

Financial information



Blåsenhus in Uppsala.

AKADEMISKA HUS - THE SECOND LARGEST PROPERTY COMPANY IN SWEDEN

- Over three million square metres of rentable floor space
- Property value in excess of SEK 52 billion
- Operations in 28 towns and cities

Owns and manages university and college properties

- 84 per cent of the floor space is let to universities and colleges
- 63 per cent market share for the whole country

Wholly owned by the Swedish government through the Ministry of Finance

- Ownership clause in the MTN and EMTN programmes

Long leases with customers with a high credit rating

- 87 per cent of the rental income derives from government-controlled customers

Rating

- 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

RESULTS 2011

- Rental income increased to SEK 5,116 million (4,983)
- Net operating income amounted to SEK 3,389 million (3,134)
- Assessed fair value of the properties totalled SEK 52,071 million (49,497)
- The change in value of the properties was SEK 361 million (87)
- Net investments totalled SEK 2,150 million (1,623)

Over 90 per cent of the fair value of the properties is attributable to university locations. The Group's well-located properties in these towns and cities are a source of strength. A combination of long-term leases and customers with a good credit rating and with government links contribute to high operating stability.



AKADEMISKA HUS

MANAGEMENT

The total rentable floor space was 3.2 million square metres. The proportion of laboratory premises is high, 34 per cent. From a technical point of view, these are more complex and in terms of energy, they are considerably more resource-intensive than other premises. The financial level of vacant space was only 1.2 per cent as the vacant premises have a lower than average rental value.

Before a construction project commences, a lease must be signed. The average term for a newly signed lease is 10 years. The lease renewal dates are well distributed over time. At the year-end, the average remaining term was 5.6 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 period. 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 3,500 million, of which SEK 1,500 million was unconfirmed.

2011 proved to be a turbulent year, where the optimism experienced during the first half of the year was transformed into uncertainty and risk aversion, particularly after the summer. The trend was not quite as dramatic as during the autumn of 2008 although prospects have gradually darkened as the measures presented to resolve the European debt crisis were felt to be insufficient. The financial markets have been characterised by considerable uncertainty and rising risk premiums and on the credit market this has led to generally higher credit spreads, in particular for financial borrowers and heavily indebted countries.

Since the first quarter of 2011, the Swedish ten-year government bond interest rate fell from 3.4 per cent to 1.5 per cent. Due to the Swedish Central Bank raising the repo rate during the first half of the year from 1.25 per cent to 2.00 per cent, the yield curve has become very flat.

Bond issues took place during the year totalling SEK 5,805 million, of which SEK 2,475 million had durations of between 15 and 30 years. This assures the long-term part of the financing of the extensive investments that will be made in coming years. It is also strategic advance financing, justified by the expectation that the increasingly restrictive situation on the credit market will continue. In the current uncertain situation on the financial markets, it is a source of security that the confidence shown by lenders has made these issues possible. Bond loans with a term in excess of 15 years are handled within a separate mandate.

Because of the bond issues, the average maturity in the total portfolio increased from 4.1 years to 7.1 years at the year-end.

BOND ISSUES DURING 2011

Amount	Duration
CHF 200 m (approx. SEK 1,480 m)	10 years
SEK 150 m	15 years
SEK 300 m	7 years
CHF 150 m (approx. SEK 1,050 m)	Just under 5 years
SEK 500 m	Just over 5 years
SEK 325 m	25 years
SEK 1,000 m	30 years
SEK 1,000 m	30 years

LOAN RENEWAL STRUCTURE



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

Net interest income/expense was SEK -452 million (-263), which is

equivalent to an interest cost, including changes in the value of financial instruments, of 2.99 per cent (1.84) during the period.

On application of earlier computation principles, with the allocation of derivatives to a specific period, the financing cost rose to 3.07 per cent (2.77). This can be explained in part by the stricter monetary policy during the year and increased risk premiums and by substantial bond financing at a fixed rate of interest. The financing cost has been limited in part by positive changes in the value of financial instruments.

FINANCING PROGRAMMES AND RATING	RATING, STANDARD & POOR'S	FRAME-WORK 31-12-2011	UTILISED, NOMINAL 31-12-2011	FINANCIAL COVENANTS
Bank (confirmed)		SEK 2,000 m	-	-
Bank (unconfirmed)		SEK 1,500 m	-	-
Commercial paper	A1+/K1	SEK 4,000 m	-	-
Euro Commercial Paper (ECP)	A1+	EUR 600 m	EUR 248 m	-
Medium Term Note (MTN)*	AA	SEK 8,000 m	SEK 2,320 m	Ownership clause
Euro Medium Term Note (EMTN)	AA/A1+	EUR 2,000 m	EUR 1,507 m	Ownership clause

* Not updated since 2009.

PROFIT AND PROPERTY-RELATED KEY FIGURES

	2011	2010	2009
Management income, SEK m	5,378	5,176	5,115
Net operating income, SEK m	3,389	3,134	3,149
Changes in value, properties, SEK m	361	87	-1,208
Profit after financial income and expense (excluding change in value of properties), SEK m	2,891	2,834	2,538
Profit after financial income and expense (including change in value of properties), SEK m	3,252	2,921	1,330
Net operating income, SEK/m ²	1,059	979	986
Assessed fair value, properties, SEK m	52,071	49,497	47,723
Net investments, SEK m	2,150	1,623	1,395
Total yield, properties, %	7.8	7.0	4.3
of which yield, %	6.9	6.7	6.8
of which change in value, %	0.9	0.3	-2.5
Return on equity after standard tax, %	9.2	8.6	4.0
Loan-to-value ratio, properties, %	32.2	31.8	32.5
Vacant space, rent, %	1.2	2.0	1.9
Vacant space, area, %	2.6	3.5	3.8

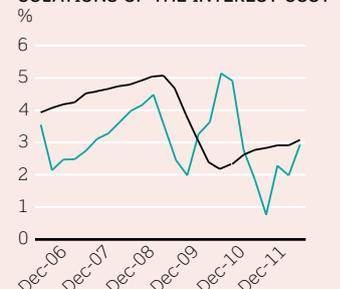
FINANCIAL KEY FIGURES

Interest-bearing net loan liabilities, SEK m	16,778	15,726	15,531
Interest-bearing liabilities, SEK m	24,693	18,973	18,781
Equity ratio, %	43.4	47.5	47.3
Interest coverage ratio, %	716	741	841
Internal financing ratio, %	112	151	165
Fixed interest period, December, years	3.1	2.8	3.5
Fixed interest period, annual average, years	3.0	3.0	3.2
Maturity, December, years	7.1	4.1	3.3
Maturity, annual average, years	5.7	3.8	3.2

PROPORTION OF LOANS THAT WILL FALL DUE WITHIN 12 MONTHS



COMPARISONS, DIFFERENT CALCULATIONS OF THE INTEREST COST



— Periodised annual equivalent rate
— IFRS, annual equivalent rate

FOR FURTHER INFORMATION, PLEASE CONTACT:

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