

Focus on  
collaboration,  
sustainability and  
good business  
practice

Working in collaboration with our customers, we develop, build and manage knowledge environments that further 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 2,745 million (2,686). The increase can be attributed to commissionings and retroactive rent, reduced by the effects of divested properties.
- Net operating income totalled SEK 1,869 million (1,764), which is an improvement of SEK 105 million. The increase can be attributed to both higher rental revenue and lower operating costs.
- Profit-impacting net changes in property values amounted to SEK 1,230 million (443).
- Net financial income and expense for the period totalled SEK -526 million (-138). This figure includes changes in the value of financial instruments totalling SEK -324 million (86).
- Profit before tax for the period was SEK 2,542 million (2,031) and profit for the period was SEK 1,995 million (1,573).
- The entire property holdings in Sundsvall and the Forum property in Kista were divested during the second quarter. The total purchase sum was SEK 747 million.
- Investment in redevelopment and new construction during the period totalled SEK 1,685 million (1,292).
- The yield (excluding properties under construction) was 6.9 per cent (6.9), calculated on a full-year basis.



# Focus on sales and student housing

STATEMENT BY THE PRESIDENT KERSTIN LINDBERG GÖRANSSON

The period has been marked by a number of major sales. The Forum property in Kista and our entire holdings on the Åkroken Campus in Sundsvall have been divested, the total sales sum amounting to SEK 747 million. The property holdings in Sundsvall were sold as their size, limited growth potential and distance to the regional office in Umeå restricted the possibility of rational management. The purchase of the whole of the Konradsberg Campus in Stockholm by Skolfastigheter i Stockholm AB has also been finalised. The purchase sum is SEK 2 billion and completion is scheduled for the autumn. The reason for the sale is that the campus is no longer important to the future development of Stockholm University after the entire teacher training programme was moved to the Frescati Campus. In summary, implemented and agreed sales during the period totalling SEK 2.8 billion mean that annual rental revenue will fall by just over SEK 220 million. There will also be reduced financing requirements.

## More student housing

The issue of student housing is crucial, both for the centres of education and for society in general. This has been demonstrated in particular in public debate and now the issue has been highlighted by the Prime Minister, who in his speech at the Almedalen Convention promised that 20,000 new student housing units would be built through to 2020. Akademiska Hus was cited as a key player in this investment. We are contributing within the framework of our remit to the construction of more than 6,000 student housing units, including the sale or leasing of land. We are also involved in local planning work and we are incorporating housing for students and research staff into our campus plans.

## Sustainability award

The Albano city district project, which includes plans for 1,000 new student housing units, was named by the Sweden Green Building Council as Sweden's foremost sustainable city district project. We have also had Aula Medica and the Karolinska Institute Science Park nominated for the Solna Municipal District Environmental Award. Unfortunately, the planning of Albano

has once again been delayed, this time due to the rescission of the local plans by the Land and Environment Court. We still believe that the project will materialise although at present it is difficult to gauge the time aspect.

During the summer and autumn, extensive investment will take place in electricity-producing solar cells on five Stockholm University campuses, which it is estimated will result in an annual total energy contribution of almost 500 MWh. This is one of many examples of how we are investing in energy solutions of the future.

## Architectural competition in Gothenburg

Gothenburg is continuing to develop as a city of knowledge. In May, an architectural competition was announced for the School of Business, Economics and Law in consultation with the Swedish Transport Administration, the City of Gothenburg and the Swedish Association of Architects. This is a very exciting project as it is in the centre of Gothenburg and it will present the opportunity to integrate an entrance to a station for the Västlänken rail link into the building.

## Stable management

Property management continues to report a stable profit. Rental revenue has increased

slightly due to commissionings and retroactive rent but has also fallen slightly due to property divestments. Net operating income increased by SEK 105 million to SEK 1,869 million, due largely to lower operating costs. There has been a significant deterioration in net financial income and expense as a result of a fall in the fair value of interest derivatives, which is counterbalanced by major positive changes in the fair value of the property holdings. The pre-tax profit for the period rose from SEK 2,031 million to SEK 2,542 million. During the first half of the year, we invested SEK 1,685 million in new construction and redevelopment.

At the Akademiska Hus Annual General Meeting, a decision was reached to adopt new financial objectives for the Company, which are presented on page 6.

Transparency and openness are important watchwords for us, in particular in our financial communication. It is therefore particularly pleasing that Akademiska Hus won the Best Annual Report Award in the financial communication competition run by the Swedish property journal *Fastighetsvärlden*.

Kerstin Lindberg Göransson, President



Construction of 600 student housing units on the Royal Institute of Technology Campus  
 Architect: Utopia arkitekter / Main contractor: ByggVesta

