

Focus on  
collaboration,  
sustainability  
and good busi-  
ness practice



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**Cover:** Berg C F. Möller. The cover shows an artist's impression of the exterior of Biomedicum, Karolinska Institute, Solna.

## Akademiska Hus

Akademiska Hus is one of the country's largest property companies. Together with universities and colleges we are seeking to reinforce Sweden as a nation of knowledge. We will achieve this by constructing, developing and managing environments for education, research and innovation.

## Annual Report 2013

The audited statutory Annual Report comprises pages 1, 4–47, 50–71 and 82–139. The Administration Report comprises pages 1, 4–47, 50–71 and 82–83.

This year our sustainability work has been integrated into the Annual Report. A separate Sustainability Report will also be produced and can be downloaded from our website.

# 2013 in brief

Our ambition is to act **sustainably** and for the **long term**

## CLEARER MISSION

In December 2013, the Swedish Government decided on a clearer remit for Akademiska Hus. It is stipulated that "Akademiska Hus will own, develop and manage properties for universities and colleges where the primary focus will be on education and research. Operations will be conducted based on good business practice and a market yield will be generated by setting rents that take account of the operating risk".

The clearer remit assigned to Akademiska Hus was preceded by an extensive corporate analysis by the owner. The next step is a review of the Akademiska Hus financial objectives, which commenced at the beginning of 2013. This is part of the owner's active management of its companies.

## ACCOUNTING

Profit from property operations is stable. Rental revenue at Akademiska Hus increased by approximately SEK 100 million during 2013 to SEK 5,359 million. The increase can be attributed mainly to the commissioning of new properties. The remaining holdings in Kalmar were divested during the year, which had a negative impact on rental revenue of approximately SEK 42 million.

The continued investment in maintenance has meant that net operating income fell by approximately SEK 80 million to SEK 3,506 million.

Profit before tax increased to SEK 3,275 million, which was an increase of just over SEK 700 million. This can be explained mainly by a positive change in value of properties and an improvement in net financial income and expense. Profit for the year after tax was SEK 2,568 million compared with the figure for the previous year of SEK 3,149 million. The difference can be attributed mainly to a reduction in corporation tax in 2012.

The fair value of the properties was SEK 57,557 million (54,677). Yield on properties fell slightly to 6.8 per cent compared with 7.1 per cent the previous year. The yield on the change in value of the properties was 0.4 per cent (-0.3). The level of vacant space remains low, equivalent to 0.9 per cent of the rental value.

## INVESTMENTS

As a result of the demand for the development of new and existing knowledge environments, we continue to have a substantial investment portfolio. The portfolio is made up of current, decided and planned projects and totals SEK 21.2 billion. We also have a series of concept projects worth approximately SEK 4.4 billion.

The majority of new construction projects are in Stockholm and Uppsala. The largest decided projects are Biomedicum in Solna, the Veterinary and Domestic Animal Centre and

Skandion Clinic in Uppsala, the Royal College of Music in Stockholm and Niagara in Malmö.

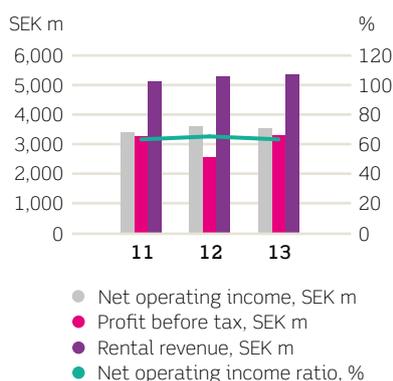
During the year our tenants moved into the completed Aula Medica at the Karolinska Institute, the Swedish School of Sport and Health Sciences and the Karolinska Institute Science Park, Gamma Building. Gross investment in our properties for 2013 was SEK 2,754 million, which is down slightly on the previous year (2,908).

## OTHER

Extensive strategy work was conducted during 2013. The focus for the future is on collaboration, sustainability and efficiency and we have already embarked on a number of projects. An updated Sustainability Policy and Code of Conduct were adopted by the Board of Directors. The ambition at Akademiska Hus is to be at the forefront in these areas – both in its capacity as one of Sweden's largest property companies and as a state-owned company. An example of our stricter energy objectives is the raising of the target for a reduction in purchased energy from 40 to 50 per cent through to 2025.

We are stepping up the pace when it comes to student accommodation. Although our remit does not include constructing student accommodation we are active in creating the conditions necessary to increase the rate of construction. At present we are contributing to the construction of more than 6,000 student homes on our campuses.

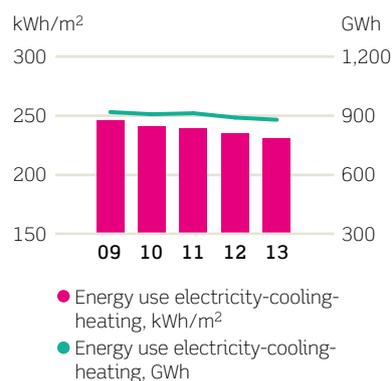
### PROFIT TREND



### TOTAL YIELD



### TOTAL ENERGY USE



# Collaboration in the development of future knowledge environments

As Sweden grows as a nation of knowledge, Swedish centres of education face increasing global competition. Outstanding campuses and knowledge environments can contribute to attracting researchers and students. The ability of Akademiska Hus to satisfy demands and deliver is becoming a key factor for our customers in their endeavour to attract talented individuals from all over the world.

We are contributing to building up Sweden as a nation of knowledge by being experts in managing, developing and constructing new environments for research and education.

As a state-owned company we have particular responsibility for carrying on our operations in a manner that is both efficient and sustainable in the long term. During 2013, extensive strategy work took place at Akademiska Hus and we were assigned a clearer remit by our owner following a decision reached in Parliament on December 10, 2013. Both our mission and our strategy clearly focus on efficiency, collaboration and added value for the customer – areas that we are constantly developing and improving. A number of efficiency-enhancing projects commenced during the year in different areas, including purchasing, and there are stricter energy-saving targets.

## LEARNING ENVIRONMENTS OF THE FUTURE

Particularly important aspects for us to be aware of are future learning environments and the importance of the physical and digital environment to teaching and research. To address this, we have entered into new forms of collaboration. We are investing SEK 5 million in two research projects dealing specifically with learning environments of the future, part of a major initiative at Umeå University. This will allow us to capitalise on the exciting results that will become available as we develop new knowledge environments throughout the country. We are also involved in the joint financing of the first professorship in Sweden in property management. The professorship is at the Royal Institute of Technology and is a vital investment for the whole of the property industry.

## NEW TENANTS

We are extremely proud to report that a number of our customers have now moved into the beautiful Aula Medica at the Karolinska Institute, into the energy-smart Student Building at Stockholm University and into the carefully renovated former Red Cross Hospital at the Royal Institute of Technology. These are just a selection of the buildings to be commissioned during the year. In total, properties worth in excess of SEK 2 billion were brought into use by our customers during 2013.

We have commenced a series of major projects during the year, including construction of the Biomedicum research facility at the Karolinska Institute (which can be seen on the cover of this Annual Report), the new Royal College of Music in Stockholm and the School of Architecture at the Royal Institute of Technology.

Sweden as a nation of knowledge is continuing to grow and there is still a strong demand for premises for research and education. Our investment portfolio, comprising current, decided and planned projects, now stands at just over SEK 21 billion. We also have a series of concept projects worth almost SEK 4.5 billion.

The major decided projects in 2013 include expansion of the Arrhenius Laboratory on behalf of Stockholm University and underground thermal energy storage at Frescati. This new, smart energy solution will supply a large part of the campus with both heating and cooling and the building will be granted silver level environmental classification in the Swedish 'Miljöbyggnad' system. This is a good example of how we are investing in sustainable, long-term solutions to achieve our strict energy objectives.

A crucial factor in the implementation of the entire project portfolio is the potential to secure financing. Thanks to our stable ownership structure and our long-term customer base, we continue to be an attractive borrower on the credit market.

## STUDENT HOUSING AND NEW ENERGY TARGETS

Student housing is an issue that many consider to be important, not least Akademiska Hus. Although constructing student accommodation is not part of our remit, we are very active in creating the conditions to increase construction of housing for students. This is taking place, for example, by assigning or divesting land beside a campus and collaborating with other parties in different initiatives. At present we are contributing to the construction of more than 6,000 student housing units on campus. A current example is the collaboration between Akademiska Hus, Lund University and Lund Municipal Authority in a joint investment that will result in at least 1,000 new student housing units being completed on campus over a three-year period.

What is perhaps our most important success factor is collaboration with the tenants in the planning process and in projects and in particular in property management. Our ambition is to be at the forefront in sustainability and energy use is an area in which we as a property company can exercise considerable influence. That is the reason why we are raising one of our energy targets. Our previous target was to reduce purchased energy by 40 per cent by 2025 compared with 2000. We are now taking an even bigger step forward and the new target is a reduction of 50 per cent.

This will require a considerable gathering of strength and we are collaborating closely with our customers to lower energy use in the buildings.

Sustainability issues have become a clear and distinct part of our business strategy and control and work in this area will be intensified in the future. A new Sustainability Policy and Code of Conduct were adopted during the year. By clarifying our position in these areas we will have a well-defined, level playing field for partners, suppliers and employees.

Looking back on 2013, I can see that it has been an eventful and inspirational year. We have succeeded in our ambition to reinforce the dialogue with our customers and other stakeholders. I and my colleagues have met representatives from our centres of education, as well as politicians, financiers and many others. We will continue to do so in the future. Dialogue and discussion are the cornerstones for collaboration, development and good relationships.

Kerstin Lindberg Göransson,  
President



“ What is perhaps our most important success factor is collaboration with the tenants in the planning process and in projects and in particular in property management.

# Our mission

– to contribute to reinforcing Sweden as a nation of knowledge

“

Akademiska Hus Aktiebolag will own, develop and manage properties for universities and colleges where the primary focus is on education and research and it will carry on operations compatible therewith. Operations will be pursued in accordance with good business practice and generate a market yield by setting rents that take account of the operating risk. Akademiska Hus Aktiebolag will work to bring about long-term sustainable development of university and college campuses.

Swedish Parliament decision, December 10, 2013.

“

The Government considers it important to adopt a long-term approach to investment and development as well as collaboration with centres of education. It is also important that the risk of incorrect prioritisation and neglected maintenance is minimised in the light of the fact that significant financial and cultural values are being managed. It is the opinion of the Government that Akademiska Hus more than satisfies these criteria.

Extract from the Government bill relating to the Akademiska Hus mission 2013.



Key Building, Linköping University

# Our long-term challenges and opportunities

The external world and our customers' operations are becoming increasingly complex. A number of areas impact on our conditions and potential to discharge the task assigned to us in an effective, value-adding way.

**1**

## Sweden as a strong nation of knowledge is a goal for the whole of society

Global competition presents increasingly stricter demands on a small, export-dependent country such as Sweden. In order to safeguard future competitiveness, high-quality education, research and innovation are required to ensure that future knowledge remains on a high level. At Akademiska

Hus we can contribute by working closely with the centres of education to manage and develop modern, sustainable knowledge environments. This in turn reinforces the potential of the centres of education to develop their education and research and in doing so enhance their attractiveness.

**2**

## External changes are redrawing the map

Conditions for higher education and research are changing and globalisation is playing an important role. There is increasing international competition for research funding and talented individuals. Other challenges that affect how

we plan for future knowledge environments together with the centres of education are political decisions, new technology and changes in the behaviour of students and researchers.

**3**

## Specialisation and economies of scale benefit centres of education

Making a distinction between use and ownership of properties intended for higher education and research is the foundation of the 'Swedish model'. This division of responsibility is intended to bring about a high degree of efficiency in the use of resources and specialisation. The task of centres of education is to carry on education and

research. Ownership, management and development of buildings and campuses are handled by other bodies. Akademiska Hus has a major responsibility to pursue its operations efficiently, in accordance with good business practice and with a firm focus on the customer.

**4**

## Collaboration in focus

In the dialogue with our customers, we utilise their experience, expertise and views. This dialogue will be intensified in the future and it is vital if we are to carry on our operations in the long term and ensure efficient use is made of resources. In order to create long-term, sustainable solutions for higher education, research and innovation in Sweden,

we welcome more state, local authority, industry and community bodies to contribute with their expertise. Collaboration with other experts is crucial if we are to address the long-term challenges facing the property industry and the centres of education.

**5**

## Utilise resources correctly - now and in the future

In day-to-day management, in our projects and in contact with customers and experts throughout the country, we are building up a common body of knowledge from which we can select the best solutions that can then be implemented in our work. By doing so, we can achieve cost-effective,

sustainable operational development. Not every need can be satisfied here and now. Certain needs require more long-term planning, substantial investment and often joint initiatives. Our long-term approach and financial stability are the cornerstones for success.

# Key issues for our stakeholders

Understanding the views of stakeholders and the challenges they are facing is fundamental if we are to realise our ambition to contribute to reinforcing Sweden as a nation of knowledge. This is vital if we are to assume long-term responsibility – financial, social and environmental – that is in line with the expectations of our stakeholders.

**A**kademiska Hus stakeholders are the organisations and individuals who are affected by our operations and who can influence our potential to successfully discharge the task assigned to us.

By listening to our stakeholders we will acquire a better understanding of the issues and views that are considered particularly important and which we are in a position to address. Good insight creates sound conditions for us to prioritise correctly and adapt our operations, develop our customer offer and create added value for stakeholders.

We are constantly gathering the views of stakeholders through surveys and in open dialogue. We meet the Association of Swedish Higher Education on a regular basis on different levels and in different groupings. Working together, we are attempting to build up a collective picture of the needs of our customers. We also meet representatives from colleges and universities on an individual basis to pick up on issues that are specific to a particular college or university. Apart from this dialogue, we remain continuously updated on developments in general in the higher education world. We are also inspired by good examples from teaching environments and campuses in other parts of the world.

We have regular, personal meetings with financiers, politicians and other decision-makers, which is a vital element in our dialogue with stakeholders.

As regards customers – our most important stakeholders – we have chosen to focus in particular on the critical views that have emerged in recent years. The main criticism from customers generally relates to the role of



Akademiska Hus and the commercial terms and conditions that are applied. A number of customers feel that:

- Akademiska Hus has a monopoly.
- Yield targets are too high and profits levels at Akademiska Hus are questionable.
- Rents are too high and the rent model is unclear and difficult to understand.
- The dialogue between customers and Akademiska Hus could be developed.

The collated information is analysed and prioritised. On the next page there is an overview of our main stakeholders and a number of the issues and expectations that have

emerged through our stakeholder analysis. The way we deal with these issues is presented in the Strategy section and in other sections of this Annual Report.


**EXPECTATIONS AND KEY QUESTIONS FROM OUR STAKEHOLDERS:**

CUSTOMERS AND THEIR EMPLOYEES	THE SWEDISH STATE, OUR OWNER	FINANCIERS	SUPPLIERS
Plan and create attractive knowledge environments and campuses that support the customer in international competition.	Contribute to the State objective of reinforcing Sweden as a nation of knowledge.	Financial stability.	Clear, relevant procurement terms and conditions.
The contribution made by Akademiska Hus to the customer's long-term sustainability work.	High degree of resource efficiency.	Stable, long-term operations with profitability and yield in accordance with objectives and strategies.	Clear requirements within, for example, <ul style="list-style-type: none"> <li>• Working environment</li> <li>• Environment</li> <li>• Quality</li> </ul>
Clarity in the Akademiska Hus business model.	Increased customer benefit through collaboration with centres of education.	Corporate social responsibility in all processes.	Long-term relationships.
Transparency when setting rents.	Actively contribute to increased competition on campuses.	Clear financial communication.	
	Act as a forerunner in corporate social responsibility.		

INDUSTRY	POLITICIANS	LOCAL COMMUNITY	OUR EMPLOYEES
Active role in the dialogue relating to how society and the region can be developed.	Ensure the development of Sweden as a nation of knowledge, both nationally and regionally.	Active participation in the dialogue on how society and the region can be developed, e.g. in urban development projects.	An attractive working environment with good working conditions.
Possibility of establishing operations on campus.	Contribute to the long-term sustainable development of knowledge environments.	Akademiska Hus plays an active part in promoting the construction of student accommodation.	Good opportunities for competence development.
	Make land available to other parties in order to develop campuses, such as student accommodation and offices.		Each person should understand their role in the work that is taking place at Akademiska Hus.

# The vision shows the way

Our core values are the operational cornerstones. They summarise what we represent, who we are and who we want to be far into the future. In 2013, we updated our vision and business concept as part of our strategy work in order to reinforce and support our ambitions for the future. We have also adopted a Code of Conduct that aims to clarify our ethical standpoints. These, together with the goals set by our owner, have given the Company a firm foundation.

Our vision  
- leading  
knowledge  
environments

## Core values

### WE ARE EXPERTS

We have unique expertise in the development and management of knowledge environments. Efficient processes and long experience give us a secure and attractive choice. Our collective national strength will also be of benefit locally, close to the customer.

### WE ARE AN ACTIVE PARTNER

We are attentive, open and interested. Working together with our customers we develop their operations. We take the initiative in everything from discussing day-to-day events to inspiring visionary knowledge environments.

### WE ARE FUTURE ORIENTED

We work in the long term, regardless of the business climate. We take good care of our properties and build flexibly, sustainably and using energy-smart solutions. Our innovative thinking creates conditions for establishing the knowledge environments of the future.



## Business concept

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.



## Code of Conduct

As a state-owned company we should seek to be exemplary in the way we work. Our Code of Conduct offers guidance on how we should work in order to act correctly in business and in other relationships.

A basic prerequisite for operations is that we act with due observance of international human rights principles, conventions and guidelines.

The Code of Conduct applies to all Akademiska Hus employees and representatives. A dialogue on compliance with the Code of Conduct takes place each year between employee and manager. We also encourage our partners to act in compliance with the Code, which is available on our website.

## Financial objectives

THE OWNER'S FINANCIAL OBJECTIVES ARE 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 should amount to 50 per cent of the Group's annual 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.

Further key figures and outcomes are shown in the Five-year summary on page 28.

The financial objectives will be adopted in conjunction with the Akademiska Hus Annual General Meeting on April 28, 2014.

# Long-term strategy for increased cooperation

During the year we formulated a new, long-term strategy that extends through to 2025. It is based on our core values, our vision, our business concept and the platform that we have built up during our 20 years as a property company. Through an extensive external analysis, in combination with our dialogue with stakeholders, the conclusions we have reached and the lessons we have learned have resulted in our new strategy.

**T**he primary focus in our strategy is increased cooperation with our customers. We want to develop our dialogue with customers in order to reinforce understanding of the role of Akademiska Hus as a property owner and to create insight and common views on key issues such as sustainability and campus development. We believe that this will

consolidate our ability in the future to provide attractive, modern knowledge environments and by doing so contribute to the success of the centres of education.

Our strategic model comprises an operational platform, our basic conditions as well as a 'development wheel' that will drive us forward and help us achieve our goals and vision.



## Operating Platform

### EMPLOYEES

Our employees are our most important asset - we work continuously to develop our expertise as an active, future-oriented partner and with a focus on constantly improving customer value.

### COMMUNICATION

We have open, effective communication with all stakeholders - we communicate openly and frequently and we are good at listening.

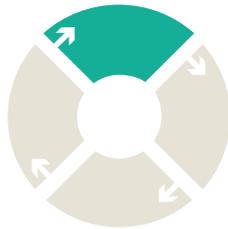
### AN EFFICIENT COMPANY

By making our processes and development programmes as uniform as possible, and by quickly disseminating best practice and the lessons that we have learned, we will become a more efficient company.

### SUSTAINABILITY

Sustainability is intrinsic to everything we do, both in-house and externally, working in close cooperation with our customers and other players.

## Strategic guideline Deliverables

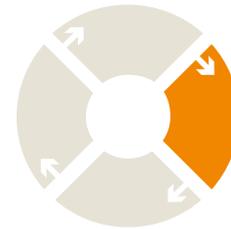


Our aim is that we should achieve better deliverables for our customers than our competitors. We also want our customers and other stakeholders to feel that we are good at identifying new knowledge and utilising it in a way that generates benefit, such as new technology.

We will achieve this through a methodical improvement process throughout the whole value chain, from strategic property development to leasing and management. This means, among other things, that we will become better at measuring our performance and comparing it to other operating areas and companies in the industry. This will lead to a knowledge base that forms a foundation for more rapid and more accurate improvements from a customer perspective. In this respect it is important to promote a culture of innovation and learning.

We are also keen to capitalise on our economies of scale and long experience. We are unique in these areas and our aim is to utilise these for the benefit of our customers in our deliverables and in the support processes behind each deliverable. By doing so, we can ensure efficiency and the correct level of quality viewed from the customer's perspective.

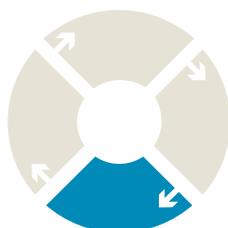
## Strategic guideline Dialogue



Our aim is that customers should feel that their dialogue with us is valuable. Through dialogue we create good conditions to structure our relationships, find new ideas and establish cooperation and mutual understanding of the work that is taking place. The dialogue also makes it easier for the customer to follow and evaluate our performance and at the same time we can follow and become better at interpreting customer needs. Our ambition is for us and our customers to have a common view of our business and rental model.

We are also endeavouring to be even better at conducting a dialogue with other stakeholders who are of major importance in the creation of long-term, attractive campuses. These include industry and public bodies on the municipal and regional level.

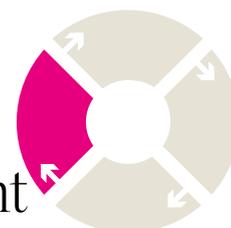
## Strategic guideline Insight



Through improved dialogue, new insights are created regarding the areas in which we need to learn more. Our aim is to function as a knowledge bank, linked to what leading knowledge environments are and what is required to bring about these environments. This knowledge will form the basis for new ideas that mean that we can achieve better deliverables and increased customer benefit in a long-term, sustainable way.

To achieve our objective, it is important that we work with the customers to identify what is relevant to them and to build up expert knowledge accordingly. This means that we need to develop closer and more extensive cooperation with our customers. We will benefit from our collective knowledge and experience and reinforce our national networks of learning environment experts together with technical support.

## Strategic guideline Development



We will implement joint development projects together with customers and other parties.

To succeed, we need to create better processes for cooperation and expand our network of experts at our customers as well as international networks.

Our knowledge and insight means that we can act as a driving force to create different forms of cooperation, including development and demonstration projects together with our customers. This will in turn lead to joint development of new products and services that will result in increased customer benefit.

# Fulfilment of objectives 2013

Up until 2013, we followed up our operations to achieve the following strategic objectives. From 2014, we will work according to updated objectives and milestones linked to our new strategy.

STRATEGY	OBJECTIVE	FULFILMENT OF OBJECTIVE	COMMENT
<p><b>SUCCESSFUL KNOWLEDGE ENVIRONMENTS</b></p> <p>We work proactively to develop the knowledge environments of the future. The basis for this is the continued monitoring of the development and needs of centres of education, as well as national and international education policy.</p>	<p>All campuses should have a documented vision regarding the physical environment and should be no more than five years old.</p> <p>The aim for 2013 was 75 per cent.</p>	<p>At the end of 2013, Akademiska Hus had 37 campuses. 84 per cent had documented campus plans (24) or plans that were in progress (7).</p>	<p>During the period, work on the campus plans continued in cooperation with our customers.</p>
<p><b>OPTIMAL OUTCOME</b></p> <p>By combining our construction and management expertise with an understanding of our customers' conditions, we will offer the foremost knowledge environments. Energy efficiency measures and the development of alternative forms of energy supply are a high priority.</p>	<p>Energy purchased each year, kWh/m<sup>2</sup>, will decrease at such a rate that there will be a 40 per cent reduction by 2025 compared with 2000.</p>	<p>The annual rate of reduction of purchased energy was achieved during the year and the long-term goal is as planned.</p>	<p>The absolute target figures for energy were adjusted marginally during the period due to an area calculation error.</p>
<p><b>STRONG BRAND</b></p> <p>We demonstrate and clarify the benefit of Akademiska Hus as part of the creation of Sweden as a nation of knowledge. We make use of our collective know-how to support our customers through active dialogue. Our internal and external communication is founded on our core values: an expert an active partner and future oriented.</p>	<p>From 2013, the brand index will increase by 15 per cent per two-year period through to 2020.</p>	<p>For 2012, the starting figure was 32 per cent. Measurement of fulfilment of objectives did not take place in 2013.</p>	<p>The next measurement will take place in 2014 according to the two-year interval plan.</p>
<p><b>UNIQUE COMPETENCE</b></p> <p>Through our good knowledge of the work that is taking place in the academic world and the prevailing conditions, we have unique competence and ability to understand the demands and needs of our customers.</p> <p>We develop this by exchanging experience actively and systematically, both internally and externally, and using our collective national expertise efficiently.</p>	<p>90 per cent of employees will feel that "my manager follows up my individual activity plan".</p>	<p>The outcome for 2013 was 81 per cent, a reduction of two per cent compared with 2012.</p>	<p>We have an established process for appraisal discussions and activity plans that we will continue to develop.</p>
<p><b>LONG-TERM PROFITABILITY AND COST EFFICIENCY</b></p> <p>We identify which properties and markets are profitable in the long term and we pursue active management of our contract stock and project portfolio.</p> <p>We co-ordinate our processes to ensure we work efficiently and in the long term.</p>	<p>The net operating income ratio should be 72 per cent of the operative net operating income.</p> <p>Return on average equity should be equivalent to the five-year government bond interest rate plus four percentage points over a business cycle.</p>	<p>The outcome for the net operating income ratio in 2013 was 70 per cent.</p> <p>The average return on equity over five years was 7.4 per cent whilst the target was 6.0 per cent.</p>	<p>The net operating income ratio will be 72 per cent in 2015. The operative net operating income does not include project-related maintenance.</p>



Lindellhallen, Umeå University

# Rental and property market

Despite a slowdown in demand and a low rate of growth, the Swedish property market in general proved resilient during 2013 with retained yield and price levels in several sub-markets and segments.

**T**he slowdown in the economy led to the Government implementing a series of fiscal stimulation measures to reinforce Sweden's growth potential. These measures involved investment in the infrastructure, research and education as well as measures aimed at reducing youth unemployment.

## PROPERTY MARKET

It is mainly in the city regions and in the residential and community property sectors that growth in the property market has been strongest. The number of active investors has fallen although this has been compensated for by companies with considerable purchasing power and access to pension capital. The investment orientation at these companies is clearly low-risk properties and in many cases there is a propensity to invest in residential and community properties.

During the year, the yield targets for commercial properties on the majority of markets have in effect remained unchanged. Levels

were maintained due to relatively limited availability. As the yield potential of alternative investments increases, interest in the property segment also increases. This is reflected in new construction in the city regions, where investment can extend beyond the city centre if the building is right.

## RENTAL MARKET

The trend towards more companies choosing to upgrade to more modern offices is continuing. Even if the rent per square metre is higher, the premises are more efficient with the result that the cost per workplace is no higher than it was in the older, larger premises. The good demand for premises of this nature has meant that several new construction projects have commenced with leases already signed for the majority of the floor space. The strong rental market for this type of building has led to considerable investment interest with a number of transactions taking place at low yield levels.

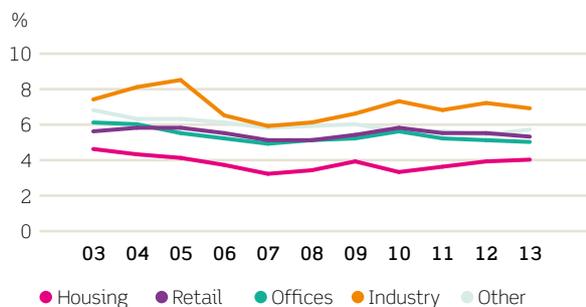
In sub-markets with a relatively large surplus of newly constructed premises, rent levels within and around new construction projects are being forced up. New premises increase the risk of lower rent levels in existing holdings generally and in particular for buildings constructed in the 1980s and 1990s, where rents are relatively high and the premises less efficient.

The overall expectation on the non-residential rental market is for rents to remain essentially unchanged. At the same time, indications of a recovery in the Swedish economy could result in a fall in vacant space in the cities.

## MARKET POSITION

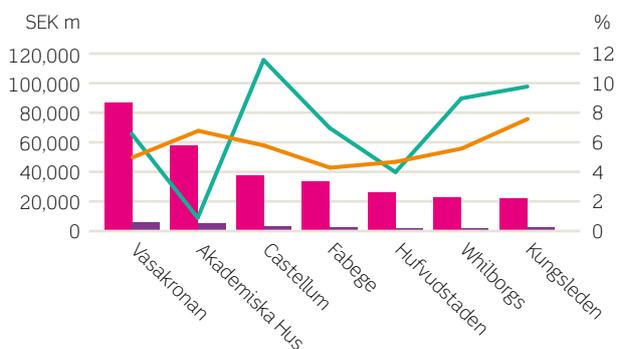
Akademiska Hus is the second-largest property company in Sweden. Core operations are characterised by relatively long lease agreements with a good spread of renewal dates and where customers are stable, demonstrate good solvency and have adopted a long-term view regarding investment. The premises are

YIELD TARGET - TREND 2003-2013



Source: IPD Swedish Property Index. The Other category includes special properties.

SWEDEN'S LARGEST PROPERTY COMPANIES 2013

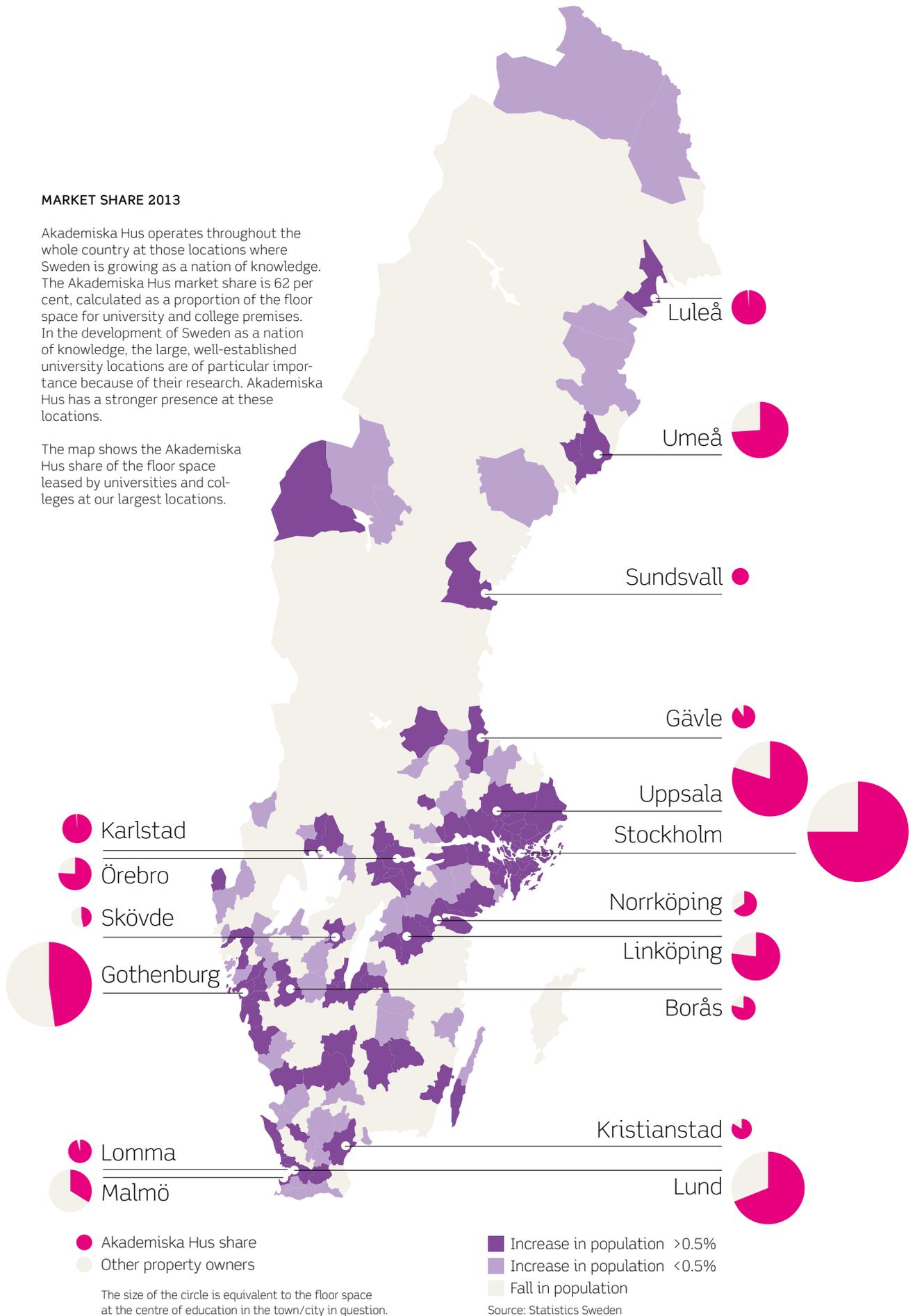


Source: Each company's year-end report 2013.

