 %, which from a technical point of view are more complex and in

**KEY FIGURES**

|  | 2009   | 2008   |
|--|--------|--------|
| Rental revenue, SEK m  | 5,115  | 4,957  |
| Net operating profit, SEK m  | 3,149  | 3,053  |
| Changes in value, investment properties, SEK m                               | -1,208 | -2,192 |
| Profit after financial income and expense (excluding change in value), SEK m | 2,538  | 2,424  |
| Profit after financial income and expense (including change in value), SEK m | 1,330  | 232    |
| Net operating income, SEK/m <sup>2</sup>                                     | 986    | 955    |
| Assessed fair value, investment properties, SEK m                            | 47,723 | 47,524 |
| Gross investments, SEK m   | 1,385  | 1,446  |
| Total yield, properties, %   | 4.3    | 1.9    |
| of which direct yield, %   | 6.8    | 6.4    |
| of which change in value, %  | -2.5   | -4.5   |
| Return on equity after standard tax, %                                       | 4.0    | 0.7    |
| Equity ratio, %  | 47.3   | 46.5   |
| Loan-to-value ratio, properties, %   | 32.5   | 32.6   |
| Interest coverage level, %   | 866    | 369    |
| Vacant space, rent, %  | 1.9    | 1.5    |
| Vacant space, area, %  | 3.8    | 3.7    |
| Fixed interest period, December, years                                       | 3.5    | 1.9    |
| Maturity, December, years  | 3.3    | 4.2    |

| FINANCING PROGRAMMES AND RATING | RATING, STANDARD & POOR'S | FRAMEWORK 31-12-2009 | UTILISED, NOMINAL 31-12-2009 | COVENANTS          |
|---------------------------------|---------------------------|----------------------|------------------------------|--------------------|
| Commercial paper                | A1+/K1                    | SEK 4,000 m          | SEK 270 m                    |                    |
| ECP (Euro Commercial Paper)     | A1+                       | USD 600 m            | USD 401 m                    |                    |
| MTN (Medium Term Note)          | AA                        | SEK 8,000 m          | SEK 3,700 m                  | Ownership covenant |
| EMTN (Euro Medium Term Note)    | AA/A1+                    | USD 2,000 m          | USD 729 m                    | Ownership covenant |
| Bank (confirmed)                |                           | SEK 2,000 m          |                              |                    |
| Bank (unconfirmed)              |                           | SEK 1,700 m          |                              |                    |

terms of energy are considerably more resource-intensive than other premises. The financial level of vacant space was only 1.9 % as the vacant premises have a lower than average rental value.

Before a construction project commences an agreement must be in place governing the formulation of the lease. The lease renewal dates are well distributed over time. The average term for a newly signed lease is 10.3 years and at the year-end the average remaining term was 5.4 years. For complex, specialist buildings intended for laboratory and research activities, a lease is required where a large proportion of the investment is repaid within the lease term. For buildings of this type, leases are signed for 10 years or more.

**FINANCING**

The Group has been well established on the public financing market since 1996 with short-term and long-term financing programmes, both domestic and international. In addition to the programmes, there are bank facilities totalling SEK 3,700 million, of which SEK 1,700 million was unconfirmed.

The expectation that the stimulation measures would gradually take effect and thus lead to a rise in interest rates has led to an extension of the fixed interest period during the year. The fixed interest period has been extended, from 1.9 years at the turn of the year to 3.5 years. The

extension has been achieved mainly through interest swaps totalling SEK 3,550 million and with terms of five to ten years. The potential for a continued fall in long-term interest rates is considered to be relatively small and swap spreads have been noted at low levels.

With a secure maturity framework, the Group has refrained from bond issues during 2009 as the credit spreads for a large proportion of the year have been very high. Financing has instead taken place mainly through the use of ECP and commercial paper. This has meant that the maturity at the year-end was 3.3 years (4.2).

The terms and conditions of the MTN and EMTN programmes include an ownership covenant which means that the loans fall due for immediate repayment if the Swedish government ceases, directly or indirectly, to be the majority shareholder.

The net interest income/expense was SEK -576 million (-589), which is equivalent to an interest cost, including changes in the value of financial derivatives of 3.63 % (3.46) during the period. Financing at the low rate of interest has had a significant impact on profit. At the same time, the earlier, unrealised changes in value in credit spreads for fair value hedges have been changed into unrealised losses as a result of falling credit spreads. According to earlier computation principles, the financing cost has more than halved, from 5.07 % to 2.39 %.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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