AKADEMISKA HUS – SUMMARY

	2014 April-June	2013 April-June	2014 Jan-June	2013 Jan-June	Rolling 12-month period July 2013- June 2014	2013 Full year	2012 Full year
Rental revenue, SEK m	1,373	1,313	2,745	2,686	5,418	5,359	5,265
Net operating income, SEK m	916	880	1,869	1,764	3,611	3,506	3,588
Changes in value, properties, SEK m	1,209	163	1,230	443	1,019	232	-291
Profit before tax, SEK m	1,889	1,025	2,542	2,031	3,786	3,275	2,549
Vacant space, rent, %	0.9	1.0	0.9	0.9	0.9	0.9	1.0
Vacant space, area, %	2.2	2.4	2.2	2.4	2.2	2.1	2.6
Fair value, properties, SEK m	59,730	56,425	59,730	56,425	59,730	57,557	54,677
of which properties under construction, SEK m	5,828	4,991	5,828	4,991	5,828	4,491	4,007
Yield, properties, % (excluding properties under construction)	—	—	—	—	6.9	6.8	7.1
Yield, properties, % (including properties under construction)	—	—	—	—	6.2	6.2	6.8
Net operating income, SEK/m <sup>2</sup>	—	—	—	—	1,124	1,089	1,120
Return on operating capital, %	—	—	—	—	7.1	7.2	7.8
Return on equity after standard tax, %	—	—	—	—	10.0	8.8	6.9
Equity ratio, %	45.5	44.7	45.5	44.7	45.5	46.8	46.0
Interest coverage ratio, % *	640	622	658	642	656	647	558
Internal financing ratio, %	584	116	95	98	130	124	93
Loan-to-value ratio, %	34.7	34.8	34.7	34.8	34.7	33.5	33.9

\* 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**  
**Second quarter 2014**

Rental revenue for the second quarter of the year amounted to SEK 1,373 million (1,313). The change is mainly the result of commissionings and retroactive rent. Property management costs have increased slightly and total SEK 499 million (481). Operating income has increased by SEK 36 million to SEK 916 million.

Changes in the value of properties totalled SEK 1,209 million (163) and net financial income and expense fell to SEK -220 million (4), mainly due to changes in the value of financial instruments. Profit for the second quarter was SEK 1,488 million (788).

**Rental revenue**

Rental revenue amounted to SEK 2,745 million (2,686). Revenue as a whole increased as a result of commissionings and retroactive rent. At the same time, it has also fallen due mainly to the sale of the holdings in Kalmar last year and this year's sales in Kiruna and Sundsvall. These will affect rental revenue to the amount of just over SEK 100 million, calculated on an annual basis.

**Rental and vacancy levels**

Property holdings as at June 30, 2014 amounted to 3.2 million square metres of rentable space (3.2), of which 70,000 square metres (76,000) were vacant, resulting in a vacancy level of 2.2 per cent (2.4). The largest

individual blocks of vacant space are essentially the same as at the beginning of the period. 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 (0.9).

**Leases**

A characteristic feature of Akademiska Hus is long leases with universities and colleges. The average term of a new lease is ten years. At the period-end, the average remaining lease term was 5.9 years (5.3 at the turn of the year). 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.

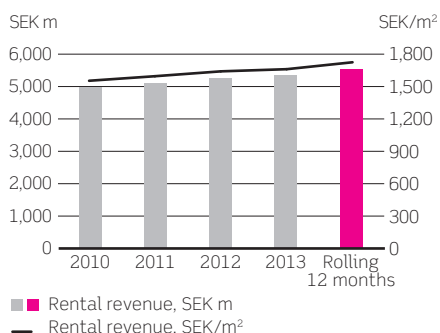
The dominant customer group, universities and colleges, are stable, creditworthy customers that generate approximately 90 per cent of revenue. All customers that are centres of education, apart from Chalmers University of Technology, have the Swedish government as principal and thus have the highest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

**Operating and maintenance costs**

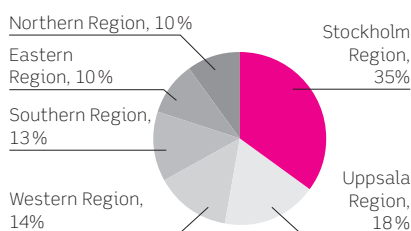
Operating costs for the period amounted to SEK 432 million (470), of which media provision amounted to SEK 306 million (329).

Maintenance costs amounted to SEK 257 million (278) and are thus slightly lower than 2013. Preventive maintenance and tenant adaptations remained on approximately the same level whilst project maintenance

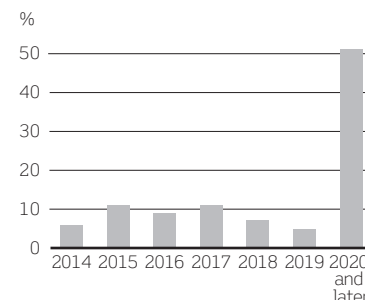
**RENTAL REVENUE**



**RENTAL REVENUE PER REGION**



**LEASE RENEWAL STRUCTURE**





decreased to SEK 63 million (86). We will continue to implement maintenance measures to gradually raise the standard of our property holdings.

#### Market development

The focus in the property market is on continued stable cash flows and a low rental risk, which is to our advantage. The geographically diverse Akademiska Hus portfolio offers a good risk spread 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 temporary fluctuations in the economy.

Continued low interest rates and increased availability of capital on the market have resulted in an increase in demand for properties during 2014. The demand is mainly for community properties that are generally regarded as relatively safe investments. A limited range of properties has been a further driving force behind this trend.

The centres of education 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 larger university and college towns and cities, the number of young people of university age will fall over the next few years. Continuous investment in new construction at Akademiska Hus, and in particular maintenance and modernisation of existing properties, is taking place to ensure the property portfolio continues to be attractive to tenants and suited to purpose. At the same time, campuses become more attractive when we broaden their use by planning and opening facilities where we are not the prime mover, such as student accommodation. The majority of Akademiska Hus campuses are in the best 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.

The higher education sector will receive a substantial increase in funding over the next few years, which will benefit the established universities, which have most of the research. 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 59,730 million compared with SEK 57,557 million at the turn of the year. The fair value also includes properties under construction amounting to SEK 5,828 million (4,491). All property assets are reported at fair value. The fair value has been set by means of an internal valuation of all properties. The unrealised change in value totalled SEK 1,226 million compared with SEK 365 million for 2013. The fair value per square metre is SEK 16,475, excluding properties under construction and expansion reserves (16,188).