**MARKET SHARE 2013**

Akademiska Hus operates throughout the whole country at those locations where Sweden is growing as a nation of knowledge. The Akademiska Hus market share is 62 per cent, calculated as a proportion of the floor space for university and college premises. In the development of Sweden as a nation of knowledge, the large, well-established university locations are of particular importance because of their research. Akademiska Hus has a stronger presence at these locations.

The map shows the Akademiska Hus share of the floor space leased by universities and colleges at our largest locations.



designed for higher education and research and we have a market share of 62 per cent in this segment. We are represented throughout the country and 84 per cent of our rental value is concentrated on the six largest locations.

Over the past ten years, there has been an increase in interest in investing in community properties and high-quality buildings with long leases. Coupled with the rise in demand for places in higher education, which normally increases in a weakened economic climate, this is positive for the Akademiska Hus property portfolio.

We strive to establish good, long-term relationships with our customers. The needs of

our customers change and we can see a continued increase in demand for the development of new and existing knowledge environments. Consequently, the project portfolio will continue to be large despite the fact that a number of major projects were completed during the year. There is extensive new construction and redevelopment aimed at offering the best and most cost-effective floor space solutions.

At present, investment is focused mainly on Stockholm and Uppsala. Future investment in education and research will result in further growth for Akademiska Hus in the years to come.

#### COMPETITORS

Competition has increased in recent years. There is a marked interest in investing in community properties as well as good-quality properties with long leases. Universities and colleges are attractive tenants. They have good solvency margins and a long-term need for premises.

In the property segment, this has resulted in capital being drawn towards property categories that offer safe, stable cash flows with a subsequent low risk.

#### MARKET SHARES BY REGION AND LARGER CENTRES OF EDUCATION, %

Regions	South	45 West	53 East	67 Uppsala	70 Stockholm	76 North	69					
Centre of education (market share, Akademiska Hus)	Lund University	61	Gothenburg University	52	Linköping University	74	Uppsala University	73	Stockholm University	80	Umeå University	79
	Malmö University	12	Chalmers University of Technology	60	Örebro University	88	Swedish University of Agricultural Sciences, Ultuna	83	Karolinska Institute	92	Luleå University of Technology	82
	Linné University	19	Karlstad University	90	Gävle University	90	Royal Institute of Technology	86	Mid Sweden University	86	Mid Sweden University	35
	Swedish University of Agricultural Sciences, Alnarp	85	Borås University	79							Swedish University of Agricultural Sciences	68
	Kristianstad University	92	Skövde University	47								

#### LARGEST COMPETITORS

Regions	South	West	East	Uppsala	Stockholm	North
Competitors <sup>1)</sup>	Videum AB	Chalmers Fastigheter	Östergötland County Council	National Property Board	Clara Foundation	Balticgruppen Design AB
	Utvecklings AB Kranen	Higab	Akelius	Fastighets AB Hushagen	Fysikhuset i Stockholm	A4 Vasallen AB
	National Property Board	Trollhättans Tomt AB	Kungsleden	SLU Property Management	Hemfosa Fastigheter AB	Fastighets AB Polaris
	DIL Nordic Malmö	Alecta	Hemsö Fastigheter AB		National Property Board	

<sup>1)</sup> Competitors according to region, with rented space in excess of 10,000 square metres, reported on a sliding scale. Source: Swedish National Financial Management Authority

# Education and research

The work that takes place at universities and colleges falls into two main areas: education, which through the students invigorates and sets its mark on the urban environment, and prestigious research, which sets its mark on society and industry.

**I**n recent years, Swedish higher education has developed and become more research oriented. In financial terms, research accounts for around 57 per cent of the income of colleges and universities with education accounting for the remaining 43 per cent. As it is the established universities that have most of the research, they are also the ones that have benefitted from this development. It is important for Akademiska Hus to have the requisite expertise to offer advice to both research-oriented and education-oriented colleges and universities on the best way forward and the trend with regard to premises.

## INCREASED RESEARCH FUNDING

Research funding levels between 2008 and 2012 increased gradually by SEK 5 billion per annum. In 2012, revenue for Swedish research totalled SEK 34.9 billion. In the forthcoming period, which is governed by the 2013–2016 Research Bill, there are plans for a gradual increase from SEK 1.7 billion per annum in 2013 to SEK 4 billion per annum from 2016. The state is the largest source of funding, accounting for approximately 72 per cent, part of which derives from various funding bodies. Private research funding accounts for the remainder, mainly from non-profit organisations.

Swedish investment in research accounts for just over 3.4 per cent of the GDP, which puts Sweden well above the EU average of just under 2 per cent. The EU target for 2020 is 3 per cent of GDP.



SciLifeLab, Uppsala

Architect: Wenker arkitektur ab. Photograph: Tim Meier.

## BUILDING FOR THE FUTURE

The increase in research funding in recent years has had a clear impact on Akademiska Hus construction projects. Current research is dependent on advanced, expensive equipment. Collaboration and co-funding for the research infrastructure across regional and national boundaries will be increasingly important. Akademiska Hus has good potential to contribute to the development of these new knowledge environments through our extensive technical knowledge and intra-company feedback of knowledge from differ-

ent parts of the country. A great deal of research will also take place in an office in front of a computer. By building general office environments it will be possible to adapt premises to different activities. In recent years, Akademiska Hus has focused on ensuring that new buildings offer a variety of potential uses and that generally they can be adapted to good office environments.

We believe that the potential in the future for research collaboration on a distance basis will create a need for physical meeting points with strong symbolic values and identity

enhancement through architecture. Meeting points of this nature will become an important part of the identity and marketing of successful centres of education. An excellent example of this is the national SciLifeLab in Uppsala.

**FEWER PLACES IN THE UNDERGRADUATE SYSTEM**

In 2012, there were around 296,000 students in the Swedish higher education system, calculated on a full-time basis. The number of applicants for higher education during autumn term 2013 was higher than ever. Despite this, the number of students has fallen, which can be explained by the gradual reduction of the 10,000 extra education places that were added in 2010/11 in response to acute employment problems. The very high level of interest in higher education is linked to the weak labour market and the large number of young people in the 19–23 age group. There will be a fall in the number of young people through to 2019 although the curve has gradually levelled out and the fall has become less dramatic. This can be explained mainly by immigration in recent years, which has added more individuals to this particular age group.

As regards the economic climate, we are beginning to see more stable indications of a slight upturn although the situation on the labour market still remains much the same.

In time, we can expect a fall in the number of applicants for higher education. However, the large gap between the number of applicants and the number of students who are enrolled indicates that places will continue to be filled.

**NEW FORMS OF LEARNING**

As regards pedagogical approaches and forms of education, we are facing major changes that will in all probability have implications for the way premises are planned. At present, 83,000 individuals are studying on a distance basis. It has become increasingly common to combine studies on campus with distance studies. A very clear trend is for the pedagogical approach used for distance education to also be used for education on campus. This means that education can be made more efficient and thus cheaper. This is crucial as costs, and in particular personnel costs, are rising more than funding.

A new education development in recent years is MOOC – Massive Open Online Courses – which is in the main free education and lectures on the Internet. Campus-based education will be exposed to a new form of competition. With experience from the USA and our Swedish distance education system, it can be expected that this form of education will continue to exist alongside other forms.

Akademiska Hus is involved in discussions with the centres of education about how to create attractive and efficient knowledge

environments based on this trend and concrete solutions are being discussed. One such solution is ALC – Active Learning Classrooms – which has been highly successful at universities in the USA. ALC rooms offer the opportunity for efficient teaching in large groups but require investment in technology. We can see an increasing need for student workplaces and group rooms alongside a fall in the need for conventional lecture theatres.

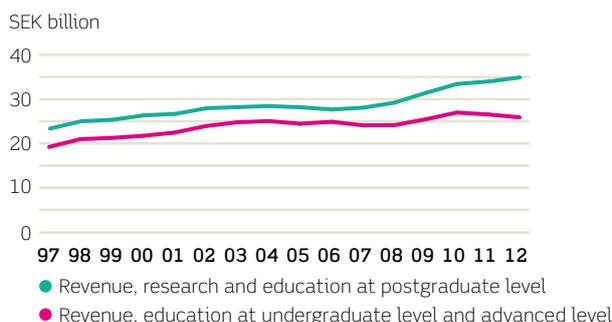
The dialogue and collaboration between centres of education, personnel, students and the property owner is vital if the changes that are taking place are to be successful. While we do not believe that there will be a decline in the popularity of campus-based studies, we feel that the environments for self-study and meeting points for intellectual exchange will be of major significance and will thus present new demands with regard to the planning of premises. Campus and study environments will be one of the most important competitive factors in the future.

**STUDENT MOBILITY**

The OECD regularly reports on developments in higher education in its member states. A clear trend is that education is increasing in all countries.

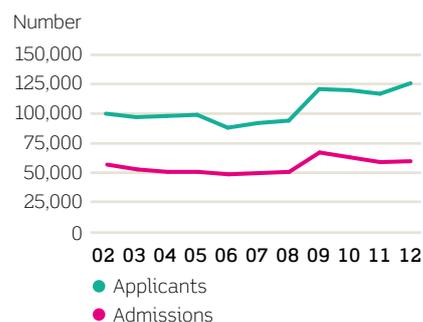
Another trend is the rapid rise in student mobility. In 2010, 4.1 million students in the OECD were studying in another country. This is double the figure for 2000.

**EDUCATION AND RESEARCH REVENUE AT CENTRES OF EDUCATION AT 2012 PRICE LEVELS**



Source: Swedish Higher Education Authority

**APPLICANTS AND ADMISSIONS DURING THE AUTUMN TERM, STUDENTS WITHOUT PREVIOUS HIGHER EDUCATION**



Source: Swedish Higher Education Authority

Within the EU, one of the aims is for 20 per cent of those who graduate from higher education to have studied abroad for a period. This means that countries are competing with each other and marketing will become more important. Student fees will also be more common, even in countries where by tradition fees have not been charged.

#### FINANCES

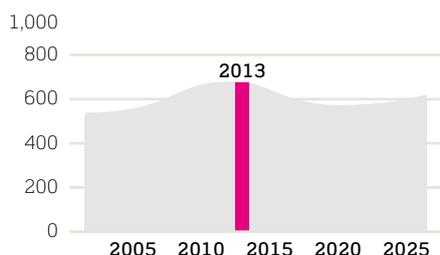
The total revenue at centres of education in 2012 was SEK 61.2 billion, SEK 1.8 billion up on the previous year. The increase during the past two years has been 2.5 per cent and 2.8 per cent respectively. The financial result has fallen slightly and was SEK 413 million in 2012. The research-heavy universities still have a level of use of research funding that is lower than the amounts granted. It is mainly Lund University and the Karolinska Institute that have large sums in reserve. In total, around SEK 13 billion in research grants has yet to be used.

On the expense side, the cost of personnel is the largest item. Personnel costs during the 2012 financial year totalled 61.2 per cent. The cost of premises in 2012 was SEK 7.9 billion, which is 12.9 per cent of the total costs. The cost of premises for education in percentage terms is considerably higher than for research and postgraduate education, 16.3 per cent and 10.5 per cent respectively. Even if research in many cases requires advanced, specially con-



structed premises, the use of premises is for the most part general and relatively simple. However, education premises are frequently demanding with regard to space and technical installations. With large education volumes, the significant costs and changes could prove expensive. As regards planning of premises for education environments, there is clear development potential with regard to the use and design of premises.

19-23-YEAR-OLDS IN THE POPULATION 2002-2012, FORECAST 2013-2026



Source: Statistics Sweden

PROPORTION OF COST OF PREMISES FOR CENTRES OF LEARNING IN SWEDEN



The cost of premises as a proportion of total costs at centres of education has fallen slightly during the past ten years.

Source: Swedish Higher Education Authority

# Campus development

Akademiska Hus carries on property development in the form of campus plans. Working in the first instance with our tenants, our aim is to plan in such a way that the environments become attractive and available at all hours of the day and night.

**O**ur aim is to have environments that are robust and adapted to various uses, which also embodies our tenants' varied and changing needs and wishes. We also want to be in a position to satisfy the needs of other tenant categories if centres of education were to experience a fall in the need for premises.

If campuses are to be attractive and usable, it is important to offer services and provide good opportunities to spend time on campus at all hours of the day and night. The campus development vision has developed more and more to include the whole person. This means that Akademiska Hus also wants to plan for and be open to facilities where we are not the prime mover but which are desirable from a more general point of view. This includes student accommodation, which is important both in the light of the general shortage of housing but also in the fact that on-campus housing contributes to people moving around the campuses for a large part of the day and night, thus raising the level of security and safety. Having more people present across the whole 24-hour period facilitates the provision of leisure activities and services.

Campus planning and the development of our properties are also important if we are to have contingency plans in place when our tenants require new premises and buildings. Through campus planning we discuss development wishes and land use with our tenants and prepare matters in advance with each municipal authority to ensure that planning can proceed quickly and easily when the time comes.

## A more vibrant campus

Akademiska Hus owns 1.2 million square metres of land gross (land where we have building rights) in the towns and cities in which we operate. We use some of the land for extensions or new construction based on the needs of colleges and universities. We also sell land to other bodies in order to create the potential for a vibrant campus, complete with housing, offices, shops and other service facilities. We also lease land for the construction of housing for students and research workers. By doing so, we contribute to creating a living campus. We also sell properties used for education when the opinion is that other companies or organisations are in a better position to handle future development.

Buildings for education and research combined with premises for companies, restaurants, shops, environmentally efficient transport and other facilities that make the campus a living area.





Illustration: Robert Hanson

# Value-adding processes

Akademiska Hus value-adding processes take place in close collaboration with customers, suppliers and other stakeholders. Together, we create leading knowledge environments. This work takes place in four closely linked stages, as presented below.

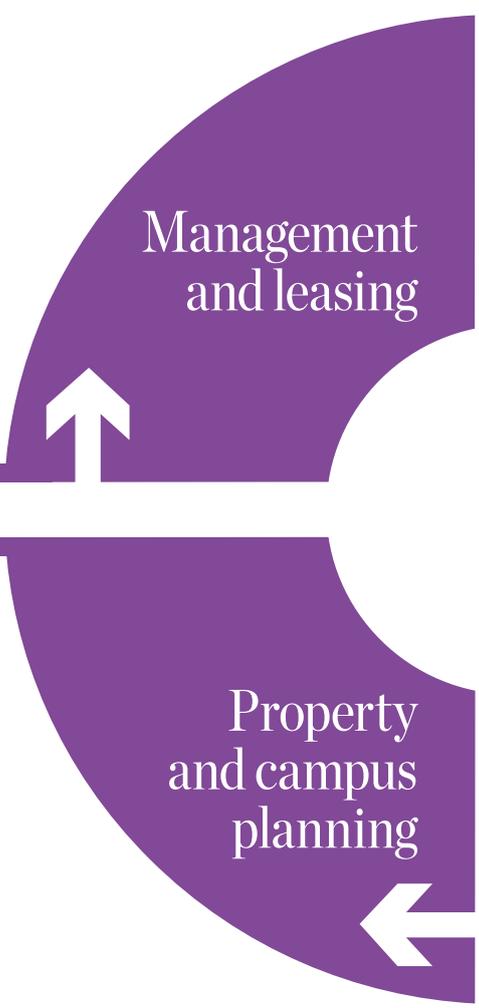
## MANAGEMENT AND LEASING

Property management is pursued with a firm focus on ensuring a high level of quality, resource efficiency and long-term sustainable development. By having a carefully considered strategy with regard to the need for premises and energy supply, in combination with insight into knowledge environments, we can maintain our properties and ensure that they retain a high standard over a long period.

### Management for the future

- Contribute to the satisfaction of centres of education and their employees, students and researchers.
- Increase operating and maintenance efficiency and thus in time generate increased customer benefit.
- Offer a good indoor environment for study and research.
- Integrated sustainability work that leads to reduced energy use, mitigated environmental impact in general, a good working environment and good relationships.

>> Read more on pages 30-37



Management  
and leasing

## PROPERTY AND CAMPUS PLANNING

An appealing campus can contribute to attracting researchers and students to a centre of education. In our strategic property development work, we analyse needs and have long-term plans in place for future campuses for education and research.

### Planning for knowledge environments that are attractive and sustainable in the long term

- Campus plans extend over 10-15 years. Of our campuses, more than half have a current plan and several new plans are being formulated.
- We are planning campuses and premises so that they can be adapted to new needs in the future.
- Feedback of experience from other campuses helps build up cutting edge expertise.
- An overall choice of materials from a long-term sustainability point of view.
- Efficient energy solutions help us to achieve our long-term savings targets.

>> Read more on pages 20-21

Property  
and campus  
planning



## Investing in the future

### INVESTING IN THE FUTURE

Our size and financial strength puts us in a unique position to build and develop education and research environments that reinforce Sweden's long-term innovative capacity and competitiveness regardless of fluctuations in the economy. We have a stable owner and long-term customer relations and we are an attractive borrower on the credit markets.

>> Read more on page 40

## New construc- tion and re- development

### NEW CONSTRUCTION AND REDEVELOPMENT

We carry out survey, planning and construction work efficiently, based on our strategic property development plans. Our construction projects vary in nature - from small-scale redevelopment through to new, advanced research facilities and campus projects with a strong socio-ecological character.

#### Construction according to the strategic property development plan.

- We utilise our experience as a developer. Akademiska Hus has commissioned the construction of 170,000 square metres of knowledge environments during the past 10 years.
- We have a distinct sustainability focus throughout the whole construction process with regard to the working environment, purchases and choice of materials.
- We are building up a long-term management structure for our properties using effective, resource-efficient, sustainable systems.

>> Read more on pages 41-47

# The people involved

Those who work at Akademiska Hus consider it a strength that customers' wishes can be satisfied as far as possible through in-house expertise. There is a broad and varied range of skills and know-how within the Company and we represent a whole range of professional roles.

## CORRECT EXPERTISE

Ongoing competence development is vital if we are to satisfy our customers' needs. Competence is largely developed in the day-to-day work with our colleagues although it needs to be supplemented with training. We have established leader development programmes for managers and project leaders, we invest in training in recruitment, labour law, property finance and working environment, and we are constantly endeavouring to coordinate and broaden the range of programmes.

It is important to clarify what the different professional roles need in terms of basic and advanced training. Work is in progress to coordinate and clarify operational and management requirements linked to the working environment.

With 20 years' experience there is knowledge and good working methods throughout the country that could benefit new employees, projects and customers. Our core processes are what we term 'cross-functional fora', which are aimed at developing and refining our working methods. These fora are the key to establishing uniformity and efficiency. We also realise that working with feedback of experience and creating structural capital is a major challenge.

A good example of how we worked during the year is our Company Days, where employees from all parts of the organisation present good examples and new working methods. The seminars address a variety of subjects, including energy optimisation, management and ethics.

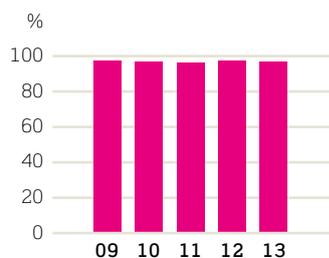
During the past three years we have recruited **more than 100 new employees** into the Company and we expect to maintain this rate in the years to come.

## MAJOR CHALLENGES IN THE PROPERTY INDUSTRY

With an average period of employment of ten years we are in a position to build up long-term expertise. At the same time, we consider it a challenge to deal with the increase in staff turnover as a result of retirements and greater mobility on the labour market. Over the past three years we have recruited more than 100 new employees into the Company – a rate that is set to continue in the years to come.

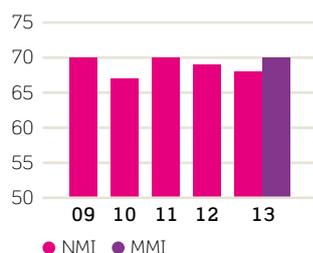
In the property industry we can expect increased competition for expertise, which means that we need to reinforce our employer brand. It also requires us to attract future employees from outside the industry and to encourage young people to apply for training aimed at property and the built environment.

### ATTENDANCE



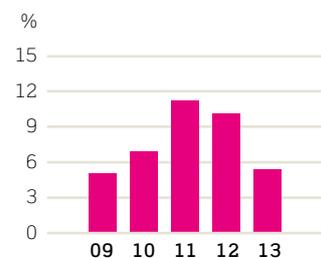
Absenteeism due to illness during the year was 3.0 per cent (2.5), of which long-term absenteeism due to illness was 1.2 (0.8) percentage points. Akademiska Hus works actively with health issues.

### SATISFIED EMPLOYEE INDEX (NMI) AND MOTIVATED EMPLOYEE INDEX (MMI)



2013 was the first year for MMI.

### STAFF TURNOVER



Staff turnover in 2013 was 5.4 per cent (10.1). In 2013, 5 people (9) retired.

“As **project managers** at Akademiska Hus we are involved in many exciting construction projects.

The projects vary from minor tenant adaptations to major new constructions, such as lecture theatres and advanced research laboratories.

Johnny Sanchis and Maria Cheung,  
Stockholm



“As an **energy engineer**, I work close to the management, project and finance unit.

I am responsible for measurements and operational energy optimisation through our energy portal. I also act as a sounding board for the operating technicians.

Magnus Olofsson, Uppsala

“As a **property manager** I am involved in creative work with the customer.

I am responsible for tenant negotiations, results and maintenance plans. I also supervise employees and I take part in construction projects.

Berit Christenson, Alnarp/Malmö



“I work as an **operating technician**.

As operating technicians, our areas of expertise are customer service, inspection and maintenance. We also work with optimising technical systems to ensure they are as energy efficient as possible.

Franco Ittner, Gothenburg



### Gathering skills to build the 'impossible'

We are combining our in-house skills with those of external experts to achieve novel, innovative solutions. A good example is the new, internationally acclaimed Aula Medica at the Karolinska Institute in Stockholm. While the facade is largely made of glass, energy use is low – a technical challenge in the extreme.

### COLLABORATION AND EDUCATION

We already have established collaboration with vocational colleges in our larger regions. We are members, for example, of programme committees and we take in trainees. During the autumn we decided to become involved in the development of a trainee programme for the built environment arranged by CMB (Centre for Management of the Built Environment).

In Stockholm, a student programme commenced during the year aimed at students specialising in the built environment where we offer survey assignments, temporary summer positions and the opportunity to carry out degree projects. A similar arrangement will be introduced in more regions.

My Life is a social company that works with diversity and integration on the Swedish labour market. Its activities include a mentor programme – The Chance of My Life – aimed mainly at people with a foreign background. In 2013, we became a partner company and we have appointed seven mentors who will be involved in the programme in 2013–2014.

### MOTIVATED EMPLOYEES

Motivation and commitment lead to good results and are a key component in employee empowerment. We want our employees to assume responsibility for their personal development and the development of others and to act as good role models in the organisation. To highlight our employees, we have filmed 'ambassadors' in different professional roles who have spoken about their work. The resulting films have been used for communication purposes both internally and externally.

We consider it important to work with our employees and at the same time attract new employees. To help us, we have our annual Employee Survey, a questionnaire for new employees and an evaluation of the different training initiatives.

The Employee Survey is an important means for the Executive Management and other managers to monitor and develop operations although in particular the Company's own working group. The main issues are

employers, duties, skills, leadership, communication, cooperation and organisation.

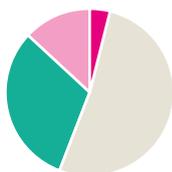
The latest Employee Survey showed that we have an Employee Satisfaction Index (NMI) of 68 (69), which is clearly higher than the average for the private and public sectors (CMA's Employee Survey 2013). To supplement satisfaction with motivation we have for the first time introduced a Motivated Employee Index (MMI), which measures how motivated the employees are in their work. In 2013, the MMI score was 70.

One of the best forms of confirmation a company can receive is when employees feel that they can recommend their employer to someone else, of which 80 per cent of our employees actually do.

### NOMINATED AS NEWCOMER OF THE YEAR

In 2013, Akademiska Hus took part for the first time in the Student and Young Professionals Survey, run by the company Univer-sum, which dealt with their attitude to careers and future employers. The Survey is run at all centres of education in Sweden and has been conducted since the 1990s. Akademiska Hus got off to a very good start (graduate engineers and high school engineers), which resulted in us being nominated as Newcomer of the Year 2013.

#### AGE DISTRIBUTION



Over half of the employees are aged 30 to 50 years.

- Up to 30 years, 4%
- 30 to 50 years, 52%
- 51 to 60 years, 31%
- 61 years and older, 13%

#### EDUCATION LEVEL



The majority of employees belong to the operating technician category with relevant professional training or experience. Management staff frequently have an academic education.

- Secondary school, 2%
- High school/Vocational college, 44%
- Vocational training/operations/property technicians, 11%
- Academic education, more than 30 credits, 11%
- Academic qualification, 31%

#### PERIOD OF EMPLOYMENT



65 per cent of employees have been employed for more than 5 years.

- < 5 years, 35%
- 5-10 years, 17%
- > 10 years, 48%



Chalmers University of Technology, Gothenburg

**BREAKDOWN OF EMPLOYEES ACCORDING TO POSITION AND GENDER**

	Women	Men
Operating technicians	9	133
Property engineers/Operating engineers	3	44
Property managers	8	26
Senior property managers	1	9
Project managers	13	28
Accounting personnel/Administration	49	21
Executive Management	5	6
IT/Communication	20	24
Other positions	10	20
<b>Total</b>	<b>118</b>	<b>311</b>
<b>Proportion in per cent</b>	<b>28%</b>	<b>72%</b>

The proportion of women and men in managerial positions reflects the gender division in the Company as a whole.

# Five-year summary

	Graph	2013	2012 <sup>4)</sup>	2011	2010	2009
<b>INCOME STATEMENTS (SEK M)</b>						
Property management income		5,588	5,511	5,378	5,176	5,115
Operating costs		-889	-870	-885	-939	-866
Maintenance costs		-668	-564	-603	-657	-657
Property administration		-272	-278	-268	-249	-252
Net operating income		3,506	3,588	3,389	3,134	3,149
Change in value, properties		232	-291	361	87	-1,208
Central administration costs		-73	-66	-45	-37	-35
Profit before financial items	1	3,665	3,231	3,704	3,184	1,906
Net financial income/expense		-390	-682	-452	-263	-576
Profit before tax	1	3,275	2,549	3,252	2,921	1,330
<b>PROFIT FOR THE YEAR</b>		<b>2,568</b>	<b>3,149</b>	<b>2,394</b>	<b>2,124</b>	<b>972</b>
<b>STATEMENT OF FINANCIAL POSITION, SEK M</b>						
Fair value, properties	2	57,557	54,677	52,071	49,497	47,723
Other assets		5,785	6,955	9,002	4,029	4,064
Equity		29,614	28,336	26,521	25,406	24,477
Interest-bearing liabilities		23,860	24,212	24,693	18,973	18,782
Other liabilities and provisions		9,868	9,084	9,859	9,147	8,528
<b>CASH FLOW, SEK M</b>						
Cash flow from current operations		3,060	2,126	2,017	2,444	1,761
Cash flow from investments	3	-2,459	-2,388	-1,898	-1,459	-1,123
Cash flow before financing		601	-262	119	985	638
Cash flow from financing		-1,159	-1,081	3,779	-1,175	-771
Cash flow for the year	3	-558	-1,343	3,898	-190	-133
<b>PROPERTY-RELATED KEY FIGURES</b>						
Total yield, properties, %		7.2	6.8	7.8	7.0	4.3
of which direct yield, % <sup>1)</sup>		6.8	7.1	6.9	6.7	6.8
of which change in value, %		0.4	-0.3	0.9	0.3	-2.5
Rental revenue, SEK/m <sup>2</sup>		1,664	1,644	1,599	1,557	1,543
Operating costs, SEK/m <sup>2</sup>		276	272	277	293	271
Maintenance costs, SEK/m <sup>2</sup> (including tenant adaptations)		208	176	189	205	206
Net operating income in relation to administration income, %		63	65	63	61	62
Net operating income, SEK/m <sup>2</sup>		1,089	1,120	1,059	979	986
Level of vacant space, area, %		2.1	2.6	2.6	3.5	3.8
Level of vacant space, rent, %		0.9	1.0	1.2	2.0	1.9
Fair value, properties, SEK/m <sup>2</sup> <sup>2)</sup>	2	16,188	15,504	15,220	14,645	13,896
Energy use kWh/m <sup>2</sup>	4	231	235	239	241	246
Co <sup>2</sup> , kg/m <sup>2</sup>	4	12	12	9	9	14
<b>FINANCIAL KEY FIGURES</b>						
Return on equity after standard tax, % <sup>3)</sup>	5	8.8	6.9	9.2	8.6	4.0
Return on total assets, %	5	6.3	5.7	7.0	6.5	4.4
Interest-bearing net loan liability, SEK m		19,278	18,528	16,778	15,726	15,531
Equity ratio, %		46.8	46.0	43.4	47.5	47.3
Interest coverage ratio, %	6	647	558	619	662	794
Interest cost in relation to average capital in interest-bearing liabilities, %		2.6	4.2	3.0	1.8	3.6
Loan-to-value ratio, %		33.5	33.9	32.2	31.8	32.5
Internal financing level, %	6	124	93	112	151	165
Dividend, SEK m		1,374	1,355	1,245	1,207	1,219
<b>PERSONNEL</b>						
Average number of employees		407	403	396	401	399
Satisfied Employee Index (NMI)		68	69	70	67	70

<sup>1)</sup> Excluding properties under construction.

<sup>2)</sup> Excluding the value of properties under construction and expansion reserves.

