



Akademiska Hus in brief

Akademiska Hus – one of the largest property companies in Sweden

- Over three million square metres of rentable floor space
- Property value in excess of SEK 54 billion
- Operations in 28 towns and cities in Sweden

Owns and manages university and college properties

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

Wholly owned by the Swedish government through the Ministry of Finance

- Ownership clause in the EMTN and MTN 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 2012

- Rental income increased to SEK 5,265 million (5,116)
- Net operating income amounted to SEK 3,585 million (3,389)
- The fair value of the properties totalled SEK 54,677 million (52,071)
- The change in the value of the properties was SEK -291 million (361)
- Net investments totalled SEK 2,771 million (2,150)

Akademiska Hus's position as owner of well-located properties and its very high proportion of customers with state links are advantageous in times of uncertainty. Core operations are characterised by long leases with customers with a good credit rating, which limits the risk of a deterioration in the cash flow.

MANAGEMENT AND INVESTMENT

The 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 considerably more resource-intensive than other premises. The financial level of vacant space was only 1.0 per cent as the vacant premises have a lower than average rental value.

Before a construction project commences, a lease must be signed. The lease renewal dates are well distributed over time. The average term for a newly signed lease is 10 years. At the year-end, the average remaining term was 5.2 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 following approval by the government. The investment portfolio is substantial and in the next two years, decided and planned projects will amount to approximately SEK 22 billion.

FINANCING

Akademiska Hus 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 are unconfirmed.

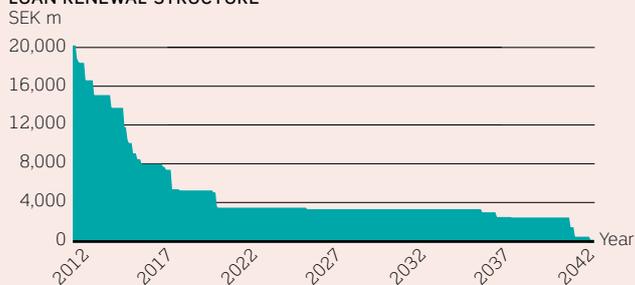
2012 was marked primarily by the euro crisis. Wide-reaching austerity programmes were launched in several countries. The central banks used both interest rates and the balance sheet to support the financial system and the real economy to gain time for political decisions. Initially, Sweden reported a good rate of growth and a relatively stable labour market. During the autumn, the picture changed with signs of a weakening in the Swedish economy. The strong krona gradually began to have an impeding effect on exports in a weak world economy. The Swedish Central Bank gradually reduced the repo rate during the year from 1.75 per cent to 1.00 per cent. The fixed interest period in the basic portfolio at the year-end was 3.2 years (3.1).

BOND ISSUES DURING 2012

Amount	Duration
SEK 500 m	25 years
SEK 330 m	30 years
SEK 500 m	3 years

Bond issues took place during the year totalling SEK 1,330 million, of which SEK 830 million had terms of 25–30 years. The reason for the bonds was mainly that the financial system was still considered highly vulnerable to disruption. Faced with continued uncertainty on the credit market, it was vital to ensure very long-term financing of the substantial investment portfolio. During the year, the net loan debt increased by SEK 2,200 million because of investments. The average maturity in the total portfolio fell from 7.1 years to 6.9 years at the year-end. The fixed interest period in the long-term portfolio was 27.5 years.

LOAN RENEWAL STRUCTURE



The general terms and conditions of the EMTN and MTN 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 -682 million (-452), which is equivalent to an interest cost, including changes in the value of financial derivatives, of 4.21 per cent (2.99) during the period. According to earlier computation principles, with the allocation of closed derivatives to a specific period, the financing cost rose to 3.38 per cent (3.07).

FINANCING PROGRAMMES AND RATING	RATING STANDARD & POOR'S	FRAMEWORK 31-12-2012	UTILISED, NOMINAL 31-12-2012	FINANCIAL COVENANTS
Commercial paper	A1+/K1	SEK 4,000 m	—	
ECP	A1+	EUR 600 m	EUR 239 m	
EMTN	AA/A1+	EUR 2,000 m	EUR 1,608 m	Owner clause
MTN*	AA	SEK 8,000 m	SEK 2,320 m	Owner clause
Bank, confirmed		SEK 2,000 m	SEK 325 m	
Bank, unconfirmed		SEK 1,500 m		

* Not updated since 2009.

PROFIT AND PROPERTY-RELATED KEY FIGURES

	2012	2011	2010
Management income, SEK m	5,511	5,378	5,176
Net operating income, SEK m	3,585	3,389	3,134
Changes in value, properties, SEK m	-291	361	87
Profit after financial items (excluding change in value of properties), SEK m	2,837	2,891	2,834
Profit after financial items (including change in value of properties), SEK m	2,546	3,252	2,921
Fair value, properties, SEK m	54,677	52,071	49,497
Net investments, SEK m	2,771	2,150	1,623
Total yield, properties, %	6.8	7.8	7.0
of which yield, %	7.1	6.9	6.7
of which change in value, %	-0.3	0.9	0.3
Return on equity after standard tax, %	6.8	9.2	8.6
Equity ratio, %	46.1	43.4	47.5
Loan-to-value ratio, properties, %	33.9	32.2	31.8
Vacant space, rent, %	1.0	1.2	2.0
Vacant space, area, %	2.6	2.6	3.5

FINANCIAL KEY FIGURES

Interest-bearing net loan liabilities, SEK m	18,528	16,778	15,726
Interest-bearing liabilities, SEK m	24,212	24,693	18,973
Interest coverage ratio, %	672	716	741
Internal financing ratio, %	84	112	151
Fixed interest period, basic portfolio, annual average	3.3	3.0	3.0
Fixed interest period, long-term portfolio, annual average	28.0	28.5	—
Maturity, annual average, years	6.8	5.7	3.8

PROPORTION OF LOANS THAT WILL FALL DUE WITHIN 12 MONTHS



COMPARISONS, DIFFERENT CALCULATIONS OF THE INTEREST COST



FOR FURTHER INFORMATION, PLEASE CONTACT

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