The yield target and cost of capital were reduced during the period by up to 0.6 percentage points. The largest change was made for properties on weaker property markets with a longer remaining lease term. The change has resulted in an unrealised change in value of SEK 1,072 million.

The average yield target was 6.2 per cent (6.4) and the average cost of capital was 8.4 per cent (8.5). An external valuation of yield targets, 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 rent levels, net operating income, lease term, property category and type of customer.

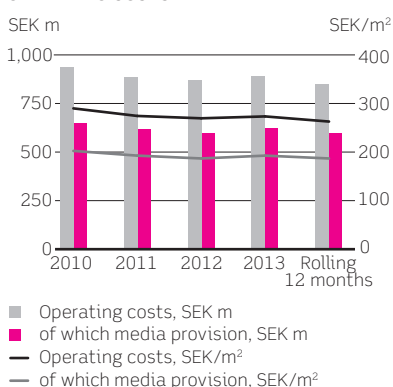
The profit-impacting realised and unrealised change in fair value for the period is positive, amounting to SEK 1,230 million (443). The sales of the property holdings in Kiruna and Sundsvall and the Forum property in Kista have not resulted in any net realised change in value.

#### PROPERTIES (SEK M)

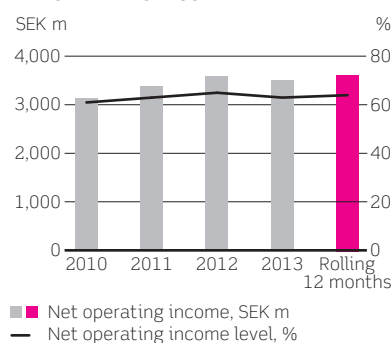
	01-01-2014- 30-06-2014	01-01-2013- 31-12-2013
Fair value as at the beginning of the period	57,557	54,677
Investment in new construction and redevelopment	1,586	2,750
Acquisitions	99	4
Capitalised interest expense	61	136
Sales	-799	-375
Change in value (unrealised)	1,226	365
of which change in value due to a change in the cost of capital and yield target	1,072	105
of which change in value as a result of the change in the value index (Valuation location, average remaining lease term, type of premises)	-106	162
of which capitalised interest expense	-61	-136
of which start-up of projects, revaluation of cash flow etc.	321	234
<b>FAIR VALUE AT THE PERIOD-END</b>	<b>59,730</b>	<b>57,557</b>

For a more detailed account of the Akademiska Hus property valuation, reference can be made to the 2013 Annual Report.

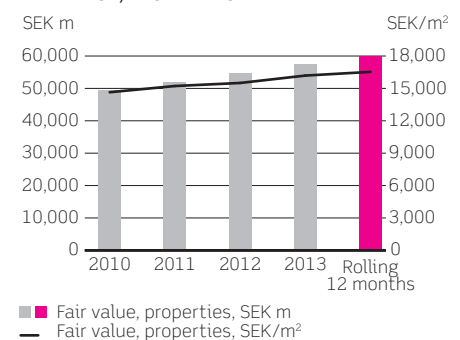
#### OPERATING COSTS



#### NET OPERATING INCOME



#### FAIR VALUE, PROPERTIES



## PROJECTS, INVESTMENTS AND SALES

The project portfolio, comprising decided and planned projects, totals SEK 22,777 million, of which SEK 5,828 million has already been generated. We also have a series of concept projects totalling just over SEK 3 billion. 'Concept projects' are projects that are considered likely but which remain uncertain in terms of time and scope. The project portfolio covers future investments over several years and the emphasis is on Stockholm and Uppsala, where there are several major new construction projects. For further information about major projects, reference can be made to the 2013 Annual Report.

PROJECT PORTFOLIO (SEK M)	30-06-2014	31-12-2013
Decided projects	12,584	12,377
of which already generated in current projects	-5,828	-4,491
<b>REMAINING TO BE INVESTED IN DECIDED PROJECTS</b>	<b>6,756</b>	<b>7,886</b>
Planned projects	10,193	8,821
<b>REMAINDER OF DECIDED AND PLANNED PROJECTS</b>	<b>16,949</b>	<b>16,707</b>
Concept projects	3,382	4,365
<b>TOTAL REMAINING PROJECTS</b>	<b>20,331</b>	<b>21,072</b>

Net investment in properties during the period amounted to SEK 886 million (1,292). During the second quarter, the Forum property in Kista and the entire property holdings in Sundsvall were divested. The total sales sum was SEK 747 million. The impact of the sale of the Konradsberg Campus will be reported during the fourth quarter.

## FINANCING

The recovery in the world economy is continuing slowly and prospects for the future are relatively good. Geopolitical developments, with unrest in countries such as Ukraine, Iraq and Syria, have increased the level of uncertainty and have to some extent curbed optimism, mainly in Europe. The greatest signs of recovery in the Western world are in the economies in the USA and the United Kingdom. Consequently, the extremely expansive monetary policy and extraordinary measures that have been taken will undergo careful readjustment, becoming more restrictive. In the USA, the Federal Reserve has continued to follow the path set previously by reducing its bond purchases. Short-term interest rates have been held at an extraordinarily low level for a long period and to avoid generating unrest on the financial markets it is essential

that the future phase of increased interest rates takes place with a high degree of transparency and clear communication. The contractive monetary policy measures will probably not materialise until the turn of the year 2015/2016.