<sup>3)</sup> The owner's yield target is that the return on average equity should be equivalent to the five-year government bond interest rate plus 4.0 percentage points viewed over a business cycle. In 2013, the average five-year government bond interest rate was 1.6 per cent.

<sup>4)</sup> 2012 recalculated according to IAS 19R.

## COMMENTS

### 1. Profit

There was positive growth in property management with a stable profit. Rental revenue increased, partly due to completion of new buildings. Net operating income amounted to SEK 3,506 million (3,588). The decrease can be attributed largely to higher maintenance costs in projects. The profit before tax was SEK 3,275 million (2,549). The improved profit is due to the fact that realised and unrealised changes in the value of properties had a positive impact of SEK 232 million (-291) and that net financial income and expense totalled SEK -390 million (-682). The profit before tax, excluding the change in value of properties, was SEK 3,043 million (2,840). The profit after tax was SEK 2,568 million (3,149). The reduction in corporation tax to 22 per cent had a positive impact on the tax expense for 2012 of SEK 1,294 million.

### 2. Fair value, properties

The fair value amounted to SEK 57,557 million (54,677). The unrealised change in value was positive and amounted to SEK 365 million (-262). During the year small changes were made of +/- 0.25 percentage points in

the yield target and cost of capital at a number of our locations. The market focus continues to be on properties with stable cash flows and low rental risk (long leases, tenants with a good credit rating). These factors are to Akademiska Hus's advantage.

### 3. Investments and cash flow

Net investments for 2013 totalled SEK 2,383 million (2,771). Gross investment in properties amounted to SEK 2,754 million (2,908). The remaining holdings in Kalmar were sold during the year. The total sales sum for the year was SEK 243 million (146). The profit before tax was SEK 3,275 million (2,549) and adjustments for items not included in the cash flow in respect of, among other things, the unrealised changes in value of properties, totalled SEK -337 million (226). Following a decrease in current receivables and current liabilities, cash flow from current operations was SEK 3,060 million (2,126).

Investments had a negative impact on cash flow to the amount of SEK -1,159 million (-1,081). The dividend for 2013 was SEK 1,355 million (1,245) and reduced the cash flow from financing operations. The raising of interest-bearing debt changed the cash flow

from financing operations by SEK 196 million (164). Cash flow for the year amounted to SEK -558 million (-1,343).

### 4. Energy use and CO<sub>2</sub>

Energy use per square metre fell during the year from 235 kWh to 231 kWh. We are performing well in relation to our savings target. Carbon dioxide emissions are on the same level as the previous year.

### 5. Return on equity

The average return on equity over five years was 7.4 per cent (5.9) while the target was 6.0 per cent (6.4). The target should be viewed over a business cycle.

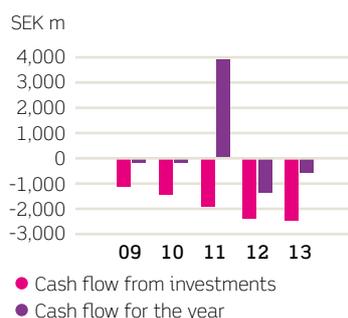
### 6. Interest coverage ratio and loan-to-value ratio

The interest coverage ratio was 647 per cent (558). The internal financing ratio was 124 per cent for the year (93). Net financial income and expense for 2013 amounted to SEK -390 million (-682), of which SEK 2 million (-201) referred to the change in the value of financial derivatives not included in the computation basis for the interest coverage ratio.

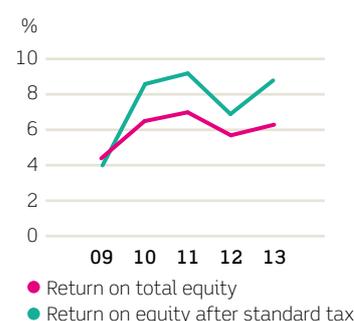
## 1. PROFIT



## 3. INVESTMENTS AND CASH FLOW



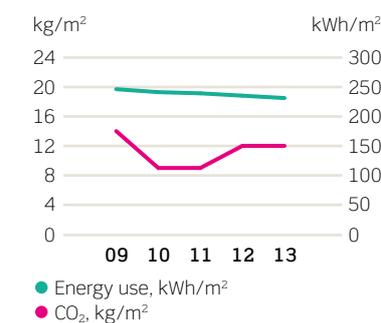
## 5. RETURN ON EQUITY



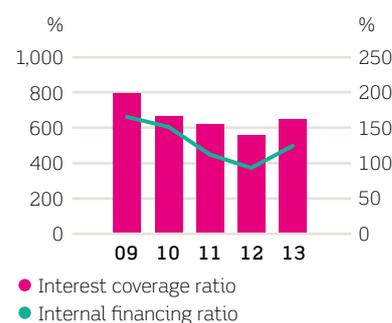
## 2. FAIR VALUE, PROPERTIES



## 4. ENERGY USE AND CO<sub>2</sub>



## 6. INTEREST COVERAGE RATIO AND INTERNAL FINANCING RATIO



# Property Management

Property management can be regarded as an umbrella term used to cover all the technical and financial measures carried out during the life of a building. Property management is a process where quality and content grow and change over time in line with changes in customer needs. The focus in Akademiska Hus property management is on sustaining a high level of quality, resource efficiency and long-term sustainable development. By having a carefully considered strategy that covers areas such as the need for premises and energy supply, in combination with insight into knowledge environments, we can maintain our properties in a way that they retain a high standard over a long period.

Quality,  
resource  
efficiency and  
**sustainable  
development**  
in focus



# Rental revenue, leases and vacant space

## RENTAL REVENUE

Rental revenue for 2013 totalled SEK 5,359 million compared with SEK 5,265 in 2012. The overall increase in the rent level is mainly a reflection of the fact that several new buildings were brought into use during the year.

Due to a low CPI, index-linked increases were marginal. The remaining holdings in Kalmar were sold during the year, which affected rental revenue negatively by approximately SEK 42 million. Rental revenue was on average SEK 1,664/m<sup>2</sup> (1,644). The rent level throughout the country varied from SEK 1,373 per square metre in the Northern Region to SEK 2,068 per square metre in the Stockholm Region. Market conditions and the composition of the premises vary between the regions. A higher proportion of laboratories means higher rent levels. On average, the proportion of laboratories is 34 per cent but with regional variations. The Western Region has 24 per cent laboratories whilst the figure in the Uppsala Region is 46 per cent.

SEK 176/m<sup>2</sup> (180) or around 10 per cent of the rent level can be attributed to the customer's specific requirements, i.e. a supplement for either tenant adaptations or media provision.

Long-term centres of education with a good credit rating are attractive tenants and this has led to an increase in competition in this segment. Renegotiation of existing leases during the year has generally resulted in unchanged or slightly reduced rent levels. Renegotiations refer essentially to specialist buildings where the initial lease has repaid a large proportion of the investment within the initial lease period.

## LEASES

A characteristic feature of Akademiska Hus is long leases with universities and colleges.

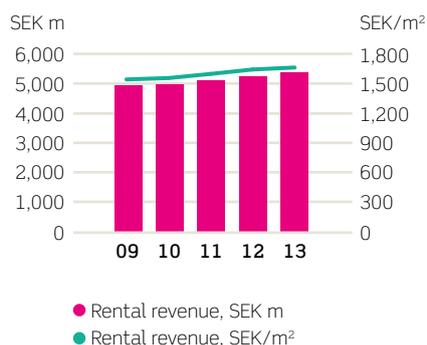
The average term for a newly signed lease is just over 10 years. At the end of 2013, the average remaining lease term was 5.3 years (5.2). Over the past 5–10 years, the remaining lease term has fallen on average by approximately one year. The reason for the fall in the lease term is that a large proportion of Akademiska Hus property holdings were built up during the 1990s following major new construction and redevelopment and substantial refurbishment, often resulting in long leases of ten years or more. The majority of these leases have fallen due for renewal and following renegotiation they have been replaced by

shorter leases, often three years, to satisfy the customer's wish for greater flexibility. A large proportion of the leases are for specialist buildings for research and laboratory operations and the assessment is that the probability of lease renewal is higher at Akademiska Hus compared with other property companies. A shorter lease term does not entail the same risk compared with leases for more general premises. For complex specialist buildings for laboratory and research operations, a lease is normally required where a large proportion of the investment is repaid within the term of the lease, which means leases of 10 years or more. For these premises it could be difficult to find alternative uses without carrying out extensive reconstruction after

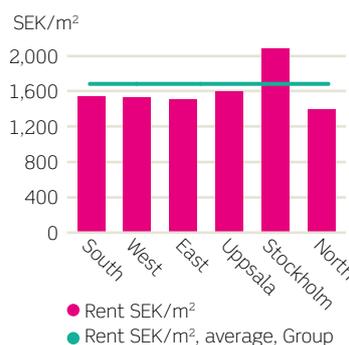
## LEASE PERIODS, REGIONS

Regions	Average lease term, years	Average remaining lease term, years
South	9.2	4.7
West	11.1	4.9
East	8.8	3.7
Uppsala	11.4	6.3
Stockholm	10.5	5.9
North	8.7	4.4
<b>TOTAL</b>	<b>10.2</b>	<b>5.3</b>

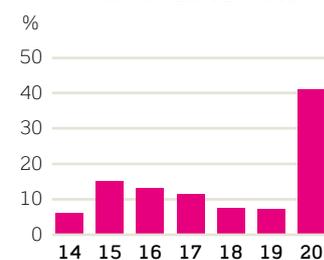
RENTAL REVENUE



RENT LEVEL PER REGION



LEASE RENEWAL STRUCTURE, PROPORTION OF LEASE VALUE



cessation of the lease. Very long leases are required to handle this risk. In the case of new construction and redevelopment, we try in the main to build general premises – premises that can be adapted easily to other activities if the tenant chooses to move.

Akademiska Hus has 1,332 leases with a total rental value (current rent) of SEK 6,230 million. The average lease is for 2,417 square metres with an annual rent of SEK 4.7 million.

During 2013, six per cent of the contract portfolio was renegotiated, equivalent to SEK 339 million in rental value. During 2014, 323 leases will fall due for renegotiation, which is equivalent to 24 per cent of the total number of leases although only six per cent of the lease value.

In future years, there will be a good spread in the lease renewal structure.

#### LEASING AND VACANCY LEVELS

Akademiska Hus specialises in buildings for universities and colleges. Expansion in recent decades at centres of education, with a subsequent need for buildings, has led to a very high leasing level of 97.9 per cent of the floor space. However, with large property holdings, even a very low percentage of vacant space results in considerable volumes without a tenant. Akademiska Hus is following developments on the regional markets very closely in order to minimise vacant space.

The increased need for space at colleges and universities has been satisfied mainly through new construction. This has frequently taken the form of specialist buildings for laboratory and research activities.

At the same time, older, less modern premises become vacant, which need to be developed and adapted to satisfy future needs.

Holdings at the end of 2013 totalled 3,220,294 square metres, of which 3,152,295 square metres have been leased.

Vacant space has fallen from 82,591 square metres to 67,999 square metres, equivalent to 2.1 per cent, compared with 2.6 per cent the year before. The loss of rental revenue resulting from vacant floor space is valued at SEK 50 million, giving a financial level of vacant space of 0.9 per cent (1.0). A large proportion of the vacant space is in simpler premises with a lower than average rental value.

Based on the dialogue that is taking place with the Company's customers and forecasts for the leasing of vacant premises, the level of vacant space is expected to remain at the present level for 2014–2016.

#### VACANT SPACE PER REGION

The region that has the highest proportion of vacant floor space is Uppsala, with approximately 4 per cent. On the Ultuna campus, which accounts for the highest proportion of

this space, parts of the holdings are in poor condition and will be demolished as a new campus gradually emerges.

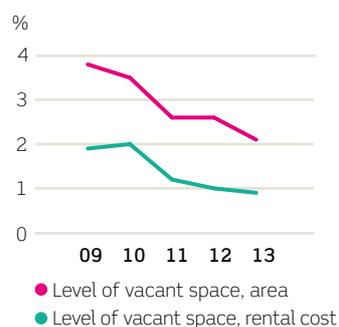
In the Southern, Western and Stockholm regions, vacant space levels are approximately 2 per cent. In the Stockholm Region it is mainly the Kista area that has the highest levels of vacant space. In the Western Region it is the Mathematics Centre at Chalmers University of Technology that has the largest volume of vacant space and in the Southern Region it is mainly the Centre for Chemistry and Chemical Engineering as well as other, less modern premises on the Lund University campus.

In the Eastern Region and Northern Region, levels of vacant space are very low, less than 1 per cent.

#### VACANT SPACE 31-12-2013

Property	Location	m <sup>2</sup>	Loss of rental revenue, SEK m	Vacant since
Mathematical Sciences	Gothenburg	5,666	6.3	2006-01
Ultuna Hamn	Uppsala	5,351	0.0	2012-01
Centre for Chemistry and Chemical Engineering Building 4	Lund	3,764	1.5	2010-10
Clinical Centre Building 3	Uppsala	2,535	1.7	2004-07
Forum	Stockholm	2,417	2.4	2008-04
Terra	Linköping	1,899	1.5	2005-01
KIMAB	Stockholm	1,862	1.5	2012-02
Equipment building	Lund	1,845	0.7	2006-07
SVA, Central Block	Uppsala	1,575	0.8	2006-11
Other properties	Other vacant space	41,085	34	
<b>TOTAL</b>		<b>67,999</b> (2.1%)	<b>50.4</b> (0.9%)	

#### LEVEL OF VACANT SPACE



# Operating and maintenance costs

## OPERATING COSTS

Akademiska Hus has established a new, ambitious goal to reduce energy use. The aim is to reduce the volume of purchased energy per square metre by 50 per cent (40 per cent previously) through to 2025 compared with 2000. An increase from 40 to 50 per cent might appear modest but the fact that this increase is taking place in the middle of an assignment period (2000 to 2025), the rate needs to be almost double. This stricter goal means that the average rate of reduction must be around 3.3 per cent per annum from 2014 if the goal is to be realised.

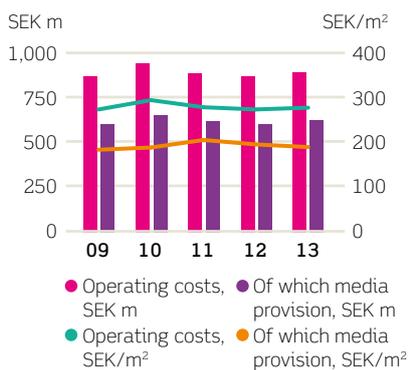
Continued development of technical solutions will mean that buildings will to an increasing extent produce their own energy and thus become self-sufficient.

Operating costs increased slightly during 2013 to SEK 889 million compared with the figure of SEK 870 million for the previous year. This is equivalent to SEK 276/m<sup>2</sup> (272). Media provision accounts for 70 per cent of the operating costs, and amounted to SEK 623 million, an increase from SEK 598 million. This is equivalent to SEK 193/m<sup>2</sup> (187). Energy use per square metre is falling, from 235 kWh to 231 kWh. This is the result of long-term work aimed at operating optimisation and improving energy efficiency.

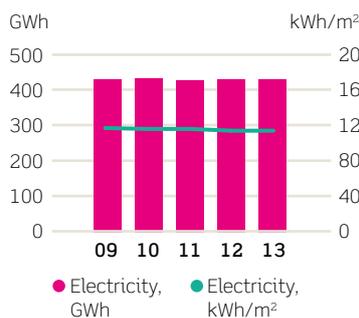
Akademiska Hus laboratory premises total 1.1 million square metres, which is equivalent



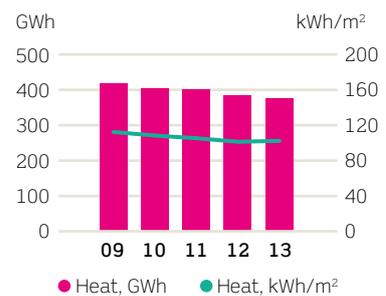
OPERATING COSTS



ENERGY USE



HEAT USE





**Operating costs\*** are costs incurred to keep a property, installation or similar facility functioning. Operating costs are divided into:

- **Media provision.** This covers the supply of electricity, water, fuel, gas, compressed air, district heating and cooling as well as television, radio, telecommunication and computer signals.
- **Monitoring.** This covers monitoring the functioning of a managed building as well as fittings, equipment and reporting of possible deviations. Examples of monitoring include various forms of inspection.
- **Service.** Includes adjustment or care of a managed building: fittings, equipment and replacement or supply of consumables. Examples of service include changing drive-belts and air filters, cleaning and less complicated removal of graffiti.

\*) Source: Property Management Information Association, Property Glossary 2008

to 34 per cent of the property holdings. The high proportion of laboratories means that Akademiska Hus has a relatively high level of operating costs. The technical complexity of the buildings has a tangible impact on operating costs. Many new and redeveloped premises added in recent years have largely taken the form of extensive laboratory facilities, which are more resource-intensive than normal teaching premises, both from an energy point of view and in terms of maintenance and care. Operating costs as a proportion of rental revenue were stable at 17 per cent (17).

Economies of scale when procuring from energy providers as well as co-ordination gains – the best example being procurement of electricity on the electricity exchange Nord Pool – are also contributing to a reduction in operating costs.

To handle variations in the price of electricity, 79 per cent of the estimated use for 2014 had been hedged as at the year-end.

#### ENERGY-SAVING INCENTIVES

The aim is to split the energy cost between Akademiska Hus and the customers effectively and in a way that offers an incentive to both parties to make energy savings. The division of the energy costs is governed in part by the nature of the energy use and in part by the type of building.

The incentive is based on the principle that the party that makes the investment should also receive the financial benefit of the reduction in energy use. Energy work is being focused more and more on investment and the fact that it is the property owner who can influence use the most. In the opposite way to apartments, energy can be saved if the lease is formulated in a way that heating and cooling are included. The reason for this is that investments frequently involve pre-emptive maintenance, where functioning yet energy-inefficient equipment is replaced. To make these investments, it is natural that the property owner also benefits from the reduction in energy use. In the case of electricity, there is not the same clear, contractually dependent link and it is natural that the tenant is charged separately for the power used in its operations – for lighting and computers for example.

Akademiska Hus assumes full responsibility for the energy used in the buildings. Not only do we focus on the energy that is used to operate the buildings, we also include the tenants' power for computers and lighting in our energy objectives. To allow the tenants to follow their use and see the effects of the initiatives they have taken during the year, work commenced on making it possible to report tenant electricity use separately. Further improvements have commenced regarding tenant access to energy statistics via our energy portal. Close collaboration with our customers is a prerequisite if we are to succeed in reducing energy use.

On the regional level, there are variations in the operating cost structure, the most common reasons being:

- Different degrees to which the cost is passed on, particularly for energy, which means different incentives for the tenants to manage their use of energy.
- The age structure of the buildings is of some significance as older buildings are more energy-intensive.
- Locations with technical and medical research and development generally have higher energy use due to the higher proportion of laboratories.

Akademiska Hus is at the forefront in technology in many areas. Smart technical solutions mean that an increasing proportion of our buildings have extremely low energy use. An example is the Student Building at Frescati in Stockholm, which came into use during the year. A good external shell and underground thermal energy storage, in combination with specially manufactured,

#### OPERATING COSTS

SEK m	South	West	East	Uppsala	Stockholm	North	Total
Electricity	53	48	40	73	104	34	352
Heating	28	28	21	40	67	14	198
Water	4	4	2	6	6	4	26
Cooling	6	1	5	3	14	2	31
Steam	3	0	0	0	10	0	13
Energy, other	0	0	0	0	2	0	2
<b>TOTAL MEDIA PROVISION</b>	<b>94</b>	<b>81</b>	<b>68</b>	<b>122</b>	<b>203</b>	<b>54</b>	<b>622</b>
Monitoring and service	44	43	22	51	98	27	267
<b>TOTAL OPERATING COSTS</b>	<b>138</b>	<b>124</b>	<b>90</b>	<b>173</b>	<b>301</b>	<b>81</b>	<b>889</b>
Operating costs in SEK/m <sup>2</sup>	289	246	251	303	323	214	276
of which media provision, SEK/m <sup>2</sup>	197	161	190	213	218	143	193
Proportion of energy cost passed on	33%	29%	35%	58%	46%	27%	42%

highly efficient heat pumps, means that the Student Building has extremely low energy requirements, as low as 25 kW/m<sup>2</sup>. Energy-optimised measures are a consistent feature throughout the 6,000 square-metre building, from the seasonally adapted ventilation system to waste rooms with ozone cleaning instead of cooling and green sedum roofs.

#### ENVIRONMENTAL CLASSIFICATION

Our aim is that all our new buildings will be environmentally classified and at least satisfy the stipulations at Sweden Green Building Council 'Miljöbyggnad' silver certification level. Since 2010, when the Guarantees of Origin of Electricity Act was introduced, Akademiska Hus has only purchased renewable electricity with a guarantee of origin.

To make a serious difference in energy savings, the greatest focus must be on existing holdings and working actively on a daily basis to reduce operating costs, mainly through operational optimisation of existing systems. Work is also taking place where possible and profitable to introduce new, more energy-efficient technical systems. Knowledge of energy use in buildings is a critical area of expertise if efficiency-enhancing measures and technical system changeovers are to be implemented. Examples of changes in technical systems are the large underground thermal energy storage facilities that have been installed in Lund, Örebro, Gothenburg, Kristianstad and most recently in Karlstad.

Day-to-day work on energy follow-up provides a good basis for making decisions regarding improved efficiency and optimisation. The Energy Portal is an IT system for the

collation, follow-up and analysis of energy use. The Energy Portal provides employees with a clear overview of energy use. The system is based on automated energy readings and allows action to be taken on different levels in the system and to measure the effect of investments.

Within Akademiska Hus property operations, the majority of simple, energy-saving measures have already been implemented. To move on in our energy work, more complicated and extensive measures are required.

#### MAINTENANCE COSTS

Akademiska Hus property holdings are generally of a very good standard. This is the result of the extensive maintenance that has been carried out in the past. Because of the measures taken previously, the assessment is that the cost of maintenance can be sustained in the future. However, there was an increase in maintenance costs during 2013 compared with the previous year, mainly in the form of project maintenance.

Maintenance costs for 2013 totalled SEK 668 million (564), of which SEK 77 million (77) refers to remedial maintenance, SEK 239 million (190) to preventive maintenance, SEK 213 million (162) to project maintenance and SEK 139 million (135) to customer adaptations. Average maintenance costs for the year totalled SEK 208/m<sup>2</sup> (176). Remedial and preventive maintenance account for SEK 98/m<sup>2</sup> (83) and project maintenance totalled SEK 66/m<sup>2</sup> (51). Maintenance costs vary between regions, mainly due to project maintenance in conjunction with redevelopment.

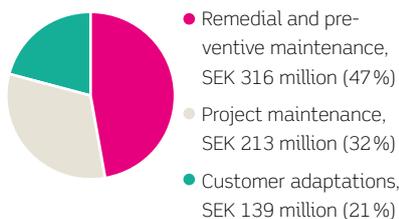


**Maintenance costs\*** are all the technical, administrative and operational measures carried out during the lifetime of a unit with the aim of maintaining the unit or restoring it to such a condition that it can perform the required function. Maintenance costs are divided into:

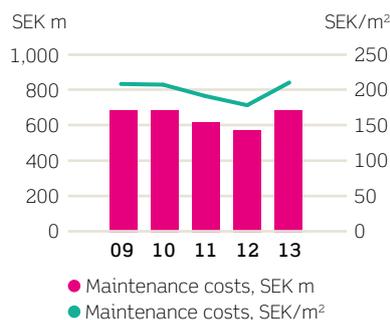
- Remedial maintenance. Maintenance carried out after an operational fault has been discovered and with the aim of restoring the unit to a condition in which it can carry out the required function. An example of remedial maintenance is repairing a roof leak.
- Preventive maintenance. Maintenance carried out at pre-set intervals or in accordance with pre-set criteria with the aim of reducing the probability of a fault in a unit or functional deterioration. An example of preventive maintenance is planned replacement of a ventilation unit.
- Project maintenance. Maintenance measures carried out in conjunction with redevelopment.
- Maintenance measures. Measures carried out in conjunction with a new tenant or the renewal of a lease.

\*) Source: Property Management Information Association, Property Glossary 2008

MAINTENANCE COSTS - PROPORTION



MAINTENANCE COSTS



# Profitability and yield

Property management has reported stable results even if for different reasons – higher operating and maintenance costs for example – net operating income has deteriorated this year.

Net operating income, i.e. rental revenue with a deduction for management costs, comprising operating and maintenance costs as well as property administration costs, totalled SEK 3,506 million compared with SEK 3,588 million the previous year. During 2013, property management income increased by SEK 77 million compared with the previous year and at the same time property management costs increased by SEK 157 million. The increase in rental revenue can be attributed mainly to the completion of new buildings and redevelopment. The rise in property management costs can be attributed largely to increased maintenance costs. The net operating income ratio fell by 2 per cent to 63 per cent, which is on a par with the average for the industry. Development of property management continues to be a high priority and work is continuing generally to raise the net operating income ratio through long-term co-ordination and improved efficiency in property management.

Expressed in SEK/m<sup>2</sup>, the net operating income was SEK 1,089/m<sup>2</sup> (1,120) and varies between the regions from SEK 781/m<sup>2</sup> in the Northern Region to SEK 1,482/m<sup>2</sup> in the

Stockholm Region. The net operating income ratio varies from 55 per cent in the Northern Region to 73 per cent in the Eastern Region.

## YIELD AND TOTAL YIELD

Yield was 6.8 per cent (7.1) of the fair value. The decrease can be explained by the fact that net operating income fell in relative terms and at the same time property values increased.

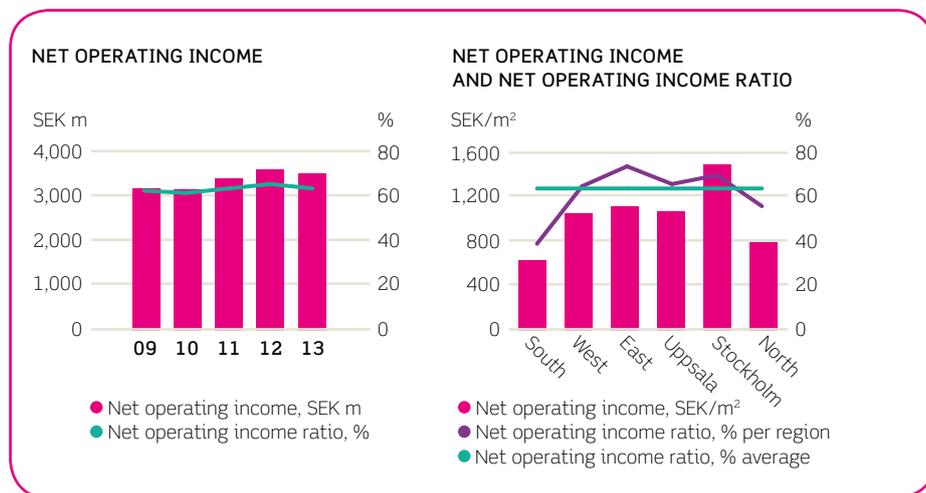
Total yield for 2013 was 7.2 per cent (6.8), where the difference compared with the direct yield is 0.4 per cent (-0.3) and comprises the change in the value of properties. The total yield for 2013 according to the SFI Property Index was 6.8 per cent, of which the change in value was 1.8 per cent and the yield 5.0 per cent. Akademiska Hus properties have a strong net operating income, stable cash flows and a low rental risk, characterised by long leases and tenants with a good credit rating. The geographically extensive portfolio also offers a good risk spread that can benefit from growth in strong regional markets, such as university and college towns and cities. The larger university centres are growing through investment in research and development and the systematic upgrading of their use of premises. The properties fall into the high standard category and there is a strong

demand. They are regarded as relatively secure investments with a stable yield over time.

## RETURN ON EQUITY AND TOTAL ASSETS

The return on equity for 2013 was 8.8 per cent (6.9) and the return on total assets was 6.3 per cent (5.7). The increased return on equity is due to a higher pre-tax profit of SEK 3,275 million (2,549). Net operating income decreased by SEK 82 million whilst the value of properties increased, totalling SEK 232 million (-291). Net financial interest income and expense amounted to SEK -390 million (-682). Return on equity, excluding changes in the value of properties, was 8.0 per cent (8.3). Over the past five years, return on equity, excluding changes in the value of properties, has been between 7.8 and 8.9 per cent, reflecting the stable earning capacity in net operating income.

One of the owner's requirements for profitability is that the return on equity should be equivalent to the average five-year government bond interest rate plus four percentage points viewed over a business cycle. The average return on equity over five years was 7.4 per cent whilst the target was 6.0 per cent.



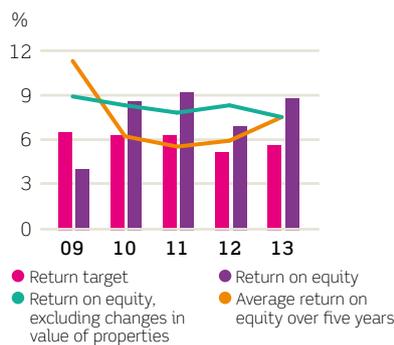


BioCentre, Swedish University of Agricultural Sciences, Ultuna

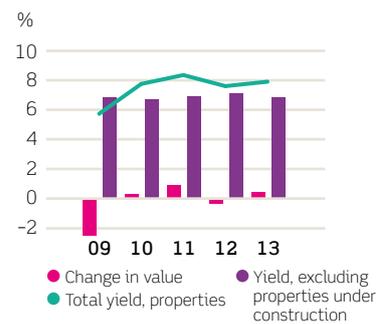
### INCOME AND PROFIT



### RETURN ON EQUITY



### TOTAL YIELD



# Rent setting

The Akademiska Hus rent setting system is based on a series of factors where negotiations with the tenant are the foundation. Below is a presentation of how rents for premises are set.

**A**kademiska Hus follows the remit assigned to it by the Swedish Government and we are expected to charge rents that are in line with market terms and conditions. This means that on a free market we should offer universities and colleges premises in competition with other property companies. A market share of 62 per cent makes us the leading property owner for universities and colleges.

We want to be a long-term partner in the development of operations at Swedish centres of education by offering unique expertise and maintaining a local presence. Our good financial capacity also means that we can invest in and support the development of the centres of education even in times of recession and financial unrest. This is a source of security for our customers, a guarantee for the development of Sweden as a nation of knowledge and one of the principal strengths at Akademiska Hus.

Akademiska Hus rents comprise a basic rent, which should cover operating, maintenance and capital costs, and sometimes a supplement for tenant adaptations. The rent is charged to customers centrally, and they in turn frequently rent out premises to their own operating units within the university or college and charge what is normally called internal rent.

## 1 Basic rent

Akademiska Hus basic rent is always the result of an agreement reached following negotiations. During negotiations the parties take a number of factors into account. The property business is capital-intensive and major investments need to be financed. Consequently, capital costs, such as interest and yield, are factors that we must take into consideration.

Two further factors are location and the standard of the premises. The Akademiska Hus remit includes rent that is charged in line with market terms and conditions and in relation to similar premises at the location in question. It is most common for premises in inner-city areas to be more expensive than premises in more peripheral areas. Advanced premises, such as laboratories or research premises, are more expensive to build and operate.

The basic rent can be rent where the property's operating costs are included in the price, or it can exclude the cost of electricity, heating and water, which are then charged as a supplement. The

elements that are included are subject to negotiation.

The operating cost part of the basic rent can be variable. The market price of electricity can fluctuate, as can the tenant's level of use. In this case and in several similar cases, Akademiska Hus's size is an advantage when we purchase directly on the electricity exchange Nord Pool.

As a property owner and manager, we have considerable responsibility for the long-term preservation of the properties. Funds need to be allocated for preventive maintenance and for unforeseen and in some cases emergency measures.

The risks that are intrinsic to the role of property owner are also something that we bring to the negotiating table. Increased operating and maintenance costs as well as possible vacant space when a lease comes to an end are aspects that we need to take into account.

If the parties wish, newly constructed specialist premises, such as laboratories, could carry a rent that is based more on



costs – what is termed cost rent. Cost rent means that the tenant pays rent equivalent to actual costs, such as operating, maintenance and capital costs. The choice of a cost rent affects the long-term risk assessment, which means that the leases that are signed are often for a longer period.

The lease agreement, which follows standard agreements for the industry, includes an index clause that means that the whole or part of the basic rent is adjusted at regular intervals based on changes in the consumer price index (CPI), i.e. current price levels in society.

Step 1, **basic rent**, and step 2, **tenant adaptation**, make up the rent paid to Akademiska Hus. **The internal rent**, the third step, is a matter between the centre of education and its departments.

## 2 Tenant adaptation

Needs can vary depending on who uses the premises and the type of operations that are carried on there. In those cases where we need to redevelop and adapt the property in line with specific requirements, the cost is met by the tenant in the form of a supplement to the basic rent. The rent supplement is frequently paid for an agreed period of time to cover the costs resulting from the adaptation.

## 3 Internal rent

The majority of centres of education in the country apply an internal rent or a 'local service cost' when they pass on the Akademiska Hus rent to the departments. Apart from the premises used by the departments, the internal rent includes rent for communal areas, such as restaurants, student areas, staff rooms and corridors.

The centre of education can also charge a supplement to the internal rent for the cost of signage, technical systems, security, cleaning and empty premises.

This then results in the internal rent, in the form of rent per square metre, charged by the centre of education to the departments being higher than the rent per square metre charged to the centre of education by Akademiska Hus.

### RENTS IN LINE WITH THE MARKET AVERAGE

Rents are in line with the market in general despite extensive and regular work being done in the form of special adaptation measures and quality enhancement based on the wishes of the customer. We do our utmost to reduce operating costs and save energy in the properties to the benefit of the environment and our customers. Our size presents us with considerable coordination opportunities and we measure our efficiency through, among other things, the net operating income ratio.

Since 1993, rent costs as a proportion of our customers' total cost mass have remained at 13–14 per cent.

We report the rent levels for all our properties throughout the country in the property specification on pages 125–139. The rents listed are the rents before any supplements are levied by the centre of education.

### PROPORTION OF COST OF PREMISES FOR THE COUNTRY'S CENTRES OF EDUCATION



The proportion of total costs for centres of education that are attributable to premises has fallen slightly over the past ten years.

Source: Swedish Higher Education Agency



# Investments

Our endeavour in recent years to satisfy the significant demand for premises for higher education and research has been reflected in a very large investment portfolio. Projects for the coming years are focused on Stockholm and Uppsala with several large new construction projects, although there are major current or planned projects in Gothenburg and Lund.

The true extent of our investments can be seen clearly when we total not only what remains to be done but also the investments that we have made so far. Over the past five years we have invested SEK 11 billion in properties and current projects. The past year, 2013, was no exception; we completed properties worth around SEK 2.3 billion and at the same time current projects increased from approximately SEK 4 billion to SEK 4.5 billion.

## INVESTMENT PROCESS

Akademiska Hus investment operations are pursued in accordance with a systematic evaluation process. From the point at which a project is identified together with the customer it passes through different decision

gates. At each stage the project is analysed in increasing detail according to established decision criteria. For projects in excess of SEK 30 million, the final decision is reached by the Akademiska Hus Board of Directors.

## OUR CONSTRUCTION PROJECTS

Many projects have a long planning horizon and extend over many years. The starting point in property development is normally the campus plans, where we have a systematic, future-oriented dialogue with the tenants. The normal process is for concept projects to be identified in consultation with the customer. These are assessed as probable within a five-year period although there is a degree of uncertainty with regard to the scope and implementation period. The project

is then concretised even further. At this stage there is normally an agreement between Akademiska Hus and the customer regarding the division of costs incurred should the project fail to materialise. The project is then classified as a planned project.

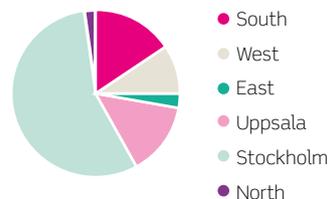
## THE INVESTMENT PORTFOLIO IS DIVIDED AS FOLLOWS

SEK m	2013	2012
Decided projects	12,400	13,600
of which already invested in current projects	-4,500	-4,000
Remainder for investment in decided projects	7,900	9,600
Planned projects	8,800	8,600
<b>Remainder of decided and planned projects</b>	<b>16,700</b>	<b>18,200</b>
Concept projects	4,400	3,900
<b>Remaining projects</b>	<b>21,100</b>	<b>22,100</b>

The different investments are categorised as

- Decided projects are projects that have a project framework that has been decided using a delegation procedure.
- Planned projects are projects with an inquiry or planning framework, where some form of arrangement or agreement exists between the Company and the tenant.
- Concept projects are projects which, following a discussion with the customer or an analysis by the Company, are considered probable within a five-year period.

## TOTAL PROJECT PORTFOLIO



# Construction process

Akademiska Hus is a key party in the development of the campuses and learning environments of the future, where together with others we will contribute to dialogue and collaboration based on our respective areas of expertise. We are currently one of the largest property developers in the country. This puts us in an important position when it comes to promoting sustainability issues from a broader perspective.

## LONG-TERM SUSTAINABILITY

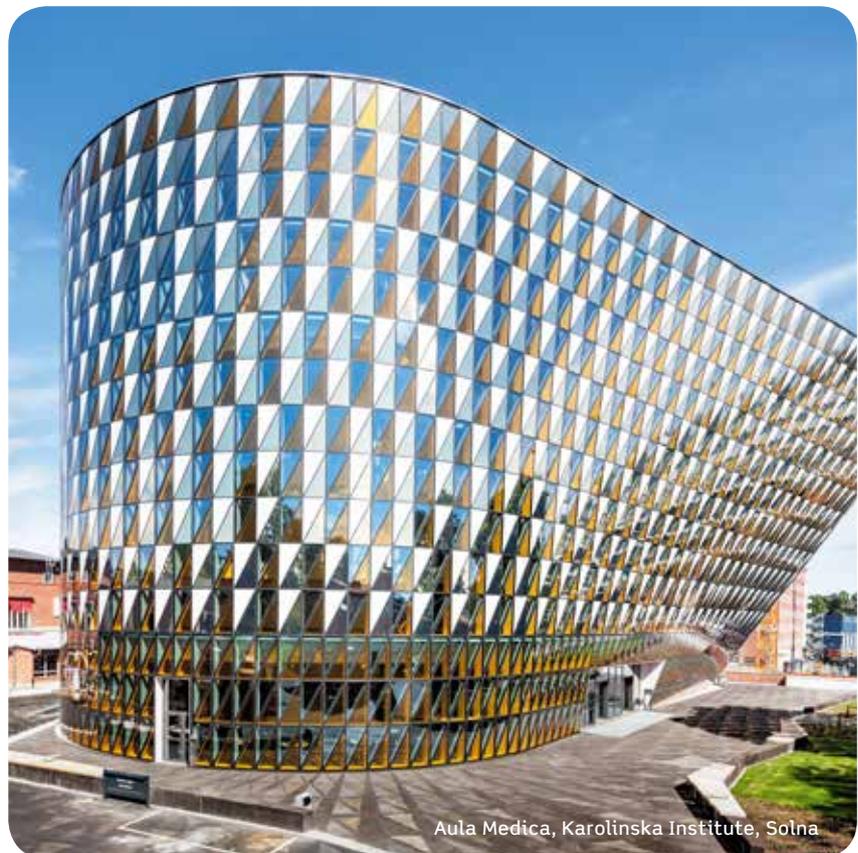
Akademiska Hus develops campuses with buildings that are competitive and usable in the long term and we manage these properties in a responsible, efficient, environmentally adapted way using the customer's operations and needs as a starting point. The buildings are characterised by good architecture, good construction techniques and good installation technology. They have a high degree of generality and they are energy and environmentally efficient. We work with technical solutions that are at the very forefront in technology but which have been tried and tested sufficiently to assure the function of the buildings and the indoor environment in the long term.

## NEW TECHNICAL PLATFORM

Akademiska Hus has developed a technical platform for choosing technical system solutions where the focus is on effective, resource-efficient, sustainable methods and approaches. The platform is managed and developed continuously using internal and external experts in a range of fields.

We have for a long time made impact assessments in our construction projects when choosing systems and materials and in 2013 a joint company process was developed for this work. Each survey includes several assessment criteria, where the final choice is based on an objective and carefully considered appraisal. To achieve the best outcome, the final choice ought to be made at an early stage in the project and thus influence planning during the subsequent construction documentation stage.

Using the BIM (Building Information Modelling) process method, there is enormous potential to establish a more efficient construction process, particularly by optimising mate-



Aula Medica, Karolinska Institute, Solna

rial use in projects. With simpler, more efficient reporting of material volumes, the amount of waste and the number of variants can be kept to a minimum. Akademiska Hus is currently running a number of projects in which BIM methodology is being used and where the emphasis is on analysing material volumes.

## ENVIRONMENTAL ASSESSMENT

In cooperation with other parties, Akademiska Hus has worked for many years to produce

a common system for the environmental assessment of construction products, what is known as BVB 'Byggarubedömningen'. BVB has been developed into a well-recognised system, supported by various bodies in the industry. Our basic premise is that products that are assessed as 'To be avoided' must not be used unless there are particular reasons or arguments for doing so. We also stipulate that sub-suppliers, both consultants and contractors, use the BVB system.

Environmental assessment of materials according to the BVB declarations is relatively extensive and apart from chemical content, the system also includes the materials and material components included as well as information regarding manufacturing, transport, packaging and handling of the material at the user stage and in conjunction with waste disposal and demolition. This provides an overall picture of the total environmental impact that a material or product generates during its life cycle. However, we can see development potential by also including social aspects – in conjunction with manufacturing for example.

To achieve a long-term effect, it is vitally important that Akademiska Hus and other bodies in the industry support BVB to ensure more extensive documentation in the form of correct, reliable and comprehensive assessments.

#### INDOOR ENVIRONMENT

We assume responsibility for the indoor environment following the strategic decision that

all our new buildings and major redevelopments should achieve a least silver level in the 'Miljöbyggnad' certification system. This system includes stipulations regarding noise levels, air quality, moisture, thermal climate, daylight and water quality.

The phasing out of hazardous substances is another vital element in the creation of a good indoor environment. This is assured through our demand that BVB is used for all building materials.

Moisture is a health risk in a building. That is why we place considerable emphasis on ensuring that moisture is dealt with correctly during the planning phase. Moisture experts are brought into the project organisation and we demand that each contractor has a person in its construction organisation who has specific responsibility for moisture.

The health and well-being of the tenants is our first priority. If different environmental aspects were to conflict, such as energy efficiency and indoor environment, Akademiska Hus would prioritise a good indoor environment.

Long-term  
sustainability  
in focus



### Solna. Opened 2013

## Aula Medica, Karolinska Institute

With Aula Medica, the Karolinska Institute has acquired a world-class building and a landmark in the emerging Hagastaden area. Aula Medica was inaugurated on October 11, 2013.

Aula Medica is a technically complex building that presented major challenges, not only for Akademiska Hus as the long-term property owner but also for the Karolinska Institute as tenant. It required innovative working methods and conscious choices on the part of both the Akademiska Hus property management organisation and the Karolinska Institute. Aula Medica is of vital importance in putting the Karolinska Institute firmly on the map in the new city area of Hagastaden, which through to 2025 will expand into a leading international Life Science cluster.

With its spectacular glass facade, Aula Medica certainly stands out and the building contrasts sharply with the other low, traditional, brick-built campus buildings. The façade covers 6,000 square metres and has 5,700 panes of glass. The glass panes have variations on six different colours to highlight the triangulation optimally. The facade leans up to 33 degrees with an overhang of 23 metres across Solnavägen.

The hall can seat up to 1,000 visitors. There are also offices, conference facilities, restaurants and a cafeteria. The Nobel Lec-

tures, symposia and professorial inaugurations are just some examples of the events that will take place there.

Aula Medica has recently been environmentally certified according to Green-Building and 'Miljöbyggnad' silver level. That an icon building made of glass has been environmentally classified on this level is an outstanding achievement.

## INTENSIFIED ENERGY WORK

During new construction we specify, among other things, material properties and environmental requirements, which are presented in a way that very low energy use is achieved during the operating phase. Our specification is based on the stipulations laid down in 'Miljöbyggnad' to secure silver level certification although it can also be made stricter depending on the prerequisites and level of ambition. During each new project at least one new alternative supply system must be examined. The most common alternative is underground thermal energy storage.

The latest example of the use of geothermal energy is the Student Building at Frescati in Stockholm, which was brought into use in August 2013. The estimated energy for heating and cooling is a record-low 25 kWh per square metre per year, which can be compared with the more normal level of 150 kWh.

## AKADEMISKA HUS – BUILDING FOR THE FUTURE

The project portfolio includes a range of decided and planned projects.

*The largest decided projects are:*

- Biomedicum in Solna for the Karolinska Institute totalling SEK 2,822 million. Biomedicum will be one of the largest medical research facilities in Europe. Scheduled for completion in 2018.
- The Veterinary and Domestic Animal Centre (VHC) in Uppsala totalling SEK 1,390 million. It will be the only university animal hospital in Sweden and it will be the foremost research centre in Europe within veterinary medicine and domestic animal science. Scheduled for completion in 2014.
- The Royal College of Music in Stockholm totalling SEK 834 million. A large new building that will in a very exciting way combine innovative architecture with listed

stables and riding school buildings. Scheduled for completion in 2016.

- Skandion Clinic for Uppsala University totalling SEK 765 million. The Clinic is the first clinic in the Nordic Region where proton rays are used for cancer treatment. This is a collaborative project involving seven county councils, each of which has a university hospital. Scheduled for completion in 2014.
- Uadm totalling SEK 760 million for Uppsala University. Uppsala University needs new premises for university management on the Plantskolan block in the Blåsenhus area.
- Niagara in Malmö totalling SEK 745 million. With Niagara, Malmö University is seeking to concentrate its activities at Universitetsholmen and create new, purpose-designed buildings for the Faculty of Culture and Society and the Faculty of Technology and Society. Scheduled for completion in 2015.



Architects: Sweco Arkitekter.

## Umeå University. Decided 2013 Humanities Building

Akademiska Hus is rebuilding the Humanities Building at Umeå University to adapt it to modern pedagogical approaches and new working methods. The project is a vital part of Umeå University's ambition to establish the creative and interactive knowledge environments of the future.

The Humanities Building dates from 1972 and is one of the oldest buildings on campus. The building will now be modernised to bring it in line with present-day teaching methods, which are based on the students being more active and with a great deal of group work.

In the heart of the building a number of self-contained rooms will be demolished to create space for an open study area beside the teaching rooms and cafeteria. The area will comprise in part a creative section,

offering a pleasant, open atmosphere, and in part an interactive and more technically focused study environment that can be used in combination with teaching and for individual or group study. The transformation will reinforce conditions for students and researchers to meet and to develop by sharing knowledge with each other.

A new main entrance will also be constructed and will open up the Humanities Building to receive the flow of students

making their way there from other parts of the campus.

The redevelopment also includes an inner courtyard that will be opened up with the aid of a glazed section facing Vindarnas torg. The building will also have a 500-square-metre, two-storey extension.

The Humanities Building will be environmentally classified according to the 'Miljöbyggnad' certification system. The building is planned to be completed and ready for occupation in autumn 2014.



## Stockholm. Construction start 2013

# School of Architecture at the Royal Institute of Technology

Akademiska Hus is building a new, oval four-storey building for students of architecture at the Royal Institute of Technology (KTH). They will have a stimulating, creative environment in the very heart of the campus. At the same time, a new entrance building will be constructed as well as a new entrance area that will also form the main entrance to the whole of the KTH campus, reinforcing the profile of KTH even further.

The buildings are 14,300 square metres in size. The aim is to allow the new, four-storey oval building to become a stimulating and creative architectural environment and to make the new entrance building into a natural meeting point on campus for students, researchers and teachers.

Despite the fact that the School of Architecture is part of KTH, the School has been off-campus since 1970. The move to new premises, centrally located on the KTH

campus, will open up opportunities to reinforce collaboration with other parts of KTH.

The School of Architecture will include studios, design rooms, offices, group rooms and computer rooms. In the centre of the building there will be an open hall that will function as a meeting place and exhibition area. The design rooms are open plan with a 360-degree view and with potential for the space to be divided into smaller units.

The top floor of the building will also have roof terraces, with a view of the Royal Institute of Technology and Stenstaden to the south.

Both Akademiska Hus and KTH have laid down strict climate and environmental stipulations and the buildings will be classified according to the 'Miljöbyggnad' system.

The new Architecture Building is expected to be ready for occupation in August 2015.

### *The largest planned projects are:*

- Albano in Stockholm totalling SEK 3,700 million. With Albano, Stockholm will have a completely new campus district at Norra Djurgården. Its geographical location between Stockholm University, the Royal Institute of Technology and the Karolinska Institute is strategically important for the future development of Stockholm as a city of science. Albano will first and foremost house university activities but it will also have accommodation for students and visiting researchers. Planning for the area will focus firmly on sustainable development

according to socioeconomic urban planning principles and where biological diversity is combined with traditional urban values, such as proximity and a wide range of facilities. The area will include ecosystem services, such as surface water ponds, green facades, green roofs and plants to attract birds and insects.

- Ångström Stage IV for Uppsala University. The project will total SEK 1,100 million. The building is intended for the Department of Information Technology and will house teaching premises and a hall.

**COMMISSIONED PROJECTS, DECEMBER 31, 2013 >SEK 100 MILLION**

Project name	Location	New construction/ redevelopment	Total investment, SEK m	Customer	Lease, years	Annual rent, SEK m
Biomedicum	Solna	New construction	2,822	Karolinska Institute	20	207
Veterinary and Domestic Animal Centre	Uppsala	New construction	1,390	Swedish University of Agricultural Sciences	20	106
Biomedicum Comparative Medicine	Solna	New construction	886	Karolinska Institute	20	50
Royal College of Music	Stockholm	New construction and redevelopment	834	Royal College of Music	20	44
Skandion Clinic	Uppsala	New construction	765	Association of Local Authorities, Advanced Radiation Treatment	25	46
Uadm	Uppsala	New construction	760	Uppsala University	20	49
Niagara	Malmö	New construction	745	Malmö University	10	52
HVC-Nord	Uppsala	New construction	590	Swedish University of Agricultural Sciences	20	47
School of Architecture and the KTH Campus Entrance	Stockholm	New construction and redevelopment	436	Royal Institute of Technology	15	29
LUX	Lund	New construction	432	Lund University	10	32
V-Building	Lund	New construction and redevelopment	326	Lund University	10	26
BMC entrance - examination halls	Uppsala	Redevelopment	270	Uppsala University	20	15
ICT School	Kista	Redevelopment	205	Royal Institute of Technology	10	21
BMC Scilife	Uppsala	New construction	176	Uppsala University	10	5
Vision Library	Stockholm	Redevelopment	154	Stockholm University	10	43
Redevelopment for Construction Engineering and Design	Stockholm	Redevelopment	121	Royal Institute of Technology	10	12
Civil Engineering Building	Stockholm	New construction and redevelopment	111	Royal Institute of Technology	11	21
Humanities Theatre	Uppsala	New construction	102	Uppsala University	20	7

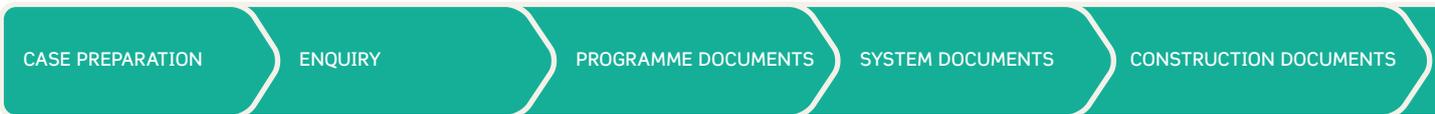
**COMPLETED PROJECTS, DECEMBER 31, 2013 >SEK 50 MILLION**

Project name	Location	New construction/ redevelopment	Total investment, SEK m	Customer	Lease, years	Annual rent, SEK m
Aula Medica	Solna	New construction	510	Karolinska Institute	25	37
KISP Gamma Base	Solna	New construction	363	Karolinska Institute	15	27
Student Building	Stockholm	New construction	212	Stockholm University	10	15
Materials Science	Stockholm	Redevelopment	197	Royal Institute of Technology	10	26
Former Red Cross Hospital	Stockholm	Redevelopment	157	Royal Institute of Technology	10	18
Ultuna Campus	Uppsala	Redevelopment	154	Swedish University of Agricultural Sciences	20	9
Mathematics Annex	Lund	Redevelopment	103	Lund University	10	8
Swerea Kimab Electrum 3	Stockholm	Redevelopment	96	Swerea Kimab	14	17
Forensic Medicine	Gothenburg	New construction	68	National Board of Forensic Medicine	20	5
Manillaskolan	Stockholm	Redevelopment	66	National Agency for Special Needs Education and Schools	6	19
Forensic Medicine	Gothenburg	New construction	64	Västra Götaland Region	10	5
Ultuna Central Supply	Uppsala	New construction	59	Swedish University of Agricultural Sciences	20	7
Eden	Lund	New construction and redevelopment	58	Lund University	10	10
Education Studios	Stockholm	Redevelopment	57	Stockholm University	10	3
Disaster Medicine Centre	Linköping	New construction	55	Linköping University	10	6

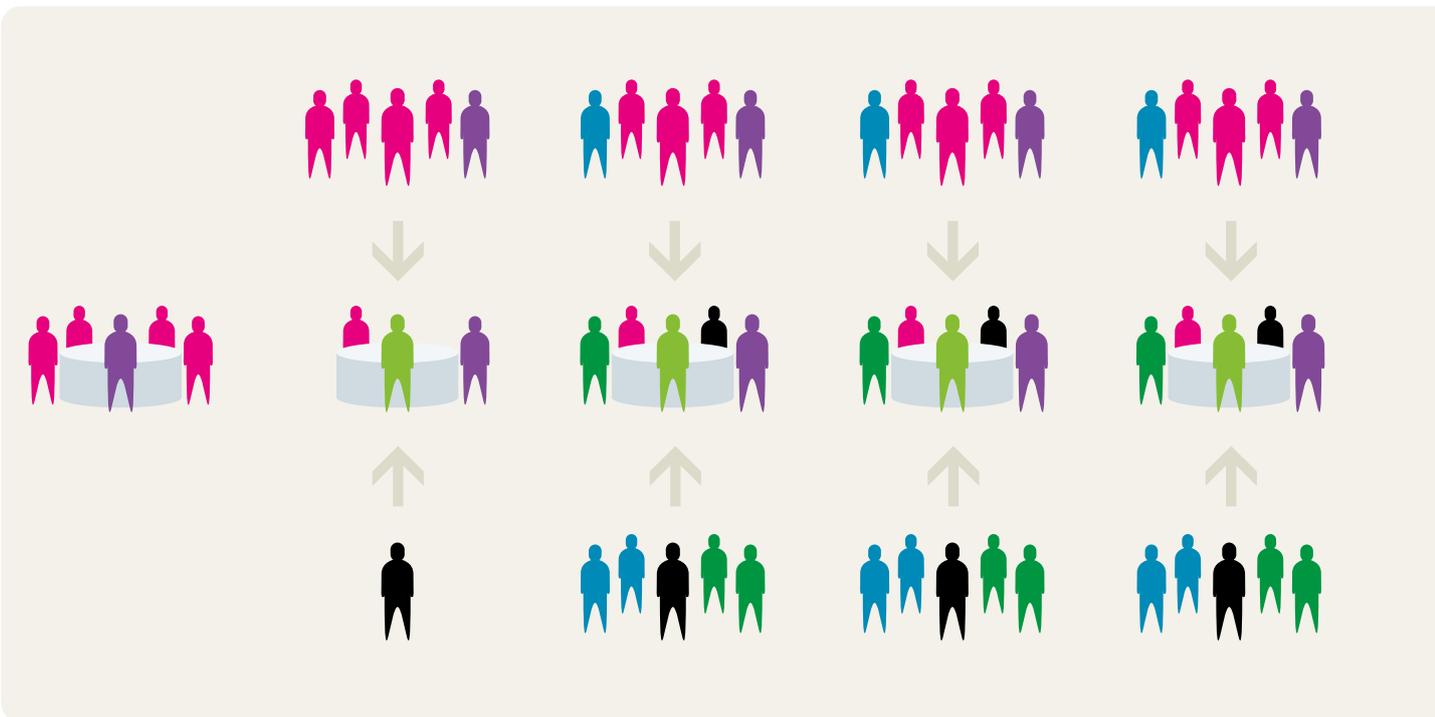
# The construction process – true collaboration!

The Akademiska Hus construction process takes place close to the customer. We have a well-developed culture and concrete programmes are in place for a democratic, inclusive planning procedure. We have developed this culture together with our tenants over many years. The construction process in our major projects is complicated, often stemming from the complexity and size of the buildings and the demands of the tenants. To allow the tenants' operational representatives to rapidly immerse themselves in the planning and construction processes, we have developed a guide – Project Management for Tenants.

Everyone is involved in the end result. As it could very well be the first time in their professional lives that they are involved in a major construction project, it is vital that everyone can quickly understand what needs to be done and how they can all work together and with a holistic perspective firmly in focus. This also applies to a large degree to our consultants and contractors. They, like our own personnel, should be able to understand and interpret operational requirements to ensure that those requirements eventually result in a functional, efficient building. In a large project, there could be several hundred



STAKEHOLDERS



• USER



• CUSTOMER

Premises planning coordinator, project coordinator, interior designer, environmental specialist, economist, security specialist, telecommunications/computer specialist, environmental coordinator, operating technician, operating engineer, property manager, water and sewage coordinator, electrical coordinator.



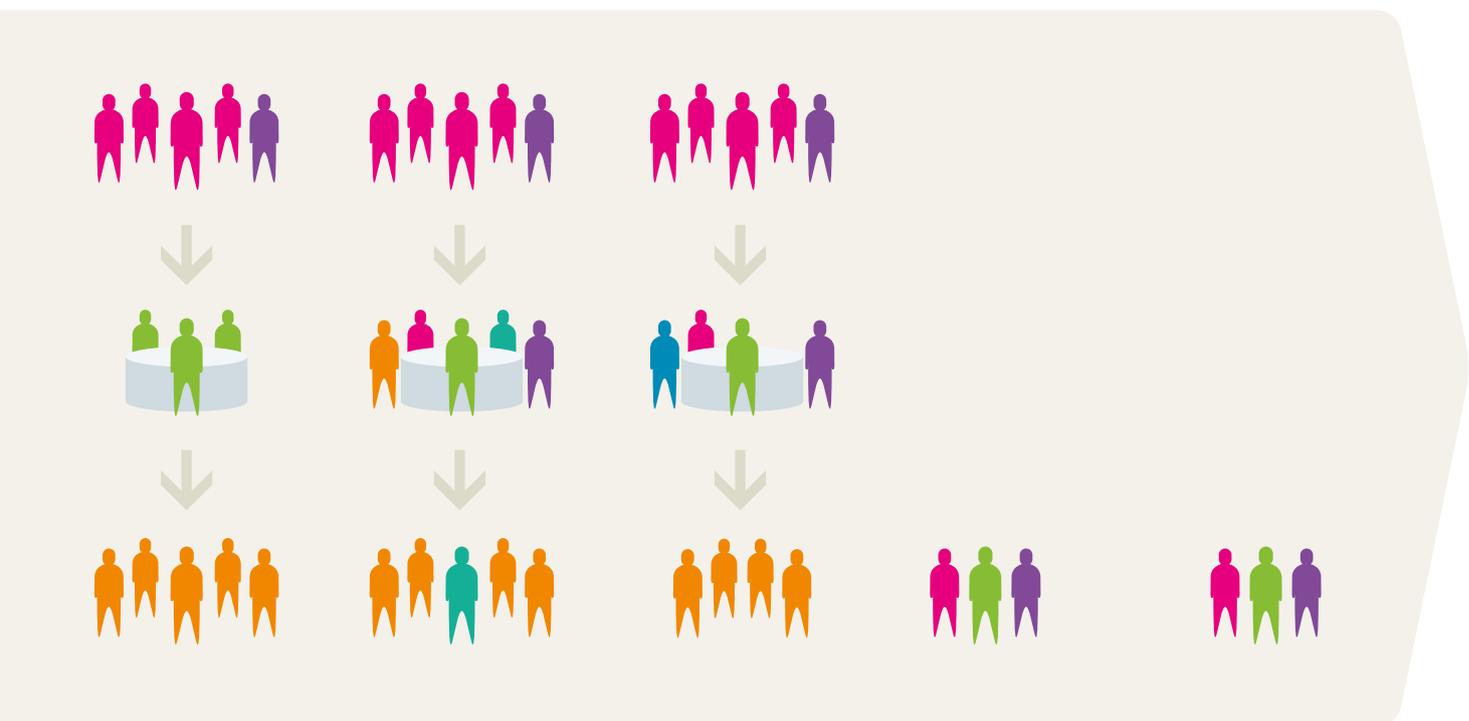
• AKADEMISKA HUS

Construction manager, project manager, economist, power coordinator, water and sewage coordinator, property manager, operating engineer, operating technician.



• ARCHITECT

people who are affected. This number could grow to thousands if all the people who in some way supply or contribute to a new building are also included. The best results can be achieved when as many of these people as possible can truly identify themselves with the project in question and the common goals that have been set.



• CUSTOMER'S CONSULTANTS

Interior design architect, telecommunications/computer engineer, audio-visual systems specialist, security expert, catering coordinator.



• AKADEMISKA HUS CONSULTANTS

Designer, water and sewage specialist, electricity specialist, fire expert, acoustics specialist, geo-engineering specialist.



• CONSTRUCTION SUPERVISOR



• CONTRACTORS

Designer, water and sewage specialist, electricity specialist, fire expert, acoustics engineer, geo-engineering specialist, ventilation engineer, plumbing expert, control/monitoring specialist, sprinkler technician, land/excavation engineer, interior designer, telecommunications/computer specialist, security expert, audio-visual systems specialist.

# Prospects and forecast

## Focus on efficiency and development

Investments during the past five years totalling SEK 11 billion have resulted in a significant expansion in the property holdings. By investing in new, cost-effective properties we can meet the challenges of the future.

**F**uture investment in our property portfolio has two dimensions. Firstly, the universities' increasing investment in research has resulted in new, complex laboratories. Secondly, the emphasis is on Stockholm and Uppsala. The main reason for this is that the large centres of education, where the focus is on research, have received research grants that necessitate new premises. The project portfolio therefore consists to a large extent of properties that contain specially-adapted laboratory premises and which presuppose an initial lease term of 20–25 years. The realisation of the investment portfolio is expected to increase the average remaining lease term as it is properties with long leases that are being added to the portfolio.