Whilst the central European economies have shown positive growth tendencies they are still struggling with a stubbornly persistent low rate of inflation and a fall in lending. Faced with the growing risk of deflation, the ECB decided at its latest meeting, for the first time ever, to opt for a negative borrowing rate. To stimulate economic recovery and facilitate the financing of small and medium-sized enterprises outside the finance sector, the ECB will provide the banks with advantageous, allocated loans for onward lending.

The trend of falling international interest rates during 2014 has been totally contrary to expectations from the end of last year. Swedish interest rates have kept pace with the growth trend globally. The rate of inflation in Sweden has been problematically low over a long period and at its meeting on July 3, the Swedish Central Bank was finally forced to prioritise the rate of inflation ahead of the problem of household indebtedness. By reducing the repo rate by 50 points, the Central Bank has probably made its final contribution to stimulating inflation.

During the first half of the year, the completion of the sale of the properties in Kiruna and Sundsvall reduced financing requirements by SEK 0.6 billion. In addition, sales in the Stockholm region will result in sales proceeds of approximately SEK 2.2 billion accruing during the fourth quarter. The property sales have meant that refinancing requirements on the bond market have been limited in the short term. To date this year, issues via the ECP programme have been prioritised instead.

## Net loan debt

The fixed interest period and maturity structure for net loan debt are shown in the following table:

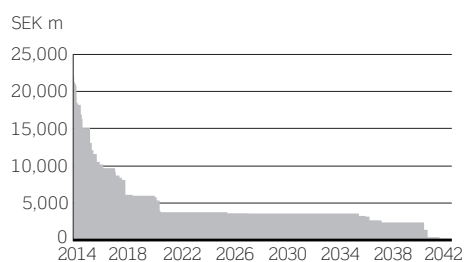
### FIXED INTEREST AND MATURITY

	SEK m	Fixed interest, years, June 2014	Fixed interest, years, Dec 2013	Maturity, years, June 2014	Maturity, years, Dec 2013
Long-term portfolio	3,155	26.1	26.5	26.1	26.5
Basic portfolio	16,100	3.2	3.4	2.0	2.9
Total portfolio		7.1	7.5	5.9	6.8

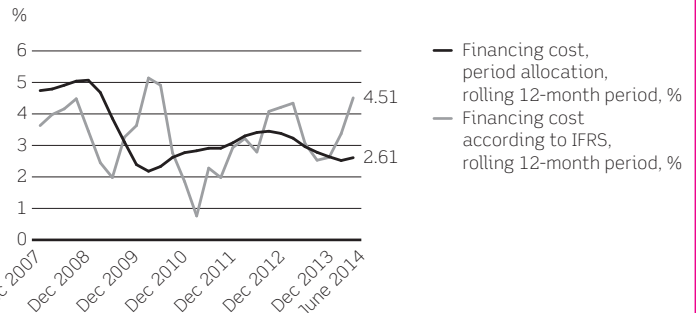
## FINANCING COST, BREAKDOWN

	01-01-2014-30-06-2014	01-01-2013-30-06-2013	01-01-2013-31-12-2013
Loan financing cost, including charges, %	2.11	2.26	2.24
Interest swaps, net interest, %	0.39	0.46	0.39
<b>FINANCING COST, %</b>	<b>2.50</b>	<b>2.72</b>	<b>2.63</b>
Changes in value, financial derivatives, %	3.08	-0.86	-0.01
<b>TOTAL FINANCING COST, %</b>	<b>5.58</b>	<b>1.86</b>	<b>2.62</b>

## LOAN MATURITY STRUCTURE



## COMPARISONS BETWEEN DIFFERENT ANNUALISED FINANCING COST CALCULATIONS



**Net interest income and expense**

Net interest income and expense was SEK -526 million (-138), which is due mainly to changes in the value of financial derivatives. This is equivalent to a rate of interest of 5.6 per cent (1.9) during the period. Changes in value correspond to an increase in the cost of capital of 3.1 percentage points (-0.9). The interest coverage ratio, calculated on the cash flow impact of net interest income and expense, amounted to 658 per cent (642).

**Effect of financial derivatives on profit**

Interest derivatives are entered into mainly with the aim of extending 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 cross-currency interest rate swaps. The unrealised changes in value represent a current value of future cash flow-impacting positions at current interest rates. These must be reported at fair value (market value) with changes charged to profit or loss. Major variations in market values between the reporting periods could entail substantial changes in reported profit. The changes in value comprise changes in exchange rates as a result of different valuation practices for the hedging transactions that are entered into in the form of cross-currency interest rate swaps, and also for the value of the bonds in foreign currency. There is no real exchange risk and the changes in value will be eliminated on the maturity date.

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

The graph on the previous page 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 at annualised percentage rates of interest. This rate of interest concurs better with the cash flow impact of financial transactions.

**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 Board of Directors 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 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 risk, reporting and control as well as property valua-

tion. 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 with 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 5.9 years. Rents from state customers account for approximately 90 per cent of the rental revenue and these do not represent a credit risk. Compared with 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 readapted for alternative uses.

Around half of the cost of media provision is passed on to tenants. The use of electricity 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 financial risk 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 2013.

**FINANCIAL OBJECTIVES**

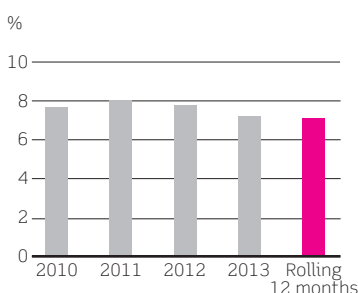
The owner's financial objectives, adopted at the Annual General Meeting on April 28, 2014, are as follows:

- The yield on operating capital, excluding changes in value, should be at least 6.5 per cent (see definition on page 14).
- The dividend should be between 40 and 60 per cent of the profit after tax for the year following a reversal of changes in value and deferred tax related thereto.
- The equity ratio should be between 30 and 40 per cent.