During the coming years many of our projects will be completed and new projects will commence. In the project portfolio, it is the decided projects, at a value in excess of SEK 12 billion, that will affect the financial statements in the immediate future. The investment portfolio not only includes new construction but also redevelopment and refurbishment of existing properties. The planned projects have normally not advanced that far that they entail a significant impact, which will instead materialise a few years hence.

The sector of the property market in which Akademiska Hus operates is characterised by limited variation in rent levels and vacant space compared with the commercial property market. As the average lease length is considerably longer than in the property market in general, changes in yield targets

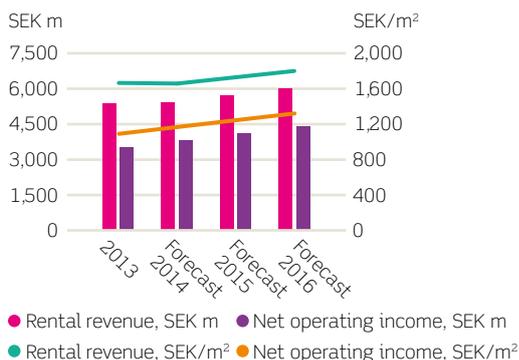
will have an impact although with a certain time lapse and a greater spread. The challenge facing us in the property holdings is to be found in the more specialised buildings, where alternative use after 20–25 years could be uncertain.

### FORECAST

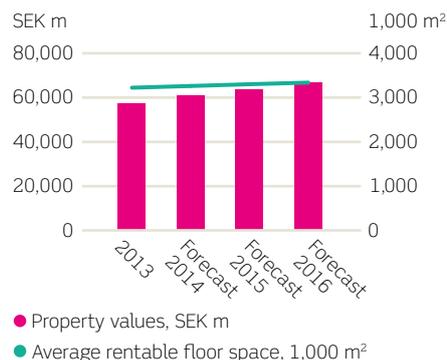
Akademiska Hus makes annual analyses of long-term operating trends. The analysis is an integral part of ensuring that our property operations are pursued with a high degree of efficiency and cost awareness. In the forecast we take into account the projects that are gradually being completed.

Key parameter assumptions in the forecast are presented in the table on the next page. No changes in the value of properties are forecast and nor are acquisitions or sales.

#### PROPERTY OPERATIONS



#### PROPERTY HOLDINGS



**FORECAST ASSUMPTIONS**

	2013	2014	2015	2016
Increase in cost		2%	2%	2%
October index, CPI	314.4	2%	2%	2%
Salary increase		3%	3%	3%
Cost of capital		2.75%	3%	3%

Future yield is also expected to remain stable at around 7 per cent. The developed property holdings will become increasingly efficient and it is expected that economies of scale can be utilised.

During the construction period, the large project portfolio will result in a charge on the cash flow in the form of interest expense/charges. The interest coverage ratio will be weakened slightly during this period. It will then strengthen as the new properties begin to generate rental revenue.

The table below shows the forecast for the forthcoming three-year period.



Flemingsberg Campus

**FORECAST**

	2013	Forecast 2014	Forecast 2015	Forecast 2016
<b>PROPERTY HOLDINGS</b>				
Average rentable floor space, 1,000 m <sup>2</sup>	3,220	3,250	3,300	3,350
Property values, SEK m	57,557	60,800	63,900	66,900
Net investment in properties, SEK m	2,379	3,500	2,800	3,500
<b>KEY FIGURES</b>				
Net operating income, SEK/m <sup>2</sup>	1,089	1,173	1,259	1,322
Yield, properties, %	6.8	6.9	7.1	7.2
<b>FINANCIAL KEY FIGURES</b>				
Rental revenue, SEK m	5,359	5,400	5,700	6,000
Net operating income, SEK m	3,506	3,800	4,100	4,400
Profit before tax, SEK m	3,275	3,300	3,500	3,800
Equity ratio, %	47	47	47	47
Return on equity, %	8.8	8.7	8.8	8.9
Interest coverage ratio, %	647	800	750	700

# Regional overview

In Sweden there are 51 centres of education in 29 towns and cities. Akademiska Hus is by far the largest property owner specialising in Swedish centres of education with a market share of 62 per cent of the total floor space. Our market presence is strongest in university towns and cities although we are also represented at several college locations.

Akademiska Hus operations are divided into **six regions**. An overview of the key figures for the different regions and the whole of Akademiska Hus can be found in the tables on the opposite page.



## INCOME STATEMENT (SEK M)

Region	South	West	East	Uppsala	Stockholm	North	Other operations	2013	2012	Change
Rental revenue	725	761	535	900	1,919	520	-1	5,359	5,265	94
Other property management income	30	57	9	36	81	15		229	246	-17
Total income	755	818	544	936	2,001	535	-1	5,588	5,511	77
Costs <sup>1)</sup>	-438	-297	-149	-332	-627	-239		-2,082	-1,923	-159
Net operating income	317	521	395	604	1,374	296	-1	3,506	3,588	-82
Yield	5.0%	7.7%	9.0%	7.4%	6.5%	7.3%		6.8%	6.9%	-0.1%
Net operating income ratio	42%	64%	73%	65%	69%	55%		63%	65%	0%

## KEY DATA

Fair value, SEK m	7,094	6,955	4,648	11,050	23,633	4,177		57,557	54,677	2,880
Fair value, SEK/m <sup>2</sup>	13,376	13,433	12,569	14,242	23,867	10,823		16,188	15,504	684
Rentable floor space, m <sup>2</sup>	475,873	503,149	358,284	571,902	932,863	378,223		3,220,294	3,207,528	12,766
of which teaching premises	50%	65%	45%	31%	42%	58%		47%	47%	0%
of which laboratory premises	34%	24%	36%	46%	33%	29%		34%	34%	0%
Vacant space, area	2.2%	2.0%	1.0%	4.3%	1.7%	0.8%		2.1%	2.6%	0.5%
Net investment, properties, SEK m	298	118	65	1,050	806	42		2,379	2,771	-392

<sup>1)</sup> Of which operating costs - media provision	94	82	69	122	201	54		622	598	-25
Operating costs - monitoring and service	42	41	21	47	94	26	-5	267	271	-13
Maintenance	140	96	40	104	195	93		668	564	34
Property administration	20	25	15	25	45	14	128	272	281	9

## CUSTOMER CATEGORIES, DECEMBER 31, 2013

	Total rented floor space, m <sup>2</sup>	Proportion	Total rent, SEK m	Proportion
Universities and colleges	2,693,937	84%	4,771	89%
Other government agencies	107,414	3%	197	4%
Municipal authorities	49,087	2%	71	1%
Institutes and foundations	28,383	1%	41	1%
Others	273,474	8%	230	4%
Vacant space	67,999	2%	49	1%
<b>TOTAL</b>	<b>3,220,294</b>	<b>100%</b>	<b>5,359</b>	<b>100%</b>

## TEN LARGEST CUSTOMERS, DECEMBER 31, 2013

	Total rented floor space, m <sup>2</sup>	Proportion	Total rent, SEK m	Proportion
Lund University	345,970	10.7%	602	11%
Uppsala University	277,441	8.6%	505	9%
Stockholm University	242,496	7.5%	516	10%
Linköping University	208,110	6.5%	315	6%
Swedish University of Agricultural Sciences	203,273	6.3%	286	5%
Gothenburg University	201,346	6.2%	346	6%
Royal Institute of Technology	201,099	6.2%	428	8%
Karolinska Institute	198,744	6.2%	578	11%
Umeå University	192,017	6.0%	259	5%
Chalmersfastigheter AB	125,698	3.9%	163	3%
<b>TOTAL</b>	<b>2,196,194</b>	<b>68%</b>	<b>3,998</b>	<b>74%</b>

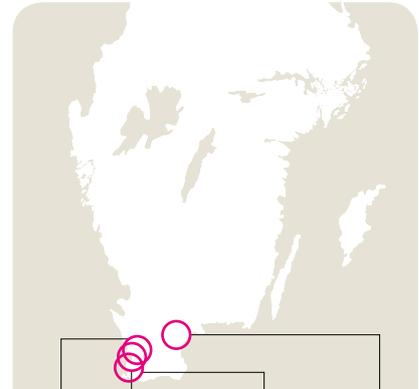
# Southern Region

In the Southern Region, the holdings are mainly in Lund. At Malmö University we own the Faculty of Odontology building and one of our major new construction projects is taking place on the Niagara block. There are also substantial holdings at the Swedish University of Agricultural Sciences in Alnarp and at Kristianstad University. The remaining property holdings in Kalmar were sold during the year.

**T**he Southern Region, with Lund University, Malmö University, the Swedish University of Agricultural Sciences in Alnarp and Kristianstad University, make up one of the foremost university regions in Europe. Lund University, which was founded in 1666, has for several years been ranked among the 100 best universities in the world. It is one of Sweden's leading centres of education and the largest Akademiska Hus customer. Lund has for many years experienced an acute lack of student housing. In 2013, Akademiska Hus allocated land in Lund with the aim of creating 1,000 new student housing units by 2017. The Swedish University of Agricultural Sciences runs operations within landscape planning, horticulture and agricultural science. Malmö University is a young university where entrepreneurship is a feature of many of the course programmes.

## PROPERTY MARKET

Investment in the infrastructure in the region is also creating development potential on the property market. In Malmö, the City Tunnel was opened in 2012 and in Lund there are plans in progress to develop public transport along 'Kunskapsstråket'. In time, this could result in densification potential on Akademiska Hus campuses. In 2013, there was an unusually high number of transactions in Lund, including a major sale in the Ideon area. In Malmö, the situation has been considerably calmer. Malmö University is currently re-distributing its property holdings and in Lund the holdings are in a constant state of development and transformation.



LOCATIONS	Lund	Lomma	Malmö	Kristianstad
Population, December 31, 2013	114,291	22,496	312,994	81,009
Number of full-time students 2012	27,828	838	12,561	5,146
Rent trend	→	↗	→	→
Level of vacant space, %	6-14	5-10	8-12	7-12
Vacant space trend	→	→	→	→
MARKET SHARE				

Source: Swedish Higher Education Authority statistics database, Statistics Sweden, NAI Svefa, ESV etc.

**Student housing on campus.** The lack of student housing is one of the major challenges in Lund. Together with Lund University and Lund Municipal Authority, we will create at least 1,000 new student housing units on campus over a three-year period.



# Western Region

In the Western Region, Akademiska Hus has property holdings at Gothenburg University and Chalmers University of Technology in Gothenburg, at Borås University, at Karlstad University and at Skövde University. There are also properties at the Lovén Centre on the island of Tjörnö and the Lovén Centre at Kristineberg, both of which belong to Gothenburg University.

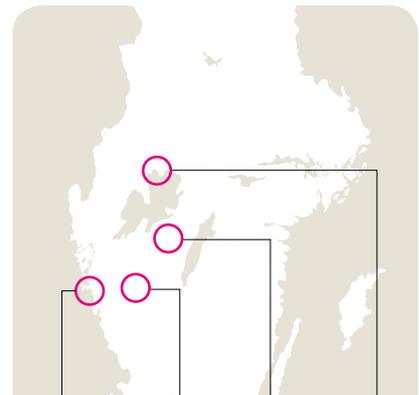
**G**othenburg University is one of the largest universities in northern Europe. It is also one of the most popular universities in Sweden with the highest number of applicants for programmes and courses. Research and education takes place in some 40 departments and within the majority of disciplines, making it one of the broadest and most multifaceted centres of education in the country. Chalmers University of Technology continues to be at the forefront in research. One of the benefits of Karlstad University is a positive housing market for students. Skövde University offers 43 undergraduate programmes and ten master's programmes. Borås University has several unique course programmes at, among others, the Swedish School of Textiles and the Swedish School of Library and Information Science and consequently attracts students from all over the country.

## PROPERTY MARKET

Transaction volumes in central Gothenburg during the year were good. Prices and yield targets were on a par with previous years. New construction and refurbishment have led to additional modern, cost-effective premises that have pushed up rent levels. In the older holdings there is a risk of an increase in vacant space and a decrease in rent levels as a result of a fall in demand. In central Gothenburg, the non-residential property holdings have in recent years been concentrated even further among a small number of providers. In Borås, Karlstad and Skövde the holdings are dominated by local and regional provid-

LOCATIONS	Gothenburg	Borås	Skövde	Karlstad
Population, December 31, 2013	533,271	105,995	52,859	87,786
Number of full-time students 2012	33,752	5,690	4,048	8,093
Rent trend	→	→	↗	↗
Level of vacant space, %	6-12	4-12	3-8	6-10
Vacant space trend	→	→	↘	→
MARKET SHARE				

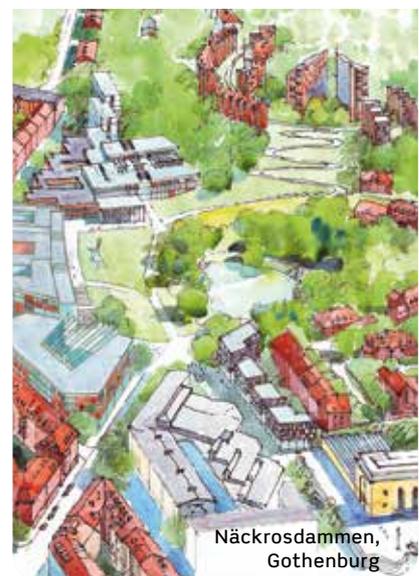
Source: Swedish Higher Education Authority statistics database, Statistics Sweden, NAI Svefa, ESV etc.



## Näckrosen – a developed city campus

By bringing together activities at the Faculty of Humanities, the Faculty of Arts and the University Library, Gothenburg University is seeking to create a unique, open, interdisciplinary meeting point. Akademiska Hus, in cooperation with the Property and Land Management Office, the City of Gothenburg and the property company Higab, have conducted an enquiry into the potential to develop the area on behalf of the University and the City of Gothenburg.

ers, which also means a more stable market. The levels of vacant space remain largely unchanged although with slightly falling levels in attractive locations. In Borås, the development of Simonsland (an area for textiles, fashion and design) is in progress and in Karlstad development of the area around the central station is expected to contribute to positive growth on the property market.



Architects: Claudius.

# Eastern Region

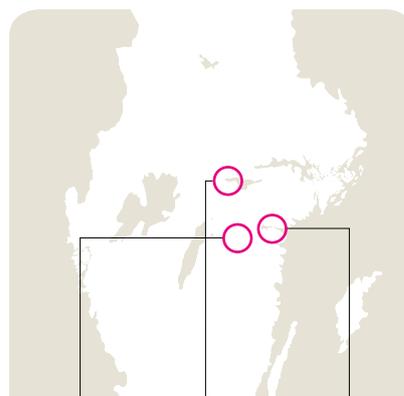
Akademiska Hus property holdings are located mainly in Linköping, where Linköping University is the largest tenant. Our holdings in Norrköping also have Linköping University as a tenant. Holdings in Örebro are tenanted by Örebro University. The holdings also include Grythyttan.

**T**he twin towns of Linköping and Norrköping make up the fourth city region in Sweden and Örebro is the seventh largest municipality. Linköping University operates in both Linköping and Norrköping. There continues to be considerable demand for places at the University. Linköping University is a well-established programme university with advanced, vocationally oriented programmes that make up the main body of the course programmes. The University is popular and Linköping students are among those who establish themselves most rapidly on the labour market and who have the highest average salary one year after graduation. Linköping University has moved up to number 40 in the world list of young universities in a new ranking compiled by the prominent QS World University Rankings. Örebro University is a relatively young university and is competitive thanks to its unified campus. Many of the education buildings are new and of a high standard. The housing situation is also good.

## PROPERTY MARKET

During 2013, Linköping had a strong office market and rents remained largely unchanged or increased slightly and there was little vacant space. Transaction activity in the region was relatively low during the year. There are plans for Vallastaden, a completely new city district beside the Valla Campus, where the aim is to link up the University and the town. The availability of centrally located premises is somewhat limited and consequently companies have focused on the Mjärdevi area. Collaboration between the University and Mjärdevi Science

LOCATIONS	Linköping	Örebro	Norrköping
Population, December 31, 2013	150,202	140,599	133,749
Number of full-time students 2012	14,280	9,295	3,570
Rent trend	→	↗	→
Level of vacant space, %	3-7	4-10	5-10
Vacant space trend	→	→	→
MARKET SHARE			



Source: Swedish Higher Education Authority statistics database, Statistics Sweden, NAI Svefa, ESV etc.

**Increased cooperation with the University in Linköping.** We have signed a declaration of intent with the University and the local authority to work actively with new energy-efficiency technologies. A project is in progress in which electric hybrid vehicles are being developed together with the Department of Electrical Engineering.

Park is extremely important for the development of Linköping. In Norrköping, the turnover of commercial properties continues to be low. A slight rise in rents can be detected for premises in central Norrköping. Ostlänken, an express rail link between Linköping and Stockholm, will be of major significance to growth in the region and will also have a positive effect on the regional property market. Rents in Örebro are also rising, particularly for modern premises. Several new construction projects are in progress, affecting the availability of office premises and resulting in a more fluid office market.



Ångström Building,  
Linköping University

# Uppsala Region

In this region, Akademiska Hus has operations in central Uppsala for Uppsala University, in Ultuna for the Swedish University of Agricultural Sciences, and in Gävle for Gävle University. On the Ultuna Campus we are running an extensive transformation project in cooperation with the Swedish University of Agricultural Sciences.

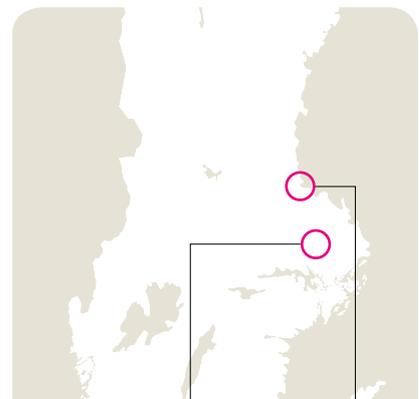
**U**ppsala University is one of the highest ranked universities in northern Europe. The University is the oldest in the Nordic region, founded in 1477, and it offers a vibrant cultural environment and a very rich and varied student life. The University has improved the efficiency of its premises with renewal and densification of individual buildings and whole campuses. Together with the Swedish University of Agricultural Sciences we are conducting an extensive transformation of the Ultuna Campus, making the campus more unified and space-efficient. Investments in Ultuna total approximately SEK 3.5 billion.

Gävle University is a modern university with a strong environmental profile, where the built environment and health-promoting working life are the University's overall research profiles.

## PROPERTY MARKET

There was a relatively low level of transactions in Uppsala during the year. One major transaction took place at the beginning of the year when Rikshem sold its shareholding in Studentstaden (the company that owns student housing in Uppsala). The company will now be wholly-owned by Uppsalahem. On the office rental market there is a slight upward trend in rent levels for modern office premises. The industrial base is made up of large public sector agencies and private enterprises, both of which are expanding. On the Ultuna Campus in Uppsala a cohesive and more vibrant campus is currently emerging.

LOCATIONS	Uppsala	Gävle
Population, December 31, 2013	205,199	97,236
Number of full-time students 2012	25,071	6,054
Rent trend	→	→ ↗
Level of vacant space, %	5-10	5-10
Vacant space trend	→	→
MARKET SHARE		



Source: Swedish Higher Education Authority statistics database, Statistics Sweden, NAI Svefa, ESV etc.

**Green cluster in Ultuna.** Together with the Swedish University of Agricultural Sciences, the National Veterinary Institute and other bodies, we are in the process of creating a green cluster, with small and medium-sized enterprises in sectors linked to research at Ultuna. This is an incubator environment where successful research can subsequently break away and grow.

Parts of the holdings in Ultuna are in poor condition and will be demolished. Other premises that are in good condition have an established rent level of SEK 1,000–1,300 per square metre. The rental market and level of vacant space in Gävle are stable even if the closure of the Ericsson plant has meant that large volumes of floor space have come onto the market in stages.



Soil-Water-Environment Centre, Swedish University of Agricultural Sciences, Ultuna

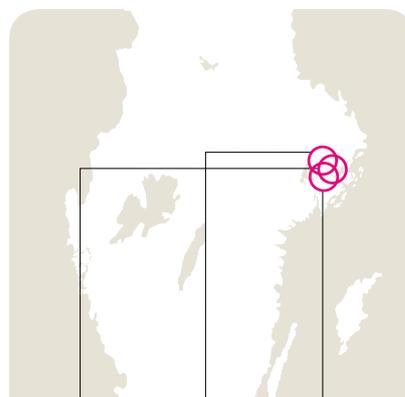
# Stockholm Region

The Stockholm Region is the largest market for Akademiska Hus in terms of rental revenue and rentable floor space. The property holdings comprise the different campuses in Stockholm as well as substantial holdings in Solna and Huddinge. The largest tenants are Stockholm University, the Royal Institute of Technology and the Karolinska Institute.

**I**nternational competition is resulting in the three largest centres of education in the Stockholm region forging closer links. Stockholm University and the Karolinska Institute are ranked in several lists among the 100 best centres of education in the world. Stockholm University is the country's largest centre of education and one of the most attractive. The Royal Institute of Technology has a first-rate reputation as a university of technology and accounts for one-third of Sweden's technical research capacity and training of engineering graduates. The Karolinska Institute is today one of the most important medical universities in Europe and the largest centre in Sweden for medical education and research. In total, Akademiska Hus has nine tenants in the Stockholm Region, where Stockholm University is the largest and the University of Dance and Circus the smallest.

## PROPERTY MARKET

There is a stable demand for office premises in the inner city of Stockholm. During 2013, rents increased in A-locations. Solna also experienced a slight upturn in rents and falling vacant space. A number of major transactions were completed during the year. Among other things, GE Real Estate disposed of its entire holdings to Kungsliden and NCC sold the newly constructed property Torsplan in Hagastaden to KLP. Large-scale investments are being made in projects throughout the city in conjunction with major infrastructure initiatives.



LOCATIONS	Stockholm	Solna	Huddinge
Population, December 31, 2013	897,700	72,740	102,557
Number of full-time students 2012	49,479	6,189	6,475
Rent trend	→	→ ↗	→
Level of vacant space, %	4-10	6-10	8-14
Vacant space trend	→	→ ↘	→

## MARKET SHARE

(Stockholm including Solna and Huddinge)



Source: Swedish Higher Education Authority statistics database, Statistics Sweden, NAI Svefa, ESV etc.

## Major investment in student housing.

6,000 new student housing units will be constructed in the Stockholm Region, an initiative that is taking place under the banner 'Student Housing Fair, Stockholm 2017'. The initiative is supported by Akademiska Hus in collaboration with seven municipal authorities, the County Administrative Board, the Royal Institute of Technology, Stockholm University, the Karolinska Institute, Södertörn University, SSCO/SSSB and the County of Stockholm Association of Local Authorities. Integrating student and research accommodation into the campuses is a competitive factor that will create attractive universities and appealing university towns and cities.



Artist's impression, student housing, Royal Institute of Technology, Stockholm

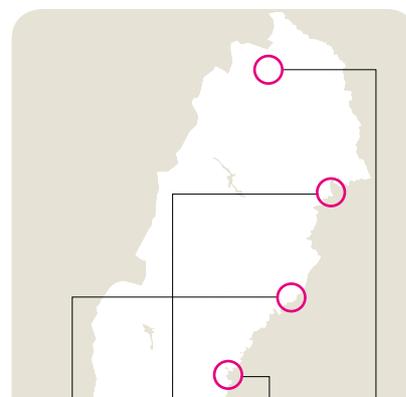
# Northern Region

Akademiska Hus property holdings in the Northern Region are located mainly in Umeå and Luleå. Umeå is a distinct university town and is the European Capital of Culture 2014. The largest tenant is Umeå University. In Luleå, there is Luleå University of Technology. In Sundsvall there is the Åkroken Campus, where Mid Sweden University is our largest tenant.

**U**meå University is one of the largest centres of education in Sweden. The University has a wide range of course programmes in the majority of disciplines. Student accommodation is a problem in Umeå. Intensive work on land planning for more student housing during the year will result in a sale of land in Umeå and Luleå in 2014 for the construction of 350 student apartments. Luleå University of Technology has a large number of course programmes of which the master of engineering programme is the largest. In Sundsvall, there is Mid Sweden University and the Åkroken Campus is a key factor in the development of Sundsvall. Sundsvall has been voted the most student-friendly town in the country on several occasions.

## PROPERTY MARKET

The number of transactions in the region is traditionally low and purchasers are mainly local and regional bodies. The rental market in both Umeå and Luleå were good during the year, with rising rent levels for the centrally located holdings. On the road leading into Luleå, up to SEK 1 billion will be invested in a planned retail centre. In Umeå, IKEA and Ikano will establish a department store and shopping centre on the southern approach to the town and this will almost certainly have a positive impact on the local property market. In Sundsvall, the demand for modern premises has been generally good.



LOCATIONS	Umeå	Luleå	Sundsvall	Kiruna
Population, December 31, 2013	118,349	75,383	96,978	23,196
Number of full-time students 2012	17,239	8,348	2,639	0
Rent trend	→↗	→	→↗	→
Level of vacant space, %	3-8	5-9	3-9	5-9
Vacant space trend	→	→	→	↘
MARKET SHARE				

Source: Swedish Higher Education Authority statistics database, Statistics Sweden, NAI Svefa, ESV etc.

## Learning environments of the future.

What is the significance of the physical and digital environment to education and research? Akademiska Hus is investing SEK 5 million in two research projects focusing specifically on learning environments for the future and this will form part of a major initiative at Umeå University. The exciting results that emerge will be of use to us in the development of new knowledge environments throughout the country.



Architects: Sweco

Humanities Building,  
Umeå

# Property valuation

The fair value of Akademiska Hus properties as at December 2013 was SEK 57,557 million (54,677). Investment in new construction and redevelopment totalled SEK 2,750 million (2,901). Acquisitions amounted to SEK 4 million (7) and sales amounted to SEK 375 million (146).

**T**he fair value has been calculated by means of an internal property valuation covering all the Company's properties.

The unrealised change in value for the year is SEK 365 million (-262). The fair value per square metre is SEK 16,188 (15,504).

Future-oriented indicators reveal a cautious improvement in the Swedish economy during 2014.

As regards the rental market, however, the assessment is still largely a lack of movement over the next few years although certain strong submarkets could improve slightly. The assessment is that any improvement would be largely due to the previously low level of construction and a demand for premises that is mainly driven by the tenants' desire to improve the efficiency of their use of floor space and reduce their total area. This would mean that rent levels in terms of kronor per square metre could conceivably rise in certain cases. The assessment is that there will be a continued strong demand for modern, flexible premises of a high technical standard in good communication locations and a slightly lower demand for older, less flexible premises in less attractive locations.

As regards the property investment market, the assessment in 2014 is also that it will be mainly the growth areas – and in that case the city regions – that will attract property investment capital. It is also probable that it will continue to be housing, new and redeveloped modern offices in good communication locations, logistics properties and community properties that will attract most capital. However, property investments are also governed by factors such as interest rates, access to credit and demand for alternative investment properties, which always make future forecasts of this nature slightly uncertain. Based on the current state of the market and the forecasts for the coming year, it is still our assessment that the market yield targets for Akademiska Hus properties will continue to be stable in the short term.

#### AKADEMISKA HUS MARKET SEGMENT

The geographically diverse portfolio offers a good risk spread. Akademiska Hus property holdings are primarily on campuses in established university towns and cities. The properties fall into a market segment that is normally designated community properties. There has been a strong demand

for Akademiska Hus properties for many years and, in contrast to commercial properties in general, they are considered to be a good form of investment with a stable yield irrespective of fluctuations in the economy.

A characteristic feature of Akademiska Hus is very long leases with stable customers with a good credit rating. Around 90 per cent of income derives from the dominant customer group, universities and colleges. All universities and colleges that are our customers, apart from Chalmers University of Technology, have the Swedish government as principal and thus have a high credit rating. The average remaining lease term is 5.3 years (5.2).

It is mainly the larger university cities, such as Stockholm, Uppsala, Lund and Gothenburg, that are growing following investment in higher education and research. The result is that centres of education in these cities could need to upgrade and adapt use of premises to a greater extent than other centres. This concurs well with the Akademiska Hus project portfolio, where 72 per cent of the decided and planned projects are in the Stockholm and Uppsala regions.

#### CHANGE IN THE VALUE OF PROPERTY HOLDINGS DURING 2013, SEK M

Opening fair value	54,677
Investment in new construction and redevelopment	2,750
Acquisitions	4
Capitalised interest expense	136
Sales and disposals	-375
Change in value, unrealised	365
of which change in value as a result of a change in the cost of capital and yield target	105
of which a change in value due to the change in the assumed rate of inflation	-22
of which a change in value due to a change in the value index (mainly average remaining lease term)	162
of which capitalised interest expense	-136
of which completed projects, revaluations of cash flows etc.	256
<b>Closing fair value</b>	<b>57,557</b>

SEK 53,023 million (92 per cent) of the fair value was set through an internal cash flow valuation. Other properties were valued individually using the valuation method that was deemed most appropriate.

**MARKET RISK**

All property holdings are exposed to the market risk associated with property. Even Akademiska Hus property holdings are subject to this type of risk exposure and we need to handle variations in general yield targets attributable to investor preferences shifting to other types of assets, the construction and contracting market, financial opportunities, changes in legal requirements and political decisions.

**PROPERTY RISK**

Properties are in a fixed location, permanent and capital-intensive. The property-specific risk premium should therefore reflect the fact that properties have poorer liquidity than financial assets as well as the location and condition of the property, the length of the lease, the payment capacity of the tenant, the net operating income, the technical risk, the environmental load and the possibility that the level of vacant space can change.

The conclusion is that as an investment, properties must generate a higher yield than risk-free interest.

**RESIDUAL VALUE RISK**

Akademiska Hus operates in a specific segment of the property market, which means that our properties are more adapted to specialist uses and consequently they have a slightly more uncertain residual value than for more general properties, such as office

buildings and residential buildings. This means that many of our properties are not available for new tenants or other purposes without substantial redevelopment. After an initial calculation period, assessment of the residual value needs to reflect the more property-specific risks in more concrete terms. At the point at which the residual value is set, an assessment is made of the uncertainty with regard to modernity, standard/condition, technical risk and redevelopment and adaptation requirements. These risks are quantified mainly as charges on the cash flow rather than in the yield target.

**VALUATION METHODS**

The Akademiska Hus valuation models comply with good market practice in the property industry and the cash flows and yield targets used are justified in the light of both property-specific and industry-specific conditions. The properties have been valued individually without taking into account portfolio effects.

The fair value comprises three parts:

1) properties valued according to an internal cash flow valuation, 2) valued expansion reserves and 3) properties with uncertain future cash flows. SEK 53,023 million (92 per cent) of the fair value has been set through an internal cash flow valuation, where the cash flow figures used comprise the revenue and costs for each property, i.e. the net operating income. Rent payments have been calculated based on current leases. If the rent level at the

end of the lease is considered to be in line with the market, it is assumed that the lease can be extended subject to the same terms and conditions. In other cases, rents are adjusted to the market level. Operating costs are assessed based on historical outcome and forecast, property administration costs are assessed based on the average cost level within Akademiska Hus and maintenance costs are assessed based on actual costs and key indicators for the industry.