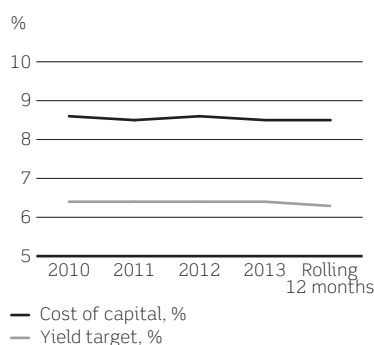
**EVENTS AFTER THE REPORTING PERIOD**

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

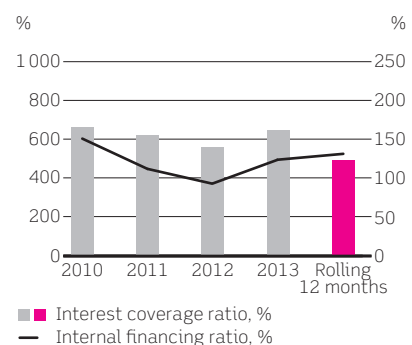
**RETURN ON OPERATING CAPITAL**



**YIELD TARGET AND COST OF CAPITAL**



**INTEREST COVERAGE RATIO AND INTERNAL FINANCING RATIO**



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY, SEK M	2014 April-June	2013 April-June	2014 Jan-June	2013 Jan-June	Rolling 12-month period July 2013- June 2014	2013 Full year
Rental revenue	1,373	1,313	2,745	2,686	5,418	5,359
Other property management revenue	42	48	93	108	214	229
<b>Total property management revenue</b>	<b>1,415</b>	<b>1,361</b>	<b>2,838</b>	<b>2,794</b>	<b>5,632</b>	<b>5,588</b>
Operating costs	-184	-181	-432	-470	-851	-889
Maintenance costs	-160	-175	-257	-278	-647	-668
Property administration	-107	-68	-173	-147	-298	-272
Other property management expenses					-225	-253
<b>Total property management expenses</b>	<b>-499</b>	<b>-481</b>	<b>-969</b>	<b>-1,030</b>	<b>-2,021</b>	<b>-2,082</b>
<b>NET OPERATING INCOME</b>	<b>916</b>	<b>880</b>	<b>1,869</b>	<b>1,764</b>	<b>3,611</b>	<b>3,506</b>
Changes in property values, positive	1,317	736	1,925	1,445	2,372	1,892
Changes in property values, negative	-108	-573	-695	-1,002	-1,353	-1,660
<b>Total changes in property values</b>	<b>1,209</b>	<b>163</b>	<b>1,230</b>	<b>443</b>	<b>1,019</b>	<b>232</b>
Central administration expenses	-16	-22	-31	-38	-66	-73
<b>PROFIT BEFORE FINANCIAL ITEMS</b>	<b>2,109</b>	<b>1,021</b>	<b>3,068</b>	<b>2,169</b>	<b>4,564</b>	<b>3,665</b>
Net financial income/expense	-220	4	-526	-138	-778	-390
<b>PROFIT BEFORE TAX</b>	<b>1,889</b>	<b>1,025</b>	<b>2,542</b>	<b>2,031</b>	<b>3,786</b>	<b>3,275</b>
Tax	-401	-237	-547	-458	-796	-707
<b>PROFIT FOR THE PERIOD</b>	<b>1,488</b>	<b>788</b>	<b>1,995</b>	<b>1,573</b>	<b>2,990</b>	<b>2,568</b>
Attributable to the Parent Company's shareholder	1,488	788	1,995	1,573	2,990	2,568
<b>PROFIT PER SHARE</b>						
Profit per share, SEK	697	369	934	737	1,400	1,203
Profit per share following dilution, SEK	697	369	934	737	1,400	1,203
Number of shares, average and at the period-end	2,135,000	2,135,000	2,135,000	2,135,000	2,135,000	2,135,000

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME, SUMMARY (SEK M)	2014 April-June	2013 April-June	2014 Jan-June	2013 Jan-June	Rolling 12-month period July 2013- June 2014	2013 Full year
Profit for the period	1,488	788	1,995	1,573	2,990	2,568
Reclassifiable items						
Result from cash flow hedges	28	-12	31	-12	50	7
Tax attributable to cash flow hedges	-7	3	-7	3	-7	3
Cash flow hedges, dissolved against profit or loss	2	-3	0	-5	-16	-21
Non-reclassifiable items						
Revaluation of defined benefit pensions	0	0	0	0	97	97
Tax attributable to pensions	0	0	0	0	-21	-21
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>23</b>	<b>-12</b>	<b>24</b>	<b>-14</b>	<b>103</b>	<b>65</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,511</b>	<b>776</b>	<b>2,019</b>	<b>1,559</b>	<b>3,093</b>	<b>2,633</b>
Of which attributable to the Parent Company's shareholder	1,511	776	2,019	1,559	3,093	2,633