For an initial calculation period of 10 years, a current value is computed for the cash flow generated each year using a nominal cost of capital. In addition, the residual value from year 11 is calculated based on the market's actual yield targets. This residual value is in turn calculated at the current value using nominal cost of capital. The property's fair value comprises the sum of the current cash flows during the calculation period and the current residual value.

The starting point when choosing the cost of capital is the nominal interest rate on the secondary market for government bonds with a term equivalent to the length of the calculation period. A risk premium is added to cover the market risk and the property-related risk.

The yield targets are assessed, as far as possible, using the property transactions that have been completed on the market and, as far as possible, using comparable properties. Each year, Akademiska Hus has the yield target, cost of capital and other valuation

**CHANGES IN THE FAIR VALUE (UNREALISED) OF PROPERTIES, REGIONS, SEK M**

Region	31-12-2013	31-12-2012	Change	Of which investments/acquisitions	Of which sales/disposals	Of which unrealised change in value	Of which capitalised interest expense
North	4,177	4,096	81	42	0	37	2
Uppsala	11,050	10,094	956	1,053	-3	-163	69
Stockholm	23,633	22,335	1,298	988	-181	442	49
East	4,648	4,557	91	65	0	23	2
West	6,955	6,975	-20	117	0	-142	5
South	7,094	6,620	474	489	-191	168	9
<b>Total</b>	<b>57,557</b>	<b>54,677</b>	<b>2,880</b>	<b>2,754</b>	<b>-375</b>	<b>365</b>	<b>136</b>

prerequisites verified by two independent valuation institutes, NAI Svefa and DTZ.

Both cost of capital for discounting cash flow as well as the yield target have been differentiated depending on the town, location, lease term and type of premises for each property. The risks are thus analysed in several dimensions and are generally assessed to be higher for properties with shorter leases, installation-intensive premises and properties in less attractive locations.

Expansion reserves, SEK 936 million (2 per cent) were valued using location prices for building rights with a deduction for development costs, supplemented by developer calculations. In some cases, where the planning conditions for new construction are unclear, the land values were used to set the fair value.

SEK 3,598 million (6 per cent) comprises mainly properties with uncertain future cash flows. These have been valued individually using the valuation method that was most appropriate.

The total fair value of properties includes new construction in progress amounting to

SEK 4,491 million (4,006), which has also been valued using the internal cash flow valuation.

All property valuation involves estimation elements, which entails a degree of uncertainty. A normal uncertainty range in property valuation is +/- 5 to 10 per cent, which in our case would be equivalent to approximately SEK 2,800 million to SEK 5,700 million.

#### VALUATION CONDITIONS 2013

Small changes of +/- 0.25 percentage points were made in the yield target and cost of capital at a number of locations during the year. This means that the difference between long-term market interest rates and the yield targets for property investments (risk premium) continues to be high. The difference that was noted previously in the yield targets between properties that were considered good and those that were not quite as good also persisted during 2013.

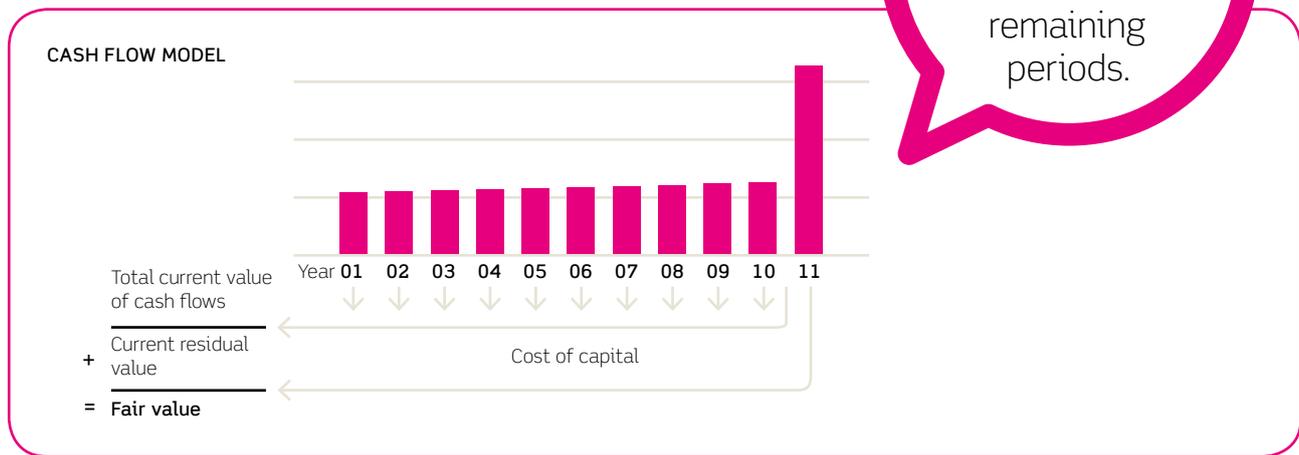
The average cost of capital was 8.5 per cent (8.6) and the average yield target was 6.4 per cent (6.4) after adjustment for stamp duty.

The yield target and cost of capital for each region are presented in the graph and table on the next page.

#### EXTERNAL VALUATION

To assure the internal valuation, selected properties are also valued each year by external valuation companies. As at September 30, 2013, 29 valuation buildings/sellable units at a fair value of SEK 10,391 million were valued externally, corresponding to approximately 18 per cent of the Akademiska Hus total fair value. The external valuations in 2013 were carried out by DTZ as a benchmark for the internal cash flow valuations. DTZ's valuers are authorised by the Swedish Society of Real Estate Economics. The external valuations confirm the reliability of the internal valuation model.

The yield target is used to capitalise the cash flow for the remaining periods.



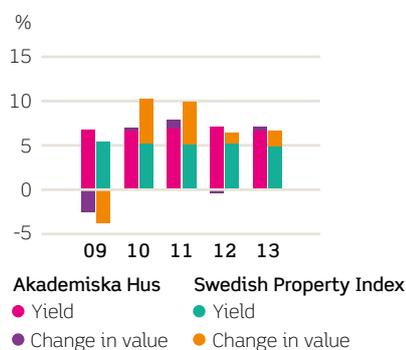
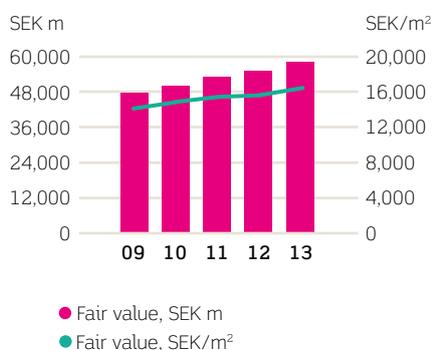
**VALUATION ASSUMPTIONS**

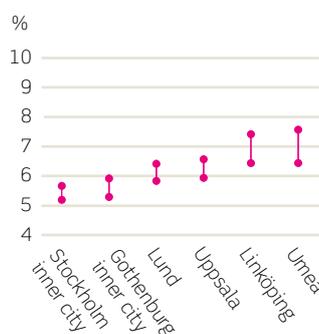
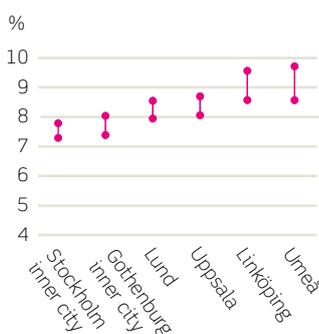
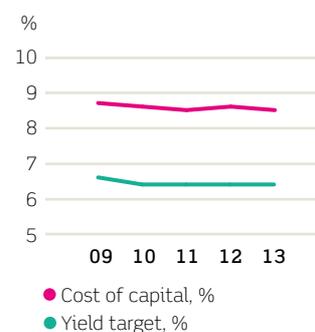
Division into town, city, location	26 towns, cities, locations
Special adaptation/type of premises	Installation-intensive premises/non-installation-intensive premises
Lease term	> 10 years > 6 years =< 6 years
Calculation period	10 years
Inflation assumption, year 1	0.0%
Inflation assumption, years 2-10	2.0%
Vacant space	Actual and/or 5%
Deduction for stamp duty	4.25%
Property administration	SEK 75/m <sup>2</sup>
Maintenance costs, non-installation-intensive premises	SEK 70/m <sup>2</sup>
Maintenance costs, installation-intensive premises	SEK 110/m <sup>2</sup>

**VALUE SPREAD, REGIONS**

Region	Rental revenue, SEK m	Net operating income, SEK m	Yield target, valuation, %	Cost of capital, valuation, %	Fair value, SEK m	Yield, fair value, %	Change in value, %	Total yield, %
North	519	296	7.2	9.3	4,177	7.3	0.9	8.3
Uppsala	900	604	6.6	8.7	11,050	7.4	-1.8	5.6
Stockholm	1,919	1,374	5.9	8.0	23,633	6.5	1.2	7.6
East	535	395	7.0	9.1	4,648	9.0	0.5	9.5
West	761	521	6.5	8.6	6,955	7.7	-2.1	5.7
South	725	316	6.5	8.7	7,094	5.0	3.1	8.2
<b>Total<sup>1)</sup></b>	<b>5,359</b>	<b>3,506</b>	<b>6.4</b>	<b>8.5</b>	<b>57,557</b>	<b>6.9</b>	<b>0.4</b>	<b>7.3</b>

<sup>1)</sup>Certain central items are included which have not been reallocated according to region.

**TOTAL YIELD**

**PROPERTY VALUE**

**YIELD TARGET AND COST OF CAPITAL PER REGION**

**YIELD TARGET PER TOWN AND LOCATION**

**COST OF CAPITAL PER TOWN AND LOCATION**

**AVERAGE YIELD TARGET AND COST OF CAPITAL**


Lowest: lease period = >10 years. Premises category: non-installation-intensive premises.  
 Highest: lease period = <6 years. Premises category: installation-intensive premises.

Lowest: lease period = >10 years. Premises category: non-installation-intensive premises.  
 Highest: lease period = <6 years. Premises category: installation-intensive premises.

# Financing

Financial markets stabilised although they are facing significant challenges as the extremely expansive monetary policy will need to be wound down sooner or later. Bond issues were implemented with competitive credit spreads.

Looking back, 2013 was largely characterised by uncertainty about whether the extraordinary stimulation measures taken by the more prominent central banks would have the desired effect. The most obvious positive signs of improvement could be seen in the USA, where the housing market has gradually improved, the labour market has developed positively and inflation has remained low. The challenge facing the Federal Reserve has been to assess when it would be appropriate to reduce the extraordinary stimulation measures that are being taken in the form of huge bond purchases. The time appeared to be right in December when the first step towards a winding down of bond purchases was taken. This was balanced by firm reassurance that a rise in the short-term interest rates would be a long way off. In Europe, the demand for substantial savings measures still remains in several countries. Unemployment in many quarters is catastrophically high and there is a significant need for growth-promoting measures. Inflation has settled at a level that is beginning to feel uncomfortably low. This led the ECB to reduce the short-term interest rates from 0.50 per cent to 0.25 per cent at the end

of the year. The financial markets have also been hit by the powerful, almost experimental, stimulation policy that has been pursued in Japan over the past couple of years.

Sweden has shown some bright spots, which have resulted in an improved employment situation and more positive indicators from the National Institute of Economic Research have gradually emerged. The overall growth in GDP, however, is still low and industrial production has yet to recover fully to pre-finance crisis levels. Inflation has also continued to be very low. Available resources mean that the pressure of inflation is extremely limited in both the product and service sectors. Wage growth has been extremely limited. In the light of the concern about domestic debt, the Swedish Central Bank had a strong argument against reducing the repo rate. Nevertheless, at a meeting in December the Central Bank opted to reduce the repo rate from 1.00 per cent to 0.75 per cent. The argument put forward in favour of a reduction was that inflation was continuing to be very low and despite the recovery the pressure of inflation during the coming year would be lower than was previously predicted. The market is awaiting a decision about what form the more concrete measures for an independent macro review –

which will supplement the monetary policy – will take. It will probably be possible to keep the repo rate at a lower level if at the same time other restrictive measures were introduced.

## LIABILITY MANAGEMENT DURING THE YEAR

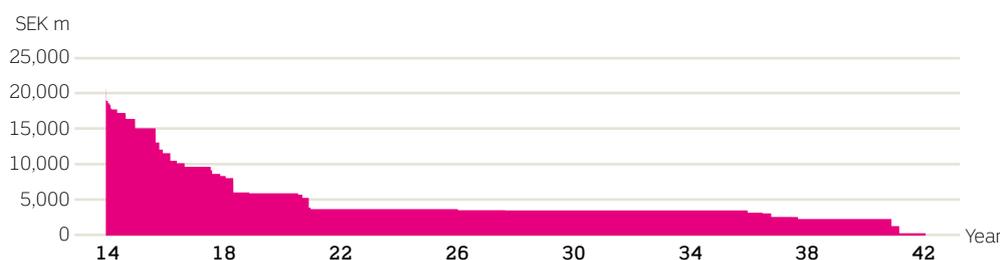
For Akademiska Hus, the Swedish krona market has once again been the most advantageous. During the year, bond issues took place totalling SEK 1,200 million. Interest in our bonds focused mainly on those with terms of between four and seven years.

### BOND ISSUES DURING 2013

Amount	Term
SEK 500 m	4.6 years
SEK 500 m	4 years
SEK 200 m	7 years

The proportion of Swedish bonds in the bond portfolio has increased significantly during the past three years. At the end of the year, half of the Group's total financing came from outside Sweden. The proportion of foreign financing is being maintained as short-term financing has taken place exclusively on the ECP market. Faced with continued uncertainty on the credit market, it has been crucial to assure financing of the substantial

### DEBT MATURITY



investment portfolio. Bonds longer than 15 years affect the average fixed interest period and maturity significantly and are handled within a separate long-term bond portfolio. According to the mandate, this portfolio is permitted to amount to a maximum of 30 per cent of the total portfolio. At the year-end, the figure was approximately 15.1 per cent.

For much of the year, the ECP market functioned as a very cost-effective financing alternative. The average maturity, including the long-term portfolio, was 6.8 years at the year-end (7.2). The fixed interest period, excluding the long-term portfolio, was 3.4 years at the year-end (3.2).

#### RENEWAL STRUCTURE FOR FIXED INTEREST PERIODS AND NET DEBT MATURITY AS AT 31-12-2013

	Fixed interest, SEK m	Maturity, SEK m
2014	8,580	4,652
2015	2,088	4,654
2016	1,250	2,441
2017	900	1,000
2018	1,300	2,732
2019	1,120	120
2020	650	650
2021 and later	5,033	5,375
<b>TOTAL</b>	<b>20,921</b>	<b>21,624</b>

At the end of the year, the average rate of interest on the outstanding debt portfolio was 2.3 per cent (2.9), including interest derivatives.

#### FINANCING OPERATIONS 2014

Akademiska Hus's view of future developments on the financial markets, together with growth in the liability portfolio, form the basis for strategic decisions regarding the fixed interest period and maturity. The portfolio is highly diversified, with varying fixed interest periods and financing raised at different times.

Akademiska Hus's assessment is that uncertainty in the financial sector will persist throughout 2014. There will be a continued need to solve major structural problems, both in Europe and the USA. Alongside this, the

central banks will need to manage their monetary policies. We can foresee a further year during which risk aversion and risk propensity will appear in rapid succession. Credit contraction via a reduction in the banks' balance sheets will contribute to continued lending restrictions. Lenders are continuing to secure financing outside the banking system. Risk propensity could increase with a subsequent demand for other types of assets, which could affect credit spreads. Akademiska Hus will continue to monitor and analyse the corporate bond market in Sweden and internationally.

During 2014, financing requirements, in addition to short-term refinancing on the ECP market, will comprise bonds falling due totalling SEK 1,534 million, the dividend and a substantial investment portfolio. Over the next few years, decided and planned projects will total approximately SEK 21,000 million. Of this amount, approximately SEK 4,500 million has already been invested in current projects.

#### FINANCING OPERATIONS

##### - STRATEGIES AND OBJECTIVES

Akademiska Hus carries on active liability management where the strategy is to weigh up the financial risks against the desired low financing cost. The Board adopts the Finance Policy, which lays down the long-term strategic orientation, allocation of responsibility, the Company's approach to financial risks and the mandates that need to be in place to handle such risks. The Financial Risk Plan for the coming year is adopted in December. Apart from financial risk management authorisations and mandates, it also contains an analysis of risks on the financial markets. Mandates are justified in the light of the risk scenario and existing exposure.

The financing objectives are:

- Use centralised financial management to facilitate utilisation of economies of scale and the efficient handling of exposure to financial risks within the Group.

- Use the Group's strong financial position and good rating to remain within the framework of issued risk mandates and achieve as low a financing cost as possible.
- Via the public financing programmes, secure cost-effective financing on the financial markets that takes optimal account of the Group's credit rating.

#### RISK MANAGEMENT

'Risk' refers to a possible negative impact that could arise due to future internal or external events. Exposure to financial risks arises in conjunction with all financial operations. Within the Treasury Department, work is ongoing to initially define financial risks and then identify and map the risks to which the Company is exposed. Methods are being constantly developed and refined to measure and analyse the risk situation.

It is important to state that the analysis also focuses on identifying and utilising the opportunities that arise on the market. Finally, it remains to be decided on each occasion what approach should be adopted in the light of the prevailing situation. During 2011, a change was made in the portfolio structure as a result of the extensive bond issues with fixed interest periods and maturities of over 15 years. As these are of a particular strategic nature, they are handled in a separate portfolio, a long-term bond portfolio.

#### RISK CONTROL

Ongoing work is being done to improve the level of expertise, routines and internal control. There is strict allocation of responsibility between the Treasury and Risk Control. The unit handles accounting and administration as well as compliance with the mandates. The task of developing and refining analytical support and risk control is ongoing.

#### FIXED INTEREST MANDATE

Handling the Group's fixed interest period is central to financing. The total liability portfolio is divided into four separate portfolios with regard to fixed interest periods in order

to refine the basic portfolio that has been assigned a fixed interest mandate. The fixed interest period chosen at each point in time is based on the Group's risk preferences and assessment of the future interest rate trend. Interest derivatives are included in the calculation of the interest risk exposure.

#### BASIC PORTFOLIO

The basic portfolio comprises the main part of the debt portfolio and is the part that is assigned a fixed interest mandate. The mandate is expressed as a range for the average fixed interest period in the portfolio. Interest risk exposures in the property portfolio in the form of interest rate-linked rents are handled within this portfolio. At the beginning of 2014, the portfolio totalled SEK 16,100 million. In accordance with a decision by the Board of Directors, the mandate for 2013 was 2–5 years.

#### LONG-TERM BOND PORTFOLIO

The reason for a separate, long-term bond portfolio is that the customary risk for the fixed interest mandate (average fixed interest period) becomes skewed when the portfolio includes a relatively limited proportion of bonds with an extremely long fixed interest period and maturity. However, bonds with a term of over 15 years represent significant interest risk exposure, which justifies a separate mandate. The portfolio is therefore permitted to amount to a maximum of 30 per

cent of the total portfolio. At the year-end, long-term bonds amounting to SEK 3,155 million were issued, equivalent to 15.1 per cent of the total portfolio.

#### SEASONAL PORTFOLIO

The size of the debt portfolio varies because of the incoming rent payments each quarter and an exchange of security for derivatives according to CSA agreements. The portfolio comprises short-term loans raised pending rent payments as well as security granted. The aim is to avoid the impact of the basic portfolio's fixed interest because of these variations. The portfolio can amount to a maximum of the next rent payments to be made plus security granted for derivatives.

#### REAL INTEREST RATE PORTFOLIO

Real interest rate exposure represents possible diversification in the debt portfolio and helps the Group avoid being exposed exclusively to changes in nominal interest rates. The portfolio can amount to a maximum of 3 per cent of the interest-bearing liabilities. At the year-end, there was no real interest rate exposure.

#### MATURITY MANDATE

The Board adopts a maturity mandate with the aim of limiting the refinancing risk.

Loans that fall due within a rolling 12-month period can amount to a maximum of 40 per cent of the total debt volume.

Despite concern on the financing market, the ECP programme has been a very cost-effective alternative for a large part of the year. The strong seasonal pattern in the cash flow, with quarterly rental payments, allows good forward planning in liquidity management. The proportion of loans that fall due within 12 months was 20.9 per cent at the year-end (18.8).

#### LIMIT SYSTEM FOR CREDIT AND COUNTER-PARTY RISKS

The Group is exposed to credit and counter-party risks when surplus liquidity is invested in financial assets and in conjunction with trading in derivatives. Exposure is handled through limits, which are related to the Group risk capacity in the form of equity. The permitted exposure depends on the counter-party's rating (creditworthiness) as well as the term of the commitment. The rating requirement must be satisfied by at least one rating institute. The Group's policy is that standardised netting agreements, known as ISDA agreements, should always be signed with a counter-party before uncleared derivative transactions take place. For large commitments, agreements are always sought where the parties undertake mutually to furnish collateral in the form of liquid funds or bonds for the underlying values in the outstanding derivatives. These are known as CSA agreements. At the year-end, there were 23 ISDA agreements, of which 12 had CSA

#### RISKS AND FINANCIAL RISK MANAGEMENT

Financial risk	Definition of risk exposure	Risk limit according to the policy
Interest risk	The risk of the Company's profit being affected because of a change in interest rates.	The risk is handled within a fixed interest mandate.
Refinancing risk	The risk that the cost is higher or financing potential is limited when loans are due to be refinanced.	Diversification using different forms of financing should be even and balanced. A maximum of 40 per cent of the total loan volume may fall due for renewal within a 12-month period. Credit assurances should be sufficient.
Credit and counter-party risk	The risk of a loss if a counter-party does not meet its undertakings.	A limit for counter-party risks is based on the rating and the term of the commitment. ISDA agreements are always signed before derivative transactions are carried out. For major commitments, CSA agreements should be sought.
Currency exposure risk	A risk that exchange rate changes affect the Income Statements and Consolidated Balance Sheets.	When financing in a foreign currency, the exchange rate risk must be eliminated. Limited currency exposure in conjunction with electricity trading is accepted.

agreements. As a supplement, Credit Default Swaps (CDS) are used to a limited extent (see also Note 36). The European Market Infrastructure Regulation (EMIR) was implemented gradually during the year.

#### CURRENCY EXPOSURE RISK

As the Group's operations are denominated exclusively in Swedish kronor, the policy is that all currency exposure risk in conjunction with financing in foreign currency should be eliminated. All payment flows that are attributable to financing are exchange-hedged with the aid of currency futures and cross currency interest rate swap agreements. The Group's currency exposure in euro for electricity is handled within a separate mandate according to the guideline.

#### FORMS OF FINANCING AND RATING

The Group has efficient short-term and long-term financing programmes, both domestic and international. In the midst of the uncertainty that has continued to characterise the credit market, the value of having highly diversified financing sources has been particularly obvious. It also requires that the Group focuses on those markets that value the Group's rating best. The financing framework for the EMTN programme increased during the year from EUR 2,000 million to EUR 3,000 million. At the beginning of 2014, the financing framework for the ECP programme was raised from EUR 600 million to

EUR 1,000 million. In addition to the financing programmes, there were bank overdraft facilities of SEK 3,500 million at the year-end, of which SEK 1,500 million was unconfirmed. The need for back-up facilities via a bank must be put in relation to the maturity that exists via bond financing. Through bond issues of SEK 1,200 million during the year, the Group is less dependent on developments in the banking market.

Since 1996, the Group has had a long-term rating from Standard and Poor's of AA with a stable outlook and a short-term rating of A1+/K1. In the current situation, with the financial soundness of the finance sector being called into question, this stability, with the same high rating, is a crucial strength factor.

#### MATERIAL CONTRACTUAL TERMS AND CONDITIONS (COVENANTS)

The general terms and conditions for the EMTN and MTN programmes include a clause which states that if the Swedish Government ceases, directly or indirectly, to hold more than 50 per cent of the shares, equivalent to more than 50 per cent of the shareholding and more than 50 per cent of the votes, the loans and any interest shall fall due for repayment immediately. The contractual terms and conditions for the short-term financing programmes do not include any equivalent undertaking. Ever since the programmes were established, the Group's policy has been not to accept any terms and conditions that require,

for example, that a certain rating, equity ratio or interest coverage ratio be maintained.

#### FINANCING COST

The net interest income/expense was SEK -390 million (-682), following a deduction for capitalised interest expense of SEK 136 million (107). This is equivalent to an interest cost, including changes in the value of financial derivatives, of 2.62 per cent (4.21) during the period. The interest coverage ratio, which is calculated on the impact on cash flow of net interest income and expense, adjusted for capitalised expense, was 647 per cent (558).

#### CAPITALISED INTEREST COSTS

The part of the investment that refers to interest expense during the investment period in conjunction with major redevelopment and new construction that is in progress over a significant period of time, is capitalised as an asset in the value of the project and is thus not included in net financial income and expense. During 2013, capitalised interest amounted to SEK 136 million (107).

PROPORTION OF LOANS THAT WILL FALL DUE WITHIN 12 MONTHS



COMPARISONS, DIFFERENT CALCULATIONS OF THE FINANCING COST



## FINANCING PROGRAMMES AND RATING

	Rating Standard & Poor's	Framework 31-12-2013	Utilised, nominal 31-12-2013	Financial covenants
Bank (confirmed)		SEK 2,000 m	0	—
Bank (unconfirmed)		SEK 1,500 m	0	—
Commercial paper	A1+/K1	SEK 4,000 m	0	—
ECP (Euro Commercial Paper) <sup>1)</sup>	A1+	EUR 600 m	EUR 273 m	—
MTN (Medium Term Note) <sup>2)</sup>	AA	SEK 8,000 m	SEK 5,680 m	Owner clause
EMTN (Euro Medium Term Note)	AA/A1+	EUR 3,000 m	EUR 1,531 m	Owner clause

<sup>1)</sup> Updated 11-02-2014, limit SEK 1,000 m.

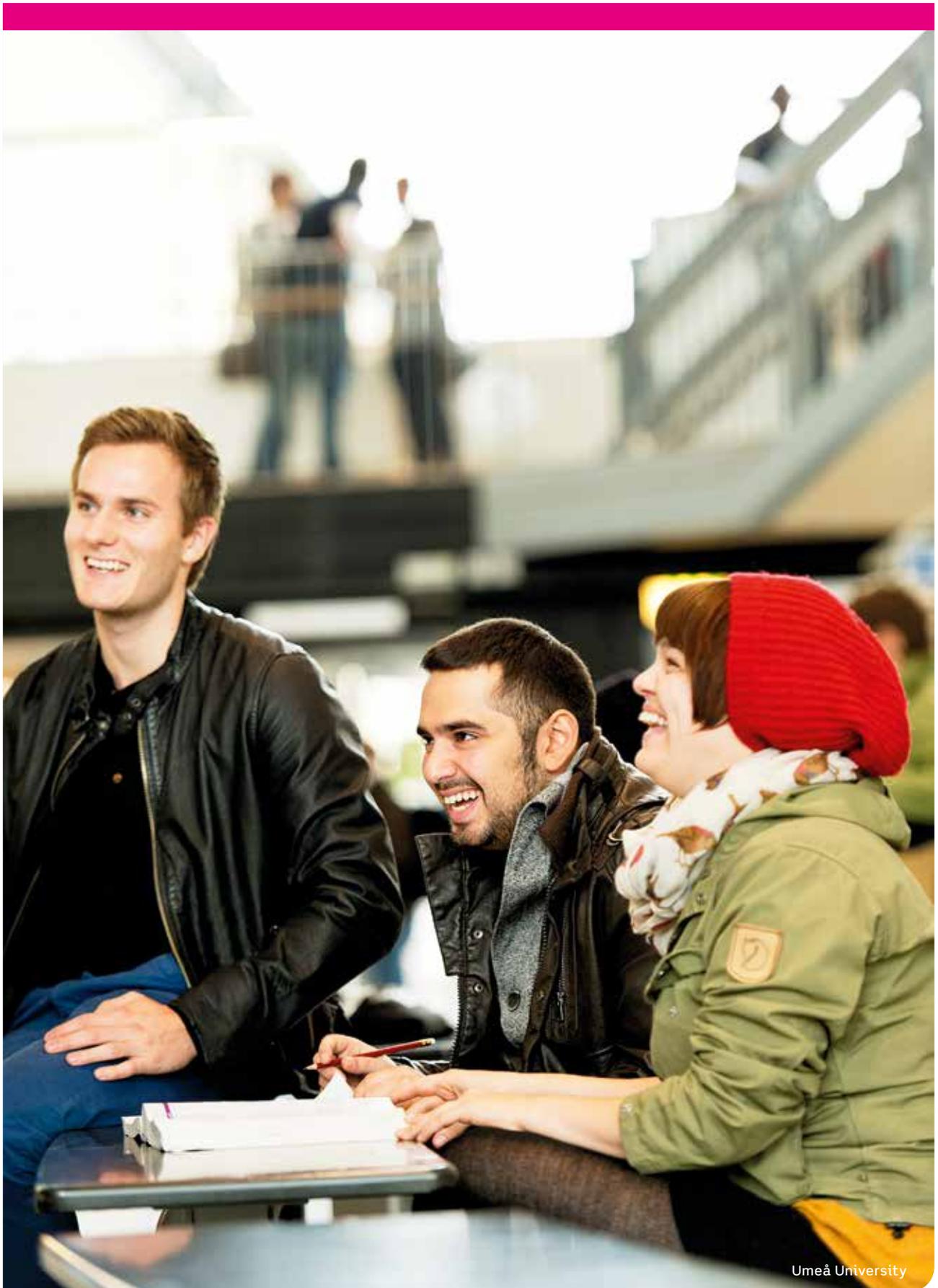
<sup>2)</sup> Not updated since 2009.

## FINANCING COST, COMPOSITION

	2009	2010	2 011	2012	2013
Financing costs for loans, incl. charges, %	1.72	1.21	2.78	2.75	2.24
Net interest income/expense, interest swaps, %	0.6	0.96	0.44	0.4	0.39
<b>Financing cost, %</b>	<b>2.32</b>	<b>2.17</b>	<b>3.22</b>	<b>3.15</b>	<b>2.63</b>
Changes in value, financial derivatives, %	1.31	-0.33	-0.23	1.06	-0.01
<b>Total financing cost, %</b>	<b>3.63</b>	<b>1.84</b>	<b>2.99</b>	<b>4.21</b>	<b>2.62</b>

## KEY FIGURES

	2009	2010	2011	2012	2013
Interest-bearing net loan debt, SEK m	15,531	15,726	16,778	18,528	19,278
Interest-bearing liabilities, SEK m	18,781	18,973	24,693	24,212	23,860
Interest coverage ratio, %	794	662	619	558	647
Fixed interest, basic portfolio, annual average	3.02	2.96	3.03	3.25	3.39
Fixed interest, long-term portfolio, annual average	—	—	28.46	27.97	27.01
Maturity, annual average	3.2	3.8	5.7	7.2	6.8



# Risks and sensitivity analysis

## STRATEGIC RISK

### – OWNING AND MANAGING PROPERTIES

Akademiska Hus is affected by the Government's education policy but also by growth in the Swedish economy, and in particular the situation on the labour market.