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY (SEK M)	30-06-2014	30-06-2013	31-12-2013
<b>ASSETS</b>			
Non-current assets			
Tangible non-current assets			
Properties	59,730	56,425	57,557
Equipment and fittings	16	20	18
<b>Total tangible non-current assets</b>	<b>59,746</b>	<b>56,445</b>	<b>57,575</b>
Financial non-current assets			
Derivatives	1,195	1,277	1,293
Other non-current receivables	401	435	386
<b>Total financial non-current assets</b>	<b>1,596</b>	<b>1,712</b>	<b>1,679</b>
<b>Total non-current assets</b>	<b>61,342</b>	<b>58,157</b>	<b>59,254</b>
Current assets			
Current receivables			
Derivatives	608	794	331
Other current receivables	1,145	924	1,068
<b>Total current receivables</b>	<b>1,753</b>	<b>1,718</b>	<b>1,399</b>
Cash and cash equivalents	3,472	4,037	2,689
<b>Total cash and cash equivalents</b>	<b>3,472</b>	<b>4,037</b>	<b>2,689</b>
<b>Total current assets</b>	<b>5,225</b>	<b>5,755</b>	<b>4,088</b>
<b>TOTAL ASSETS</b>	<b>66,567</b>	<b>63,912</b>	<b>63,342</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	30,259	28,540	29,614
Liabilities			
Non-current liabilities			
Loans	16,143	16,789	17,503
Derivatives	454	251	323
Deferred tax	7,413	6,810	7,009
Other non-current liabilities	349	428	337
<b>Total non-current liabilities</b>	<b>24,359</b>	<b>24,278</b>	<b>25,172</b>
Current liabilities			
Loans	8,014	7,512	4,672
Derivatives	81	21	50
Other current liabilities	3,854	3,561	3,834
<b>Total current liabilities</b>	<b>11,949</b>	<b>11,094</b>	<b>8,556</b>
<b>Total liabilities</b>	<b>36,308</b>	<b>35,372</b>	<b>33,728</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>66,567</b>	<b>63,912</b>	<b>63,342</b>
<b>MEMORANDUM ITEMS</b>			
Pledged assets	205	94	133
Contingent liabilities	4	3	4



CHANGES IN GROUP EQUITY, SUMMARY, (SEK M)	Attributable to the Parent Company's shareholder					
	Share capital	Other contributed capital	Hedge reserve	Actuarial gains and losses	Retained earnings	Total equity
<b>EQUITY 01-01-2013</b>	<b>2,135</b>	<b>2,135</b>	<b>-34</b>	<b>-4</b>	<b>24,104</b>	<b>28,336</b>
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>-4</b>	<b>24,322</b>	<b>28,540</b>
Total comprehensive income, July-Dec 2013	—	—	3	76	995	1,074
<b>EQUITY 31-12-2013</b>	<b>2,135</b>	<b>2,135</b>	<b>-45</b>	<b>72</b>	<b>25,317</b>	<b>29,614</b>
Dividend	—	—	—	—	-1,374	-1,374
Reduction in share capital *	-1,000	—	—	—	1,000	0
Bonus issue *	1,000	—	—	—	-1,000	0
Total comprehensive income, Jan-June 2014	—	—	24	—	1,995	2,019
<b>EQUITY 30-06-2014</b>	<b>2,135</b>	<b>2,135</b>	<b>-21</b>	<b>72</b>	<b>25,938</b>	<b>30,259</b>

\* A decision was reached at the Annual General Meeting on April 28, 2014 to reduce the Parent Company's share capital by SEK 1,000,000,000 for allocation to a fund to be used at the General Meeting. A decision was also reached at the Annual General Meeting regarding a bonus issue of SEK 1,000,000,000 through a revaluation of properties.

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY (SEK M)	2014 Jan-June	2013 Jan-June	2013 Full Year
<b>CURRENT OPERATIONS</b>			
Profit before tax	2,542	2,031	3,275
Adjustment for items not included in the cash flow	-1,209	-717	-400
Tax paid	-488	-51	115
<b>CASH FLOW FROM CURRENT OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>	<b>845</b>	<b>1,263</b>	<b>2,990</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>			
Increase (-)/decrease (+) in current receivables	0	-64	-209
Increase (+)/decrease (-) in current liabilities	289	209	279
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>1,134</b>	<b>1,408</b>	<b>3,060</b>
<b>INVESTMENT</b>			
Investment in properties	-1,685	-1,487	-2,754
Sale of properties	803	227	243
Investment in other non-current assets	—	-2	-4
Decrease (+)/increase (-) in non-current receivables	14	-13	56
<b>CASH FLOW FROM INVESTMENT</b>	<b>-868</b>	<b>-1,275</b>	<b>-2,459</b>
<b>FINANCING</b>			
Raising of interest-bearing loans, excluding refinancing	1,891	2,012	196
Dividend paid	-1,374	-1,355	-1,355
<b>CASH FLOW FROM FINANCING</b>	<b>517</b>	<b>657</b>	<b>-1,159</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>783</b>	<b>790</b>	<b>-558</b>
Cash and cash equivalents at the beginning of the year	2,689	3,247	3,247
Cash and cash equivalents at the period-end	3,472	4,037	2,689

SEGMENT INFORMATION 01-01-2014 - 30-06-2014 (SEK M)	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other opera- tions	Elimina- tion	Group
Revenue, including other operating revenue	370	405	278	501	1,008	275	2,837	1	—	2,838
Property management expenses, including other operating costs	-138	-125	-80	-136	-284	-123	-886	-83	—	-969
<b>NET OPERATING INCOME</b>	<b>232</b>	<b>280</b>	<b>198</b>	<b>365</b>	<b>724</b>	<b>152</b>	<b>1,951</b>	<b>-82</b>	<b>0</b>	<b>1,869</b>
Changes in value, properties										1,230
Central administration costs										-31
<b>PROFIT BEFORE FINANCIAL ITEMS</b>										<b>3,068</b>
Profit/loss from financial items (net)										-526
<b>PROFIT BEFORE TAX ACCORDING TO THE STATEMENT OF COMPREHENSIVE INCOME</b>										<b>2,542</b>
Total assets include:										
Properties	7,415	7,196	4,709	11,673	24,859	3,878	59,730	—	—	59,730
of which investments	287	70	4	381	884	59	1,685	—	—	1,685

SEGMENT INFORMATION 01-01-2013 - 30-06-2013 (SEK M)	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other opera- tions	Elimina- tion	Group
Revenue, including other operating revenue	391	414	269	483	984	263	2,804	1	-11	2,794
Property management expenses, including other operating costs	-160	-148	-80	-164	-307	-91	-950	-86	6	-1,030
<b>NET OPERATING INCOME</b>	<b>231</b>	<b>266</b>	<b>189</b>	<b>319</b>	<b>677</b>	<b>172</b>	<b>1,854</b>	<b>-85</b>	<b>-5</b>	<b>1,764</b>
Changes in value, properties										443
Central administration costs										-38
<b>PROFIT BEFORE FINANCIAL ITEMS</b>										<b>2,169</b>
Profit/loss from financial items (net)										-138
<b>PROFIT BEFORE TAX ACCORDING TO THE STATEMENT OF COMPREHENSIVE INCOME</b>										<b>2,031</b>
Total assets include:										
Properties	6,718	6,944	4,586	10,751	23,359	4,067	56,425	—	—	56,425
of which investments	192	51	55	641	535	13	1,487	2	—	1,489

SEGMENT INFORMATION 01-01-2013 - 31-12-2013 (SEK M)	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other opera- tions	Elimina- tion	Group
Revenue, including other operating revenue	755	818	544	936	2,001	535	5,589	-1	—	5,588
Property management expenses, including other operating costs	-438	-297	-149	-332	-627	-239	-2,082	—	—	-2,082
<b>NET OPERATING INCOME</b>	<b>317</b>	<b>521</b>	<b>395</b>	<b>604</b>	<b>1,374</b>	<b>296</b>	<b>3,507</b>	<b>-1</b>	<b>0</b>	<b>3,506</b>
Changes in value, properties										232
Central administration costs										-73
<b>PROFIT BEFORE FINANCIAL ITEMS</b>										<b>3,665</b>
Profit/loss from financial items (net)										-390
<b>PROFIT BEFORE TAX ACCORDING TO THE STATEMENT OF COMPREHENSIVE INCOME</b>										<b>3,275</b>
Total assets include:										
Properties	7,094	6,955	4,648	11,050	23,633	4,177	57,557	—	—	57,557
of which investments	489	117	65	1,053	988	42	2,754	—	—	2,754

PARENT COMPANY INCOME STATEMENT, SUMMARY (SEK M)	2014 April-June	2013 April-June	2014 Jan-June	2013 Jan-June	2013 Full Year
Rental revenue	1,373	1,313	2,745	2,686	5,359
Other property management revenue	341	120	404	176	472
<b>Total property management revenue</b>	<b>1,714</b>	<b>1,433</b>	<b>3,149</b>	<b>2,862</b>	<b>5,831</b>
Operating expenses	-185	-180	-433	-468	-908
Maintenance costs	-162	-175	-259	-278	-668
Property administration	-102	-62	-168	-139	-260
Other property management expenses	-76	-41	-135	-119	-419
<b>Total property management expenses</b>	<b>-525</b>	<b>-458</b>	<b>-995</b>	<b>-1,004</b>	<b>-2,255</b>
<b>NET OPERATING INCOME</b>	<b>1,189</b>	<b>975</b>	<b>2,154</b>	<b>1,858</b>	<b>3,576</b>
Depreciation and write-downs as well as reversed write-downs in property management	-310	-335	-622	-634	-1,277
<b>NET OPERATING INCOME AFTER DEPRECIATION AND WRITE-DOWNS AS WELL AS REVERSED WRITE-DOWNS IN PROPERTY MANAGEMENT</b>	<b>879</b>	<b>640</b>	<b>1,532</b>	<b>1,224</b>	<b>2,299</b>
Central administration costs	-16	-22	-31	-38	-73
<b>PROFIT BEFORE FINANCIAL ITEMS</b>	<b>863</b>	<b>618</b>	<b>1,501</b>	<b>1,186</b>	<b>2,226</b>
Net financial income/expense	-254	-11	-587	-183	-527
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>609</b>	<b>607</b>	<b>914</b>	<b>1,003</b>	<b>1,699</b>
Appropriations	0	0	0	0	-203
<b>PROFIT BEFORE TAX</b>	<b>609</b>	<b>607</b>	<b>914</b>	<b>1,003</b>	<b>1,496</b>
Tax	-61	-144	-128	-230	-315
<b>PROFIT FOR THE PERIOD</b>	<b>548</b>	<b>463</b>	<b>786</b>	<b>773</b>	<b>1,181</b>
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, SUMMARY (SEK M)	2014 April-June	2013 April-June	2014 Jan-June	2013 Jan-June	2013 Full Year
Profit for the period	548	463	786	773	1,181
Reclassifiable items					
Profit/loss from cash flow hedges	28	-12	31	-12	7
Tax attributable to cash flow hedges	-7	3	-7	3	3
Cash flow hedges, dissolved against profit and loss	2	-3	0	-5	-21
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>23</b>	<b>-12</b>	<b>24</b>	<b>-14</b>	<b>-11</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>571</b>	<b>451</b>	<b>810</b>	<b>759</b>	<b>1,170</b>
<b>PROFIT PER SHARE</b>					
Profit per share, SEK	267	211	379	356	548
Profit per share following dilution, SEK	267	211	379	356	548
Number of shares, average and at the period-end	2,135,000	2,135,000	2,135,000	2,135,000	2,135,000