Major investments in knowledge environments have shaped Akademiska Hus campuses. In this respect, the property portfolio has a strategic risk: campuses have a specific purpose and are not in a broad sense general. Purchases and sales of properties take place to handle the strategic risk in the property portfolio.

## RISK MANAGEMENT

### – A MATTER FOR THE BOARD

The Board of Directors has routines and processes for examining how the organisation handles the risks that can arise in business operations. This means that risks can be identified, analysed, assessed and handled effectively. The Board decides each year on long-term development, the strategic plan, the competitive situation and total risk exposure. Policies decided by the Board are the Sustainability Policy, Code of Conduct, Finance Policy and Purchasing Policy.

The most important risk areas for the Board are

- Property valuation
- Projects
- Financing

Any major disputes are reported on an ongoing basis to the Board of Directors.

An Audit Committee assists the Board in matters related to financial risk, reporting and control, property valuation, application of accounting principles and external audits, and assists the owner in the selection of auditors. The Audit Committee is also responsible for preparing matters concerning the application of the Corporate Governance Code. In addition, there is a Finance Committee, which

follows financial risks in more detail and prepares the means to handle these risks. The Board's risk management process is described in more detail in the Corporate Governance Report.

During 2013, an internal auditor was employed. The internal auditor is commissioned by the Board to conduct an independent audit of the Company's internal governance and control.

## OPERATING RISKS

The term 'operating risk' refers mainly to the risk of financial consequences and consequences related to trust which ensue from shortcomings in internal routines and systems. The handling of operating risks is aimed at identifying, assessing, monitoring and handling those risks. The risks are assessed and handled based on their expected consequences and the degree of probability that they could occur. Internal directives and guidelines form the basis for risk management within Akademiska Hus. Corporate culture is critical in ensuring that internal controls are a normal and necessary operating prerequisite. The operating risks can be handled through a standardised, process-oriented approach that includes control points. The adopted approach is revised continuously as part of the quality assurance process.

The operating risks can be divided into

- Administrative – insufficient or unsuitable routines, lack of controls and reporting, human error, lack of expertise, unclear allocation of responsibility
- IT – incorrect data systems, information security, stoppage risks
- Legal – sub-standard documentation, incorrect agreements

The Company and its assets are insured in line with the assessed insurance requirements.

## ENVIRONMENTAL RISKS

The probability of accidents and operational shortcomings and their impact on the environment.

### Approach

According to the Environmental Code, environmental responsibility is handled in a structured, co-ordinated way, among other things by satisfying the environmental certification stipulations laid down in ISO 14001:2004. Within Akademiska Hus, environmental impact is identified and environmental work is planned following documented environmental enquiries. The results are collated and evaluated in order to identify the most significant environmental aspects.

## VACANT SPACE

The risk of reduced rental revenue due to a downturn in demand and termination of leases.

### Approach

Activity plans are prepared for all vacant space. Long leases with universities and colleges mean an average term of 5.3 years. Special buildings for research and development frequently have a lease term of 10, 15 or 20 years, during which the whole of the investment is repaid. The possibility of a lease being renewed is considered to be higher for this type of property. Otherwise general premises are sought that can be easily changed for alternative use. Lease expiry dates are spread out over time.

**OPERATING COSTS**

A profit risk in addition to an increase in rental revenue and the fact that in part the costs remain even if the corresponding revenue does not exist.

**Approach**

Operating costs are regarded in part as fixed costs. Media provision accounts for the majority of the total operating costs and is difficult to influence in the short term. In the past few years, media provision has increased more rapidly than rents and this has had a negative impact on the properties' profit and fair value. Akademiska Hus passes on just over 40 per cent of the cost of media provision to customers in the form of a rent supplement. The risk is shared with the customer, which is a common incentive to save energy.

**ELECTRICITY PRICE RISK**

Profit risk due to changes in the market price of electricity.

**Approach**

Physical electricity is purchased on the electricity exchange Nord Pool Spot. Price hedging is conducted against the financial electricity exchange Nasdaq OMX and is based on a formulated strategy decided by the Board of Akademiska Hus. When the electricity is used, the price is normally hedged up to 80-90 per cent. Using this strategy, fluctuations in Akademiska Hus electricity costs are limited from one year to another, achieving good predictability regarding future electricity costs.

The price of electricity is in euro, which entails a currency risk that is handled through a currency hedging strategy.

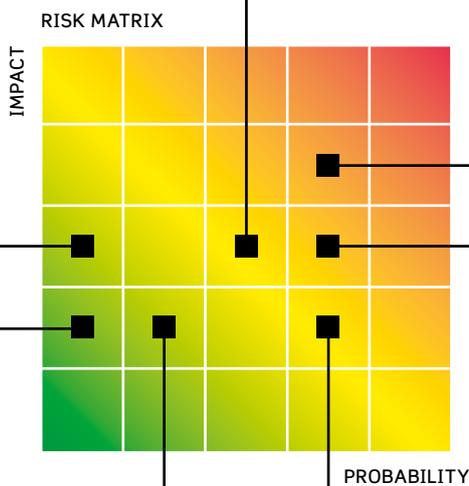
**CHANGES IN VALUE**

Reporting according to IFRS means that the properties are recorded at fair value in the Consolidated Balance Sheet and the realised and unrealised changes in value affect the Income Statement.

**Approach**

The value of the properties is determined by general market factors such as risk premiums, availability and demand on the property market and specific changes in the properties. The value of the properties is largely dependent on the expected net operating income as well as the market's yield targets and cost of capital requirements.

Changes in value are unrealised profit and do not affect the cash flow.



**MAINTENANCE COSTS**

Profit risk as a result of additional, unscheduled maintenance.

**Approach**

Maintenance costs are to a large extent variable and can be reduced or postponed to meet a fall in profit or loss of rental revenue in conjunction with vacant space.

There is a maintenance plan for each individual building. Investments, i.e. value-enhancing measures, are only made if there is a lease with a tenant that justifies the investment on business grounds.

**RENTAL REVENUE**

Risk of a fall in rental revenue due to customers with poor payment capacity and/or terminated leases due to a fall in demand.

**Approach**

Rents from government-controlled customers account for around 90 per cent of the rental revenue and do not represent a credit risk.

**FINANCIAL RISKS**

Investments in properties are capital intensive. Access to external financing is required as a complement to internally generated cash flow. Changes in the financing cost have a considerable effect on the investment calculation and profit.

**Approach**

Akademiska Hus has a low financial risk because of its secure equity ratio. The high interest coverage ratio is a measure of the Company's good financial capacity. Financing operations are run with well-adapted strategies, striking a balance between financial risks and a low financing cost. The Finance Policy adopted by the Board presents the long-term strategic orientation, the allocation of responsibility, the Company's approach to financing risks and what mandates should be in place to handle these risks. The plan for handling financial risks includes authorisations and mandates as well as concrete plans for financing operations. The handling of the liability portfolio interest risk takes place within the framework of a separate fixed interest mandate.

**SENSITIVITY ANALYSIS**

The sensitivity analysis shows how the pre-tax profit, return on equity and fair value would be affected in the event of changes in different variables. The analysis shows the impact on an annual basis at full effect.

Changes in the cost of capital or yield target are factors that affect the fair value most. The impact on profit of a change in value, however, would not affect the cash flow as it is unrealised. In the sensitivity analysis, the current lease portfolio has been taken into account with regard to rental revenue and vacant space.

**SENSITIVITY ANALYSIS,  
LIABILITY PORTFOLIO**

The interest-bearing liability portfolio is constantly exposed to interest rate changes on the market. The analysis of the liability portfolio interest sensitivity is divided into two parts:

- A change in value of interest derivatives (current values).
- Cash flow effects (net interest income/expense) over a calendar year for items with a short fixed interest period, which are given a new short-term rate of interest for the remainder of the year.

As the fixed interest period is diversified and in accordance with the current risk mandate, a minimum of two years on average, the variations in the interest cost will fluctuate to a lesser extent than if the fixed interest period had been very short, e.g. three months.

The Company has fixed interest periods both within and outside the Statement of Financial Position in the form of interest derivatives. The aim of these derivatives is to facilitate a change in the liability portfolio's fixed interest period in addition to what is achieved directly in the financing.

The table below shows the impact on profit of a rise in interest of one percentage point. The calculations are based on an unchanged liability amount.

**SENSITIVITY ANALYSIS, IMPACT ON PROFIT**

CHANGE	Impact on pre-tax profit, SEK m	Impact on return on equity, percentage points	Impact on fair value, not lease-bound, SEK m	Impact on fair value, %
Rental revenue, +/- one per cent	54	0.1	333	0.6
Vacant space, +/- one percentage point	49	0.1	335	0.6
Operating costs, +/- one per cent	9	0.0	78	0.1
of which media provision	6	0.0	55	0.1
Maintenance costs, +/- one per cent <sup>1)</sup>	7	0.0	38	0.1
Cost of capital, + one percentage point	-3,351	-9.0	-3,351	-6.9
Cost of capital, - one percentage point	3,675	9.1	3,675	7.5
Yield target, + one percentage point	-3,718	-10.1	-3,718	-7.8
Yield target, - one percentage point	5,168	12.5	5,168	10.8

<sup>1)</sup> A change in the maintenance cost that affects the profit and return on equity has been calculated based on actual maintenance costs. The effect on the fair value has been calculated based on a standard maintenance cost in the valuation model.

**SENSITIVITY ANALYSIS, LIABILITY PORTFOLIO**

	Nominal amount, SEK m	Maturity, years, average	Fixed interest period, years, average	Interest risk, one interest point, SEK m	Interest, %	Change in value of +100 interest points, SEK m as of the year-end <sup>1)</sup>	Net interest income/expense with 100 interest points, SEK m during the remainder of the calendar year <sup>1)</sup>
Fixed interest positions with a fixed interest period longer than one year within the Statement of Financial Position <sup>2)</sup>	7,703	13.74	13.74	6.69	3.66	0	0
Interest derivatives, fixed interest	6,450	0.00	4.00	2.56	2.56	240	0
Interest derivatives, variable interest	-6,450	0.00	0.16	-0.11	1.38	0	54
Variable interest within the Statement of Financial Position <sup>3)</sup>	13,218	2.71	0.20	0.31	1.41	0	-106
<b>TOTAL</b>	<b>20,921</b>	<b>6.77</b>	<b>6.37</b>	<b>9.44</b>	<b>2.35</b>	<b>240</b>	<b>-52</b>

<sup>1)</sup> Refers to one hundred interest points in a parallel displacement of the yield curve.

<sup>2)</sup> Fixed interest positions with a fixed interest period in excess of one year within the Statement of Financial Position refer to issues in SEK that are not included in fair value hedges.

<sup>3)</sup> Variable interest within the Statement of Financial Position refers to the total effect of issues in a foreign currency which, via derivatives, have been swapped to variable interest in Swedish kronor and which are reported as hedges and FRN issues.



Lindellhallen, Umeå University

# Corporate Governance

## Best possible long-term growth in value

The Government is charged with the task of managing the country's assets to ensure the best possible long-term growth and in a way that promotes sustainable development.

**A**kademiska Hus applies the Swedish Corporate Governance Code (the Code), including statements from the Swedish Corporate Governance Board (bolagstyrning.se) and the guidelines laid down by the Government in its ownership policy for state-owned companies (regeringen.se).

Akademiska Hus is wholly owned by the Swedish Government through the Ministry of Finance. The owner takes a long-term view of its ownership. Akademiska Hus shall own, develop and manage properties for universities and colleges, where the primary focus is on education and research, as well as activities compatible therewith. Operations will be run on a business basis and generate a yield that is in line with the market by setting rents that take into account the operating risk. Akademiska Hus will work to assure the long-term, sustainable development of university and college campuses.

State-owned companies are of considerable value and are owned ultimately by the people of Sweden, which requires open, professional provision of information. The companies should act as a role model with regard to corporate social responsibility – state-owned companies must carry on operations in a way that benefits sustainable development according to the Brundtland Commission's definition of corporate social responsibility, which covers the environment, human rights, working conditions, anti-corruption and business ethics as well as equality and diversity. In the spirit of the Code, rules and routines are developed that ensure transparency, a clear allocation of responsibility between different Company bodies and that the Board discharges its duties efficiently.

This Corporate Governance Report, which was adopted by the Board on March 13, 2014, describes the structure and processes for Group management and control.

### OWNER OBJECTIVES

The owner's financial objectives are as follows:

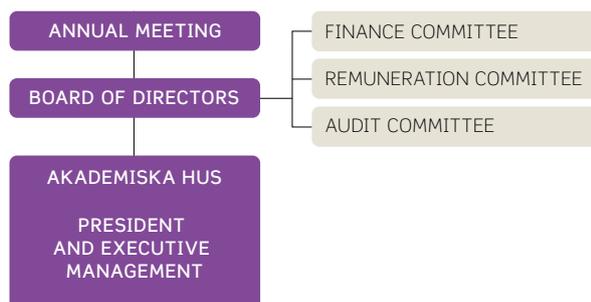
- The return (profit after tax) on average equity should be equivalent to the average five-year government bond interest rate plus four percentage points viewed over a business cycle.
- The Group's dividend target is that the dividend should amount to 50 per cent of the Group's annual profit after financial items, excluding unrealised changes in value, with a deduction for current tax. The annual decisions regarding a dividend should take into account the Company's strategy, financial position and other financial targets.
- The Group's equity ratio should be between 30 and 40 per cent.

Return on equity was 8.8 per cent (6.9). On average, return on equity during the most recent five-year period was 7.4 per cent. During the five-year period, the five-year government bond interest rate plus four percentage points was on average 6.0 per cent.

### DEVIATIONS FROM THE CODE

The Code has been prepared for companies with a spread of ownership. At such companies, the election committee is in the first instance a body for shareholders to prepare decisions regarding appointments. For state-owned companies, the rules regarding an election committee are replaced by principles governing a structured nomination process according to the Government's ownership policy.

#### GOVERNANCE STRUCTURE



#### Overall control:

- Government Ownership Policy 2013

#### External governance rules:

- IFRS
- Companies Act
- Swedish Corporate Governance Code
- Annual Accounts Act
- Accounting Act

#### Internal control:

- Rules of procedure, Board of Directors
- Allocation of responsibility and authority
- Management system
- Decisions by the President
- Policies
- Guidelines
- Business Plan
- Instructions to the President

**Appointment of a Board of Directors and auditors (Code rules 2.1-2.7)**

Akademiska Hus does not apply the rules in the Code regarding the appointment of a Board of Directors and auditors.

**Reporting of the independence of Board members (Code rule 4.5)**

Akademiska Hus does not apply the rules in the Code regarding the reporting of the independence of Board members.

**Nomination process for Board members and auditors**

The owner adopts a structured nomination process in conjunction with the appointment of Board members and auditors. The nomination process is conducted and co-ordinated by the state ownership unit at the Ministry of Finance. Members are selected from a broad recruitment base.

The nomination process is presented in the Government’s ownership policy. Board membership requires a high level of expertise within relevant current business operations, business development, industry know-how, financial issues, or in other relevant areas. In addition, there should be a strong sense of integrity and a capacity to act in the Company’s best interests. The composition of the Board should be such that the Board always has knowledge of the industry or other know-how relevant to the Company. The composition should also be such that a balance is achieved in terms of background, age and gender. The Articles of Association do not contain any stipulations regarding appointment or dismissal of Board members.

**ANNUAL GENERAL MEETING**

Akademiska Hus follows the rules for issuing information related to corporate governance issues. The rules, as well as the time, date and venue of the Annual General Meeting can be found on the Company’s website.

The Annual General Meeting must be held before April 30 each year. At the Annual General Meeting, the shareholders elect, among others, the Board of Directors and auditors and decide on discharge from liability for the Board of Directors and the President. The Meeting decides on guidelines for remuneration to persons in leading positions and, where applicable, amendments to the Articles of Association. The Annual General Meeting was held on April 25, 2013. The meeting was opened by Eva-Britt Gustafsson, who was appointed to chair the proceedings. Also present were Martin Janhäll, President Kerstin

Lindberg Göransson, Vice President Michael Walmerud, authorised public accountant Hans Warén and Carolin Åberg Sjöqvist, secretary, as well as other members of the Board.

**Decisions at the 2013 Annual General Meeting**

- Adoption of the voting list. It was noted that the Meeting had been duly convened.
- Adoption of the Annual Report, Sustainability Report, consolidated accounts, and the audit report for the 2012 financial year.
- A decision regarding the payment of a dividend of SEK 1,355,000,000 to the owner.
- The Board of Directors and the President were granted discharge from liability for the 2012 financial year.
- Adoption of the principles presented for remuneration and other terms and conditions of employment for senior executives according to the ‘Guidelines for terms and conditions of employment for senior executives in state-owned companies’, passed by the Government on April 20, 2009.
- Election of members of the Board of Directors up to the end of the next Annual General Meeting. Election of an auditor. Decision regarding fees to the Board of Directors and the auditor.

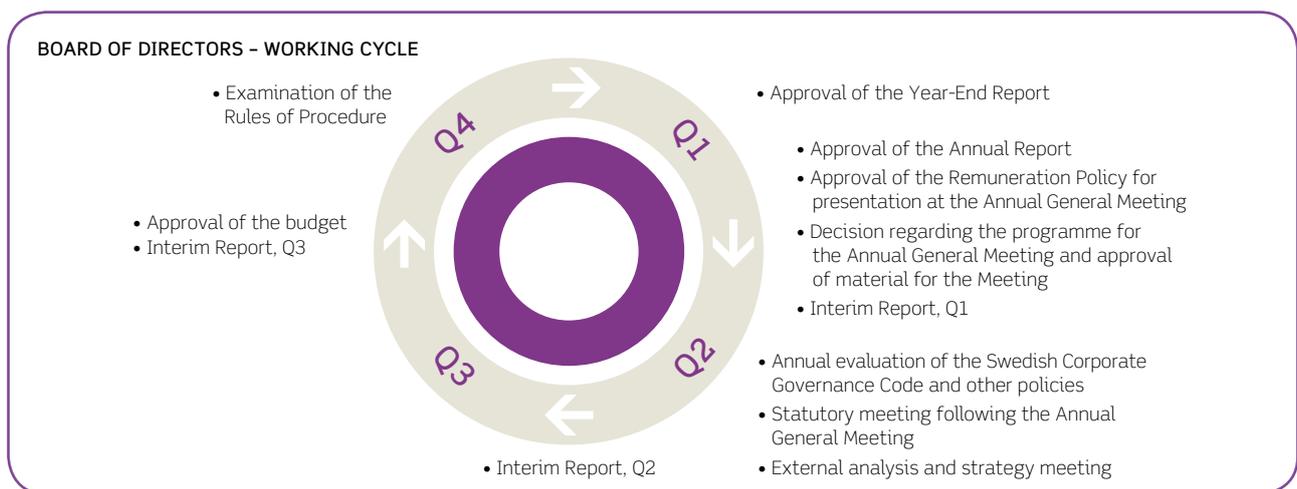
**BOARD OF DIRECTORS**

The Board of Directors is ultimately responsible for the organisation of Akademiska Hus and management of its operations. The work of the Board is governed by the rules of procedure adopted by the Board of Directors each year. The rules of procedure lay down the Board’s working methods and instructions for the Board’s committees.

The Board comprises eight members elected at the Annual General Meeting. There are also two members who represent the employees in the Company. All members were re-elected at the Annual General Meeting on April 25, 2013. Of the eight members elected at the Annual General Meeting, one member is an employee at the Swedish Government Offices.

The other duties of the Board of Directors are presented on the next page.

The Chairman of the Board leads the work of the Board and represents the Board and the Company in dealings with the owner. The Chairman is also responsible for an evaluation of the work of the Board.





**Standing, from the left:** Thomas Jennlinger, Gunnar Svedberg and Olof Ehrlén.  
**Sitting, from the left:** Anders Larsson, Ingemar Ziegler, Leif Ljungqvist, Per Granath, Eva-Britt Gustafsson, Maj-Charlotte Wallin and Pia Sandvik.

## Board of Directors

### EVA-BRITT GUSTAFSSON, CHAIR

Born 1950. MBA. Chair since 2007. President of Apoteksgruppen i Sverige Holding AB and Apoteksgruppen i Sverige AB. Previous positions: Bank Director, Nordbanken; President of Venantius AB; President of Apoteket Omstrukturering AB. Other positions: Member of the board of Svenska Spel AB.

### OLOF EHRLÉN

Born 1949. MScEng. Member since 2011. Former President of NCC AB. Other positions: Board member of Wingroup AG; Chair of Faveo Management AS; Chair of the Town Planning Sector Ethics Committee and Chairman of Svevia AB.

### PER GRANATH

Born 1954. MScEng. Member since 2005. President and CEO of Humana AB. Former president of Intellecta AB, President of KF Fastigheter AB, Vice President of Scandiaconsult AB and Vice President at Handelsbanken Securities. Other positions: Board member of Svefa Holding AB, Gustavia Fonder AB and Salktennis AB (President).

### THOMAS JENNLINGER

Born 1956. Employee representative (Ledarna) since 2008. Operating manager at Akademiska Hus Uppsala AB.

### ANDERS LARSSON

Born 1963. Employee representative (SEKO) since 2009. Operating engineer at Akademiska Hus Stockholm. Previous positions: Employee representative (SEKO) Akademiska Hus Stockholm AB, 1998-2009.

### LEIF LJUNGVIST

Born 1971. MBA. Member since 2012. Company manager at the State Ownership Unit at the Ministry of Finance since 2006. Previous positions: Stock market analyst Kaupthing Bank, Nordiska Fondkommission and Hagströmer & Qviberg. Other assignments: Board member of Apoteket AB and AB Svensk Bilprovning. Previous positions: Board member of Vassallen AB and AB Bostadsgaranti.

### PIA SANDVIK

Born 1964. PhD. Member since 2011. President of Länsförsäkringar Jämtland. Other positions: Chair of the board of RISE AB, member of the board of the Strategic Research Council, Länsförsäkringar AB and the IVA Industry Council. Member of IVA. Former positions: Vice Chancellor of Luleå University of Technology and Pro Vice Chancellor of Mid Sweden University.

### GUNNAR SVEDBERG

Born 1947. PhD. Member since 2009. Professor of Energy Technology. Previous positions include President of Innventia AB, Vice-Chancellor of Gothenburg University and Mid Sweden University and Deputy Vice Chancellor of the Royal Institute of Technology. Other positions: Member of the board of Kemakta Konsult AB and the Göran Gustafsson Foundation for Scientific and Medical Research. Member of IVA and KVVS in Gothenburg.

### MAJ-CHARLOTTE WALLIN

Born 1953. MBA. Member since 2004. Former president of AFA Försäkring, vice president of Alecta and various executive positions within Nordea, Skandia and Jones Lang LaSalle. Other positions: Member of the Chamber of Commerce Fund Delegation; member of the board of the Heart and Lung Foundation and a member of the Social Insurance Supervisory Committee.

### INGEMAR ZIEGLER

Born 1947. BA. Member since 2007. Former president of AB Storstockholms Lokaltrafik, Locum AB, Diöförvaltning, Stockholms Mark- och Lokaliseringsbolag, Finance Secretary, City of Stockholm. Other positions: Member of the board of Infranord AB, Stockholms Konserthus and the Clara Foundation.

### AUDITORS DELOITTE AB

#### HANS WARÉN, AUDITOR IN CHARGE

Born 1964. MBA. Lead auditor at Akademiska Hus since 2010. Lead auditor for, among others, Göteborg Energi, Higgab, Semcon and SJ. Former lead auditor at companies in the Förvaltnings AB Framtiden Group and the Saab AB Group. He has been in the profession for 26 years. He is an authorised public accountant and has been elected auditor for 21 years.

The Board is required to meet at least five times a year, of which one meeting should be devoted to matters of a long-term, strategic nature. Extraordinary meetings are held as necessary. The Group's auditors take part in at least one Board meeting during the year and on one occasion the Board meets the Company's auditor without the President or other person from the Executive Management being present.

The work of the Board follows an annual cycle to ensure that the Board takes due account of all the areas of responsibility and attaches sufficient importance to key, strategic issues. As a rule, the following factors are discussed and dealt with at an ordinary meeting of the Board of Directors, see figure on page 73.

#### Work of the Board of Directors

The Board held ten meetings during the year at which minutes were taken. The attendance by the members of the Board of Directors is presented in the tables below and the main items dealt with during the year were:

1. Investments. External company signatory.
2. Year-End Report 2012. Investments. Attestation and delegation procedure.
3. Annual Report 2012. Sustainability Report 2012. Investments. Sales. Questions prior to the Annual General Meeting.
4. Interim Report, January–March 2013. Investments. Adoption of the Equality and Diversity Plan.
5. Statutory meeting. Examination of the rules of procedure, Instructions to the President and the Attestation and Delegation Procedure. Adoption of policy documents. Election of committees.
6. External analysis and strategy issues. EMTN prospectus. Investments.
7. Interim Report January–June 2013.
8. Governing documents, projects. Investments. Sustainability objectives 2014. Concept for the 2013 Annual Report.
9. Interim Report January–September 2013. Investments. Sales.
10. Business Plan 2014. Investments. Plan for handling financial risks. Allocation of responsibility and authority. Board evaluation.

#### Evaluation of the work of the Board of Directors in 2013

According to the Code, the Board of Directors evaluates the work of the Board and the President using a structured, systematic process. Evaluation takes place once a year with the aim of developing the working forms and efficiency of the Board of Directors. The Chairman of the Board leads the evaluation and reports to the Board. The most recent evaluation was presented at the meeting of the Board of Directors in December 2013. The owner, through the Government Offices, is informed about the results of the evaluation. The work of the Government Offices related to the Board nomination process also includes an ongoing evaluation of the boards of all Government-owned companies. There is continuous evaluation of the work, composition and competence of the Board.

#### Board committees

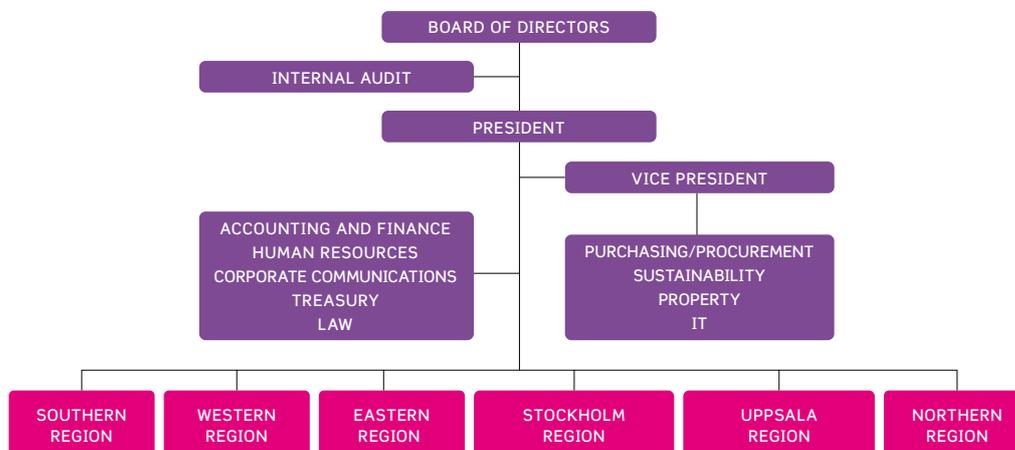
The Board shall, without otherwise affecting the responsibility and duties of the Board Directors, appoint committees. The Board of Directors has appointed three committees from within its number.

- The tasks of the *Finance Committee* are to represent the Board of Directors in ongoing issues related to financing, to support and follow up financing activities, to make an annual evaluation of the Finance Policy and to propose changes, and to evaluate, prepare and report on matters to be decided by the Board.
- The tasks of the *Audit Committee* are:
  - To supervise the Company's financial reporting.
  - With regard to the financial statements, monitor the efficiency of the Company's internal control systems, internal audit and risk management.
  - Remain informed about the audit of the annual accounts and the consolidated accounts.
  - Examine and monitor the impartiality and independence of the auditor and in doing so be particularly attentive if the auditor provides the Company with services other than auditing services.
  - Assist in the preparation of proposals for the election of auditors at the Annual General Meeting.

#### COMPOSITION OF THE BOARD OF DIRECTORS AND ATTENDANCE AT MEETINGS 2013

Name	Year of birth	Function	Elected	Finance Committee	Audit Committee	Remuneration Committee	Board meeting	Finance Committee	Audit Committee	Remuneration Committee
Eva-Britt Gustafsson	1950	Chair	2007	Chair	—	Chair	10 of 10	3 of 3	—	1 of 1
Olof Ehlén	1949	Member	2011	—	Chair	—	9 of 10	—	5 of 5	—
Per Granath	1954	Member	2005	Member	—	—	10 of 10	2 of 3	—	—
Leif Ljungqvist	1971	Member	2012	—	Member	Member	10 of 10	—	5 of 5	1 of 1
Gunnar Svedberg	1947	Member	2009	—	—	Member	10 of 10	—	—	1 of 1
Maj-Charlotte Wallin	1953	Member	2004	—	—	—	7 of 10	—	—	—
Pia Sandvik	1964	Member	2011	Member	—	—	9 of 10	3 of 3	—	—
Ingemar Ziegler	1947	Member	2007	—	Member	—	10 of 10	—	3 of 5	—
Anders Larsson	1963	Member	2009	—	—	—	9 of 10	—	—	—
Thomas Jennlinger	1956	Member	2008	—	—	—	8 of 10	—	—	—

## COMPANY STRUCTURE



- The tasks of the *Remuneration Committee* are to prepare decisions regarding terms and conditions for salaries and employment for the President and the Executive Management and to monitor and evaluate the application of the guidelines for remuneration to senior executives, which will be decided at the Annual General Meeting, along with the applicable remuneration structure and remuneration levels within the Company.

The Group's Director of Accounting and Finance, Treasurer, Vice President and President can attend the meetings in the capacity of presenter. The Board receives feedback on the work of the committees. At each Board meeting there is an examination of the minutes from the meetings of each of the committees.

#### COMPANY MANAGEMENT

The Akademiska Hus vision is implemented each year in the form of a Business Plan. The Business Plan, together with policy documents, comprises the overall basis for control of the Company.

The Company is led by the President and the Executive Management. The Regional Directors, Vice President, Director of Accounting and Finance, Human Resources Director, Treasurer, Corporate Communications Director, Planning Director and Senior Counsel report directly to the President.

The Executive Management comprises the President, Vice President, the six Regional Directors, the Director of Accounting and Finance, the Corporate Communications Director and the Human Resources Director.

The Group Management is a forum for information, discussion and decisions regarding joint strategic Company matters. The Executive Management is also the steering committee for the prioritised processes.

The Company's head office is responsible, among other things, for the financial statements, financing, property issues, communication, human resources, legal matters, planning and other matters of an overall nature. The property area includes IT, purchasing/procurement, sustainability and process responsibility for construction, property management and property development.

#### Regions

Each region has a regional management team. Investment matters are initiated and prepared by the regional management and are then reviewed by the Executive Management. In the case of major investments, a matter, after receiving the support of the Executive Management, passes to the Board of Directors for a decision.

#### Auditors

Procurement of auditors took place in 2010. At the 2013 Annual General Meeting it was decided to elect Deloitte AB as auditors for the period up to the end of the 2014 Annual General Meeting, with authorised public accountant Hans Warén as auditor in charge. The fee to the auditors for the year is payable as billed.

#### Internal auditor

Since February 2013, Akademiska Hus has had an internal audit function comprising an employed internal auditor. The internal auditor reports directly to the Company's Board of Directors.