PARENT COMPANY BALANCE SHEET, SUMMARY (SEK M)	30-06-2014	30-06-2013	31-12-2013
<b>ASSETS</b>			
Non-current assets			
Tangible non-current assets			
Properties	32,564	30,167	30,735
Equipment and fittings	16	20	18
Total tangible non-current assets	32,580	30,187	30,753
Financial non-current assets			
Shares in Group companies	1	1	1
Derivatives	1,195	1,277	1,293
Other non-current receivables	401	435	386
Total financial non-current assets	1,597	1,713	1,680
Total non-current assets	34,177	31,900	32,433
Current assets			
Current receivables			
Derivatives	608	794	331
Other current receivables	1,147	923	1,072
Total current receivables	1,755	1,717	1,403
Cash and cash equivalents	3,472	4,037	2,689
Total cash and cash equivalents	3,472	4,037	2,689
Total current assets	5,227	5,754	4,092
<b>TOTAL ASSETS</b>	<b>39,404</b>	<b>37,654</b>	<b>36,525</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>	<b>6,494</b>	<b>5,647</b>	<b>6,058</b>
Untaxed reserves	3,450	3,246	3,450
Non-current liabilities			
Loans	16,143	16,789	17,503
Derivatives	454	251	323
Deferred tax		355	363
Other non-current liabilities	280	269	272
Total non-current liabilities	17,509	17,664	18,461
Current liabilities			
Loans	8,014	7,512	4,672
Derivatives	81	21	50
Other current liabilities	3,856	3,564	3,834
Total current liabilities	11,951	11,097	8,556
Total liabilities	29,460	28,761	27,017
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>39,404</b>	<b>37,654</b>	<b>36,525</b>
<b>MEMORANDUM ITEMS</b>			
Pledged assets	205	104	133
Contingent liabilities	4	3	4

**PARENT COMPANY**

Akademiska Hus AB is the Parent Company in the Akademiska Hus Group. Operations comprise mainly owning and managing university and college properties.

**Revenue and profit**

The Company's revenue for the period totalled SEK 3,149 million (2,862). Of this figure, income from subsidiaries amounted to SEK 0 million (0). The profit before financial items was SEK 1,501 million (1,186) and net financial income and expense was SEK -587 million (-183). The profit after financial items was SEK 914 million (1,003).

**Investments**

Investment in machinery and equipment amounted to SEK 1 million (2) and in properties SEK 1,685 million (1,487).

**Equity**

Equity totalled SEK 6,494 million compared with SEK 6,058 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, the accounting principles and computation methods are the same as the accounting principles used in the most recent Annual Report.

**IFRS 7 financial instruments: Disclosures**

Akademiska Hus has not reported net any financial assets and financial liabilities in the Statement of Financial Position as there is no set-off right.

**IFRS 13 Fair value measurement**

The Group's financial instruments are valued at fair value and are essentially included on level 2 of the fair value hierarchy. Level 1 refers to when fair value is set based on listed prices on active markets. Level 2 refers to when fair value is set based on observable data other than listed prices on active markets. Level 3 refers to when the set fair value is essentially based on data that is not observable, i.e. the Company's own assumptions.

**New accounting principles 2014**

The following new and amended standards and interpretations have already come into force for 2014:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- Amendments to IAS 27 Separate Financial Statements
- Amendments to IAS 28 Investments in Associates and Joint Ventures
- Amendments to IAS 32 Financial Instruments: Presentation
- Amendments to IAS 36 Impairment of Assets
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement

The new/amended standards and interpretations have not had any material effect on Akademiska Hus's financial position, profit or disclosures.

**Other IFRS changes**

With the exception of the above, no other or amended IFRS or interpretations from IFRIC have been applied or had any material effect on the financial position, financial results or disclosures at the Group or Parent Company.

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

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, 2014

Eva-Britt Gustafsson  
*Chair*

Britta Burreau  
*Board member*

Olof Ehrlén  
*Board member*

Thomas Jennlinger  
*Employee Representative*

Anders Larsson  
*Employee Representative*

Ingela Lindh  
*Board member*

Leif Ljungqvist  
*Board member*

Pia Sandvik  
*Board member*

Gunnar Svedberg  
*Board member*

Ingemar Ziegler  
*Board member*

Kerstin Lindberg Göransson  
*President*



**DEFINITIONS**

**Equity ratio**

Reported equity in relation to total assets carried forward.

**Financing cost according to IFRS**

Net financial income/expense in the form of the financing cost for loans, net interest for financial derivatives and the change in fair 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, including period allocation of realised profits from derivatives and including capitalised interest in projects.

**Internal financing ratio**

The part of the tangible, non-current assets procured net during the year that could be financed using funds earned internally during the year.

**Leasing and vacant space levels**

Leased or vacant floor space in relation to the total floor space. Financial leasing or vacant space levels are rental revenue for space leased 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 in which 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 property management revenue.

**Operating capital**

Equity plus interest-bearing net loan debt.

**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 property management, day-to-day accounting administration, leasing, 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**

Profit before financial items 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.

**Return on operating capital**

Profit before financial items, excluding changes in value, in relation to average operating capital.

**Total yield**

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

**Yield**

Net operating income in relation to the average fair value.

**CONTACT PERSONS**

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**REPORT CALENDAR**

October 28, 2014  
 February 2015  
 March 2015

Interim Report, July-September 2014  
 Year-End Report 2014  
 Annual Report 2014

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