The work of the internal audit function is based on a risk analysis that is made at least once a year and which is updated as necessary. An internal audit plan is adopted by the Board of Directors prior to each financial year.



**Top row, from the left:** Kerstin Lindberg Göransson, Birgitta Hohlfält van Dalen, Sten Wetterblad, Carolin Åberg Sjöqvist, Kristina Korsgren  
**Bottom row, from the left:** Michael Walmerud, David Carlsson, Cecilia Nielsen, Lars Hagman, Tomas Ringdahl  
**Not present:** Gunnar Oders

## Executive Management

### KERSTIN LINDBERG GÖRANSSON

Born 1956. MBA. President of Akademiska Hus from 2011. Previous experience: Airport Director, Swedavia Stockholm-Arlanda Airport; Accounting and Finance Director and Vice President of the Scandic Group. Other positions: Chair of AB Svensk Bilprovning; member of the board of Byggherrarna and SGBC.

### MICHAEL WALMERUD

Born 1967. MSc. Vice President of Akademiska Hus. Employed 2012. Previous experience: President, Projektgaranti AB; Head of transactions, Catella Swedebroker AB; Property Manager, Postfastigheter AB; Project Manager, NCC Fastigheter AB.

### DAVID CARLSSON

Born 1976. MSc and MBA. Regional Director, Uppsala Region and Northern Region. Employed 2003. Previous experience: Head of Property Management and property manager, Akademiska Hus Uppsala; Business Developer, SP Production AB.

### LARS HAGMAN

Born 1953. MBA. Regional Director, Eastern Region. Employed 2012. Previous experience: Business developer, JM AB; Company coordinator, President of a subsidiary of Vattenfall AB. Regional Manager, Partena Security AB.

### BIRGITTA HOHLFÄLT VAN DALEN

Born 1958. BA Soc. Admin. Regional Director, Western Region. Employed 2005. Previous experience: Planning adviser, Akademiska Hus Head Office; Head of property supply and operating manager, Karlstad University; Planning Manager, Property Department, Karlstad Municipal Authority.

### KRISTINA KORSGREN

Born 1969. BA. HR Director Akademiska Hus. Employed 2010. Previous experience: HR positions within the Volvo Car Corporation and Volvo Truck Corporation.

### CECILIA NIELSEN

Born 1969. BA. Director of Communications, Akademiska Hus. Employed 2012. Previous experience: Head of Corporate Communications, SP Sveriges Tekniska Forskningsinstitut AB.

### GUNNAR ODERS

Born 1956. MBA. Director of Accounting and Finance, Akademiska Hus. Employed 2001. Previous experience: Head of Accounting and Finance, Higab and Bostads AB Poseidon.

### TOMAS RINGDAHL

Born 1960. MScEng. Took up the position of Regional Director, Southern Region on January 1, 2013. Previous positions: Various managerial positions within Skanska, including Vice President of Skanska Sverige AB; President of LB Hus AB.

### STEN WETTERBLAD

Born 1957. MScEng. Regional Director, Stockholm Region. Employed 2008. Previous experience: Property Director, City of Stockholm; Market Hall Director, City of Stockholm; Vice President, Stockholm Parkering; Property Manager, Kullenberg Fastigheter i Stockholm AB; Site Manager/Project Manager, Platzer Bygg AB. Other positions: Chair of Stockholm Life, Property Owners; Board member of the Stockholm Construction Association. Chair of the Student Housing Fair 2017.

### CAROLIN ÅBERG SJÖQVIST

Born 1968. LL.M. General Counsel, Akademiska Hus (Secretary to the Executive Management and the Board of Directors). Employed 2004. Previous experience: Lawyer, Advokatfirman Glimstedt; Associate Judge of Appeal, Court of Appeal for Western Sweden.

## REMUNERATION

Remuneration and other terms and conditions of employment for persons in an executive position are in accordance with the Government's 'Guidelines for terms and conditions of employment for senior executives'.

### Principles for remuneration to the Board of Directors and senior executives

- A fee is paid to the members of the Board of Directors according to a decision reached at the Annual General Meeting. The members of the Board of Directors who are employed within Akademiska Hus and the Government Offices do not receive any fee for this work.
- Payment for committee work was set at the 2013 Annual General Meeting.
- Payment to the President and other senior executives comprises a basic salary and a pension. Pension expenses refer to the cost charged to the profit for the year. All amounts are stated excluding social insurance charges and payroll tax. Payment to the President is decided by the Board of Directors following a recommendation from

the Remuneration Committee. Payments to other senior executives are decided by the President following consultation with the Remuneration Committee. Remuneration comprises a basic salary and a defined contribution pension based on the ITP premiums according to a collective agreement. Akademiska Hus complies with state guidelines regarding terms and conditions of employment for senior executives. To ensure compliance with the owner's guidelines, an external enquiry was conducted in 2011. The enquiry showed that Akademiska Hus is following the guidelines. No variable or bonus-based remuneration is paid. Salary surveys are conducted to make a comparison with other property companies. No changes will be made regarding the principles for remuneration to the Board of Directors and senior executives for 2014.

For a detailed description of remuneration, pensions, periods of notice, severance pay and fees to auditors, see Notes 12 and 13 on pages 102–104.

# Board of Directors' Internal Control Report

The responsibility of the Board of Directors for internal control is governed by the Swedish Companies Act and the Swedish Corporate Governance Code.

**T**his report has been prepared in accordance with Section 6, sub-section 6 of the Annual Accounts Act and is thus limited to internal control of financial reporting. Internal control of financial reporting is a central component in Akademiska Hus corporate governance.

## INTERNAL CONTROL OF FINANCIAL REPORTING

Internal control of financial reporting is a process that involves the Board, Executive Management and personnel and is formulated in such a way that it provides reasonable assurance that the Company's objectives are achieved and leads to reliable financial reporting.

The presentation of Akademiska Hus internal control of financial reporting takes place in accordance with COSO (Committee of Sponsoring Organisations of the Treadway Commission) and is divided into

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Follow-up and evaluation

## CONTROL ENVIRONMENT

The Board of Directors has overall responsibility for internal control of financial reporting. The Board of Directors has adopted rules of procedure that clarify the responsibility of the Board of Directors and govern the internal work allocation within the Board of Directors and its committees. The basis for internal control comprises the control environment with the organisation, decision procedures and responsibility as stated in control documents such as policies, guidelines and manuals.

The overall Business Plan describes the way Akademiska Hus works, deals with customers, handles assets and addresses the future. The Business Plan contains the vision, business concept and core values. Using the Business Plan as a basis, a number of decisions, policies and guidelines are drawn up for certain areas within Akademiska Hus, such as property valuation, financing, investment, accounting and reporting. Manuals and descriptions of routines are available for each area. Guidelines for financial reporting are updated in the event of a change in legal requirements, stock exchange listing requirements and/or accounting standards.

Akademiska Hus has a structured management system that contains strategy, planning and follow-up processes.

The joint Business Plan includes the strategic objectives towards which the Group is guided. The strategy process includes an external analysis, as well as an analysis of customers, locations, market segments, financing and so on. The Company has processes in place to prevent and discover irregularities that could impact on the Company's financial reporting.

CONTINUED, BOARD OF DIRECTORS' INTERNAL CONTROL REPORT &gt;&gt;

**RISK ASSESSMENT**

Risk assessment aims to identify and evaluate the most material risks that affect financial reporting.

In the risk assessment, items are identified where the risk of material error is greatest, i.e. where the values in the transactions are high or where the process is extremely complex and there is a need for strong internal control. Identified risk areas are:

- **Property valuation.** The property valuation process is based on following how the property market develops. Akademiska Hus checks frequently with external valuers. The valuation parameters used are dealt with by the Audit Committee and the Board.
- **Project operations.** Akademiska Hus has wide-reaching operations involving large, complex projects. Investments are decided according to an adopted allocation of responsibility and the risks are assessed in conjunction with each investment project. To ensure compliance with guidelines and standards in current projects, project reviews take place regionally and centrally.
- **Financing operations.** The Akademiska Hus back-office and accounting function, which is organisationally separate from the Treasury Department, examines and controls outcomes and reports from the Treasury Department and checks compliance with the mandates granted in the Finance Policy in respect of counterparty, market, liquidity and currency risks. The basis for the examination comprises mainly reports from the finance system.
- **IT operations.** Akademiska Hus works according to the Information Security Management System (ISO 27001) to ensure efficient access to information. The Company's information systems are security classified with regard to system and information content. The requisite routines, such as backup, consistency control of the database and roles/authority are reviewed continuously and adapted to the current classification.

**FOLLOW-UP AND EVALUATION**

Ongoing follow-up and evaluation take place to ensure that internal control of financial reporting is appropriate and effective. Shortcomings in the system must be reported to an immediate superior to ensure that an improvement can be made. At each Board meeting, the Board receives financial information and an analysis as well as a report from the most recent meetings of the different committees. The financial statements are followed up quarterly and with a year-end report.

The Audit Committee follows up audit matters and more extensive matters of principle with regard to financial reporting, including property valuation.

The management system includes a follow-up process. Here the strategic objectives, KPIs and financial results are followed up.

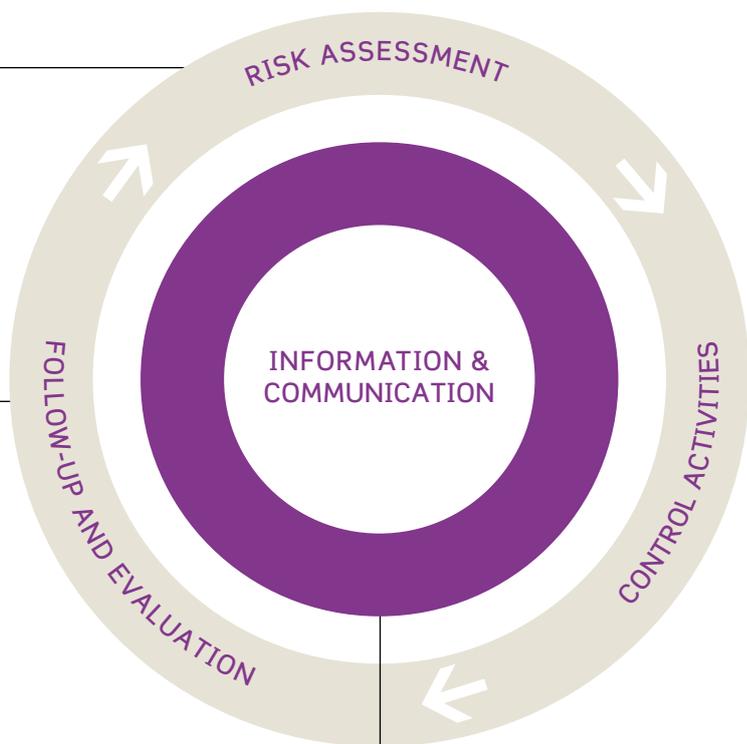
Akademiska Hus has a joint accounting and finance function. The function is a control function for regional core operations as they are organisationally separate from each other.

Internal Audit is commissioned by the Board of Directors to independently examine and evaluate the Company's internal governance and control. The remit of Internal Audit includes following up to ensure that measures that have been decided in accordance with final audit reports are implemented. Any shortcomings in implementation must be reported back to the Board of Directors.

In addition to internal controls, recommendations by the auditors are taken into account. These recommendations are followed up and action is taken.

The Board of Directors examines the interim reports and the year-end report before publication.

It is the opinion of the Board of Directors that the follow-up that is reported according to this document is sufficient to assure the efficiency of the internal control system with regard to financial reporting.



**INFORMATION AND COMMUNICATION**  
 External financial information is published in direct association with the Board meeting in question. In the case of interim reports, this takes place on the website and in the case of the Annual Report, a printed publication is also produced. Other information channels, apart from the Board meetings, are committees appointed by the Board, meetings of the Executive Management and other information meetings.

The Company's intranet contains, among other things:

- Guidelines for property valuation etc.
- Attestation and delegation procedure
- Organisation of the accounting functions
- Reporting and accounting instructions
- Time schedules for reports and audits

Financial reporting takes place through a common reporting system with a common reporting package.

Within the Company, employees meet regularly within the established processes at network meetings in order to develop a common view on different issues. Systems and routines are in place to provide the Board of Directors and the Executive Management with reports in relation to established objectives.

**CONTROL ACTIVITIES**  
 Control activities are designed to limit identified risks and ensure correct, reliable financial reporting and process efficiency.

The control activities include both overall and detailed controls. The aim is to prevent, discover and correct errors and deviations.

The Akademiska Hus attestation and delegation procedure includes decision levels for different investment amount limits.

The most material risks identified regarding financial reporting are handled using control structures. The control structures must ensure both efficiency in Group processes as well as good internal control and are based on the minimum requirements for good internal control in defined essential processes. With the aid of standardised reporting routines, a joint finance handbook and adopted rules of procedure, errors and deviations should be prevented, discovered and corrected. For key processes, including those for the final accounts and reporting, both risks and controls have been documented in the process descriptions. Each IT system includes a number of inbuilt controls. Process descriptions, reporting instructions and the accounting handbook are evaluated and updated each year.

# Year in brief

## GROUP

### Income

The Group's turnover for 2013 was SEK 5,588 million (5,511). Of this figure, rental revenue accounted for SEK 5,359 million (5,265). Revenue has increased slightly compared with the previous year. The rise can be attributed largely to completed new construction and redevelopment projects and index-linked rises.

### Profit

- Net operating income was SEK 3,506 million (3,589) and the net operating income ratio remained largely unchanged at 63 per cent (65). Cash flow in property operations is stable.
- Profit before financial items totalled SEK 3,665 million (3,231). Property management is developing positively and profits are stable. Property management income rose by SEK 77 million and property management expenses by SEK 160 million, mainly due to an increase in maintenance initiatives in projects. Changes in property values had a positive impact on profit of SEK 232 million compared with 2012, when the change in value was SEK -291 million.
- Net financial income and expense amounted to SEK -390 million (-682).
- Pre-tax profit was SEK 3,275 million (2,549).

### Property values

The Group makes use of an internal valuation model, which forms the basis for determining the fair value. This value was set at SEK 57,557 million (54,677).

### Investments

Net investments in properties and new construction in progress in 2013 amounted to SEK 2,379 million (2,762). A number of major projects were completed in 2013, including several buildings for the Karolinska Institute and the Royal Institute of Technology in Stockholm.

### Sales

Sales of properties during 2013 amounted to SEK 243 million (146). The majority of the sales refer to the remaining property holdings in Kalmar, totalling approximately 12,000 square metres.

### Cash flow

The Group's cash flow from current operations amounted to SEK 3,061 million (2,127). Investments totalled SEK -2,460 million (-2,388), which generated cash flow after investments of SEK 601 million (-261). Cash flow from financing totalled SEK -1,159 million (-1,082). Cash flow for the year amounted to SEK -558 million (-1,343).

### Operations that require a permit

A number of facilities within the Group require a permit or need to be reported to a supervisory authority in order to be used. These facilities have been reported and applications for permits (as required) were submitted to the supervisory authorities concerned and have been granted. The facilities in question are as follows:

Two boilers for combustion technology research, two boilers for heating and power generation and a number of geoenergy facilities and sewage facilities.

## PARENT COMPANY

### Income and profit

In December 2012, the former regional subsidiaries, which owned and managed the properties in the Group, were merged with the Parent Company.

The Parent Company's income for 2013 was SEK 5,831 million (5,627). Profit before financial items was SEK 2,226 million (2,257). Net interest income and expense was SEK -527 million (-790). Profit after financial items was SEK 1,699 million (1,467).

The gross investment in properties totalled SEK 2,754 million (2,908) and investment in machinery and equipment totalled SEK 4 million (2).

Equity amounted to SEK 6,058 million compared with the figure of SEK 6,243 million at the previous year-end.

Share capital comprises 2,135,000 shares at a par value of SEK 1,000 per share and with one (1) vote per share.

# Proposed allocation of unappropriated earnings

According to the owner's financial objectives for Akademiska Hus, the dividend shall be 50 per cent of the Group's annual profit after financial items, excluding unrealised changes in value, with a deduction for current tax. When deciding on a dividend, consideration should be given to the Group's capital structure and capital requirements. The other financial targets are that the equity ratio should be between 30 and 40 per cent and that the return on equity should be equivalent to the average five-year government bond interest rate plus four percentage points. The average yield on equity over five years was 7.4 per cent whilst the target was 6.0 per cent. At the end of 2013, the equity ratio was 46.8 per cent for the Group and 24.0 per cent for the Parent Company. After the proposed dividend, the equity ratio is 45.6 per cent for the Group and 21.0 per cent for the Parent Company. The owner's equity ratio target will be exceeded even after the proposed dividend.

Available for allocation at the Annual General Meeting:

Retained earnings	SEK 607,395,888
Profit for the year	SEK 1,180,523,055
Total	SEK 1,787,918,943

The Board of Directors and the President propose that the profit be allocated in such a way that SEK 1,374,000,000 is paid to the shareholder and SEK 413,918,943 is carried forward. For details of the financial results and the financial position in general, reference can be made to the following financial statements.

## STATEMENT BY THE BOARD OF DIRECTORS PURSUANT TO SECTION 18, SUB-SECTION 4 OF THE COMPANIES ACT

The Board of Directors is of the opinion that the Company's liquidity can be maintained securely. On observance of the relationship between the Company's assets, liabilities and equity, and with due consideration given to profit forecasts and investment requirements as of this date, we believe that the proposed dividend is justifiable in the light of the demands that the nature, extent and risk of operations make on the level of equity. The proposed dividend is thus acceptable in the light of the Company's consolidation requirements, liquidity and position in general.

The dividend does not affect the Company's capacity to discharge its short-term and long-term obligations or to implement necessary investments. It is also the opinion of the Board of Directors that the Company's financial position, in the light of the proposed dividend, is secure for the creditors. Nor can the Board of Directors identify any other circumstances that indicate that the dividend ought not to be paid in accordance with the proposal presented by the Board of Directors. The proposed value transfer can thus be justified in the light of what is stated in Section 17, sub-section 3, paragraphs 2–3 of the Companies Act.

## PROFIT USED AS A BASIS FOR CALCULATION OF DIVIDEND, SEK M

Income Statement 2013	Outcome	Unrealised items	Profit used for calculation of dividend
Income from property management	5,588		5,588
Property management expenses	-2,082		-2,082
<b>Net operating income</b>	<b>3,506</b>		<b>3,506</b>
Changes in value, properties	232	-232	0
Central administration costs	-73		-73
<b>Profit before net financial income/expense</b>	<b>3,665</b>	<b>-232</b>	<b>3,433</b>
Total, financial items	-390	-2	-392
<b>Profit before tax</b>	<b>3,275</b>	<b>-234</b>	<b>3,041</b>
Tax/current tax	-707	415	-292
<b>Profit after tax</b>	<b>2,568</b>	<b>181</b>	<b>2,749</b>
Dividend, 50% of the profit available for the payment of a dividend			1,374

The dividend as decided at the Annual General Meeting held on April 25, 2013 was SEK 1,355 million.

# Income Statements

Amounts in SEK 1,000	Note	Group		Parent Company	
		2013	2012	2013	2012
<b>INCOME FROM PROPERTY MANAGEMENT</b>					
Rental revenue	6				
	8	5,359,277	5,265,220	5,359,277	5,265,220
Other property management income	9	228,709	246,201	471,471	362,007
<b>Total property management income</b>		<b>5,587,986</b>	<b>5,511,421</b>	<b>5,830,748</b>	<b>5,627,227</b>
<b>PROPERTY MANAGEMENT EXPENSES</b>					
Operating costs	11	-889,194	-869,548	-907,052	-866,555
Maintenance costs		-668,331	-564,078	-668,331	-564,078
Property administration	11	-272,253	-277,449	-260,260	-268,568
Other property management expenses	10	-252,786	-211,569	-419,166	-316,170
<b>Total property management expenses</b>	7	<b>-2,082,564</b>	<b>-1,922,644</b>	<b>-2,254,809</b>	<b>-2,015,371</b>
<b>NET OPERATING INCOME</b>		<b>3,505,422</b>	<b>3,588,777</b>	<b>3,575,939</b>	<b>3,611,856</b>
Depreciation and impairments as well as reversed impairments in property management	19, 20	—	—	-1,277,421	-1,288,196
Changes in property values, positive		1,891,916	1,204,082	—	—
Changes in property values, negative		-1,659,903	-1,495,287	—	—
<b>Total changes in property values</b>	6, 18	<b>232,013</b>	<b>-291,205</b>	<b>—</b>	<b>—</b>
Central administration costs	7	-72,828	-66,817	-72,828	-66,817
<b>PROFIT BEFORE FINANCIAL ITEMS</b>	12, 13, 31	<b>3,664,607</b>	<b>3,230,755</b>	<b>2,225,690</b>	<b>2,256,843</b>
Financial income		300,769	285,981	300,769	285,981
Financial expense		-690,881	-967,625	-827,297	-1,076,089
<b>Total, financial items</b>	14, 30, 31	<b>-390,112</b>	<b>-681,644</b>	<b>-526,528</b>	<b>-790,108</b>
<b>PROFIT AFTER FINANCIAL ITEMS</b>		<b>3,274,495</b>	<b>2,549,111</b>	<b>1,699,162</b>	<b>1,466,735</b>
Appropriations	15	—	—	-203,477	-188,303
<b>PROFIT BEFORE TAX</b>		<b>3,274,495</b>	<b>2,549,111</b>	<b>1,495,685</b>	<b>1,278,432</b>
Tax	16	-706,982	600,462	-315,162	-271,230
<b>NET PROFIT FOR THE YEAR</b>	17	<b>2,567,513</b>	<b>3,149,573</b>	<b>1,180,523</b>	<b>1,007,202</b>
Of which attributable to the shareholder in the Parent Company		2,567,513	3,149,573		
<b>PROFIT PER SHARE</b>					
Profit per share, SEK		1,203	1,475		
Profit per share after dilution, SEK		1,203	1,475		
Number of shares, average and at the period-end		2,135,000	2,135,000		

# Statement of profit or loss and other comprehensive income

Amounts in SEK 1,000	Note	Group		Parent Company	
		2013	2012	2013	2012
<b>INCOME FOR THE YEAR</b>		2,567,513	3,149,573	1,180,523	1,007,202
<b>RECLASSIFIABLE ITEMS</b>					
Profit from cash flow hedges	29	6,910	38,732	6,910	38,732
Tax attributable to cash flow hedges	16	3,001	-1,201	3,001	-1,201
Cash flow hedges, net after tax, dissolved against profit or loss	29	-20,552	-33,273	-20,552	-33,273
<b>NON-RECLASSIFIABLE ITEMS</b>					
Revaluation of defined benefit pensions	31	97,241	-5,310	—	—
Tax attributable to defined benefit pensions	16	-21,393	1,168	—	—
Total, other comprehensive income		65,207	116	-10,641	4,258
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,632,720</b>	<b>3,149,689</b>	<b>1,169,882</b>	<b>1,011,460</b>
Of which attributable to the shareholder in the Parent Company		2,632,720	3,149,689		

# Consolidated Balance Sheets

Amounts in SEK 1,000	Note	31-12-2013	31-12-2012	01-01-2012
<b>ASSETS</b>				
NON-CURRENT ASSETS				
Tangible non-current assets				
Properties	6, 18	57,556,835	54,677,026	52,070,700
Equipment, fixtures and fittings	20	18,155	23,089	23,609
Total tangible, non-current assets		57,574,990	54,700,115	52,094,309
Financial assets				
Derivatives	22, 35	1,292,608	1,866,547	2,828,001
Other non-current receivables	23, 27	386,527	433,228	457,013
Total financial assets		1,679,135	2,299,775	3,285,014
<b>TOTAL NON-CURRENT ASSETS</b>		<b>59,254,125</b>	<b>56,999,890</b>	<b>55,379,323</b>
CURRENT ASSETS				
Current receivables				
Rent receivables and accounts receivable	24	242,226	288,406	379,763
Current prepaid tax		—	144,489	68,270
Other receivables	25	698,710	417,568	215,335
Prepaid expenses and accrued income	26	126,893	152,925	161,888
Derivatives	22, 35	330,814	382,318	278,620
Total current assets	27	1,398,643	1,385,706	1,103,876
CASH AND CASH EQUIVALENTS				
Current investments	35	2,400,115	2,697,102	4,416,457
Cash and bank balances		288,885	549,512	173,150
Total cash and cash equivalents	28	2,689,000	3,246,614	4,589,607
<b>TOTAL CURRENT ASSETS</b>		<b>4,087,643</b>	<b>4,632,320</b>	<b>5,693,483</b>
<b>TOTAL ASSETS</b>		<b>63,341,768</b>	<b>61,632,210</b>	<b>61,072,806</b>

# Consolidated Balance Sheets

Amounts in SEK 1,000	Note	31-12-2013	31-12-2012	01-01-2012
<b>EQUITY AND LIABILITIES</b>				
EQUITY (attributable to the Parent Company's shareholder)				
Share capital		2,135,000	2,135,000	2,135,000
Other contributed equity		2,134,950	2,134,950	2,134,950
Hedge reserve	29	-44,653	-34,011	-38,269
Actuarial gains and losses		71,706	-4,142	—
Retained earnings, including profit for the year		25,316,926	24,104,419	22,199,846
<b>TOTAL EQUITY</b>		<b>29,613,929</b>	<b>28,336,216</b>	<b>26,431,527</b>
LIABILITIES				
Non-current liabilities				
Loans	30	17,502,919	18,292,855	19,349,933
Derivatives	22, 35	323,194	416,080	379,012
Deferred tax liability	16	7,008,724	6,571,849	7,528,565
Other liabilities	32	9,509	57,113	48,634
Pension provisions and similar obligations	31	327,909	406,877	386,950
<b>Total non-current liabilities</b>		<b>25,172,255</b>	<b>25,744,774</b>	<b>27,693,094</b>
Current liabilities				
Accounts payable		274,971	414,707	301,472
Income tax liabilities		262,774	—	—
Other liabilities	32	1,300,179	1,119,820	1,426,246
Accrued expenses and prepaid income	33	1,995,666	1,708,466	1,729,234
Loans	30	4,671,747	4,175,984	3,336,760
Derivatives	22, 35	50,247	132,243	154,473
<b>Total current liabilities</b>		<b>8,555,584</b>	<b>7,551,220</b>	<b>6,948,185</b>
<b>TOTAL LIABILITIES</b>	34	<b>33,727,839</b>	<b>33,295,994</b>	<b>34,641,279</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>63,341,768</b>	<b>61,632,210</b>	<b>61,072,806</b>
MEMORANDUM ITEMS				
Pledged assets	38	133,045	270,370	118,916
Contingent liabilities	39	3,668	3,445	3,278

# Parent Company Balance Sheets

Amounts in SEK 1,000	Note	31-12-2013	31-12-2012	01-01-2012
<b>ASSETS</b>				
NON-CURRENT ASSETS				
Tangible non-current assets				
Properties	19	30,734,967	29,452,496	—
Equipment, fixtures and fittings	20	18,155	23,089	6,540
Total tangible, non-current assets		30,753,122	29,475,585	6,540
Financial assets				
Participations in Group companies	21	650	650	1,564,200
Derivatives	22	1,292,608	1,866,547	2,828,001
Other non-current receivables	23, 27	386,527	433,228	15
Total financial assets		1,679,785	2,300,425	4,392,216
<b>TOTAL NON-CURRENT ASSETS</b>		<b>32,432,907</b>	<b>31,776,010</b>	<b>4,398,756</b>
CURRENT ASSETS				
Current receivables				
Rent receivables and accounts receivable	24	242,226	288,406	—
Receivables from Group companies		—	14	21,338,073
Current prepaid tax		—	144,489	62,860
Other receivables	25	703,559	418,171	3,857
Prepaid expenses and accrued income	26	126,893	152,925	42,174
Derivatives	22	330,814	382,318	278,620
Total current receivables	27	1,403,492	1,386,323	21,725,584
CASH AND CASH EQUIVALENTS				
Current investments		2,400,115	2,697,102	4,416,457
Cash and bank balances		288,836	549,357	172,942
Total cash and cash equivalents	28	2,688,951	3,246,459	4,589,399
<b>TOTAL CURRENT ASSETS</b>		<b>4,092,443</b>	<b>4,632,782</b>	<b>26,314,983</b>
<b>TOTAL ASSETS</b>		<b>36,525,350</b>	<b>36,408,792</b>	<b>30,713,739</b>

# Parent Company Balance Sheets

Amounts in SEK 1,000	Note	31-12-2013	31-12-2012	01-01-2012
<b>EQUITY AND LIABILITIES</b>				
EQUITY (attributable to the Parent Company's shareholder)			Restricted equity	
Share capital		2,135,000	2,135,000	2,135,000
Statutory reserve		2,134,950	2,134,950	2,134,950
			Non-restricted equity	
Fair value reserve	29	-44,653	-34,011	-38,270
Profit for the year brought forward		652,049	999,846	554,181
Profit for the year		1,180,523	1,007,202	831,213
<b>TOTAL EQUITY</b>		<b>6,057,869</b>	<b>6,242,987</b>	<b>5,617,074</b>
UNTAXED RESERVES	15	3,449,561	3,246,084	392,782
<b>LIABILITIES</b>				
Non-current liabilities				
Loans	30	17,502,919	18,292,855	19,155,836
Derivatives	22	323,194	416,080	379,012
Deferred tax liability	16	363,450	343,024	16,274
Other liabilities	32	9,666	57,113	—
Pension provisions and similar obligations	31	262,147	253,337	76,349
Total non-current liabilities		18,461,376	19,362,409	19,627,471
Current liabilities				
Accounts payable		274,971	414,707	12,981
Liabilities to Group companies		2,217	2,219	13,328
Income tax liabilities		262,710	—	—
Other liabilities	32	1,299,908	1,120,211	1,268,217
Accrued expenses and prepaid income	33	1,994,744	1,711,948	298,202
Loans	30	4,671,747	4,175,984	3,329,211
Derivatives	22	50,247	132,243	154,473
Total current liabilities		8,556,544	7,557,312	5,076,412
<b>TOTAL LIABILITIES</b>	34	<b>27,017,920</b>	<b>26,919,721</b>	<b>24,703,883</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,525,350</b>	<b>36,408,792</b>	<b>30,713,739</b>
<b>MEMORANDUM ITEMS</b>				
Pledged assets	38	133,045	270,370	118,916
Contingent liabilities	39	3,668	3,445	168,189

# Changes in equity, Group

Amounts in SEK 1,000	Note	Attributable to the Parent Company's shareholder					Total equity
		Share capital	Other contributed capital	Hedge reserve	Actuarial gains and losses	Retained earnings	
<b>CLOSING BALANCE AS AT DECEMBER 31, 2011</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-38,269</b>	<b>0</b>	<b>22,288,969</b>	<b>26,520,650</b>
Effect of change in accounting principle <sup>1)</sup>		—	—	—	—	-89,123	-89,123
<b>ADJUSTED OPENING BALANCE AS AT JANUARY 1, 2012</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-38,269</b>	<b>0</b>	<b>22,199,846</b>	<b>26,431,527</b>
Comprehensive income							
Profit for the year		—	—	—	—	3,149,573	3,149,573
Other comprehensive income							
Profit from cash flow hedges	29	—	—	4,258	—	—	4,258
Revaluation of defined benefit pensions		—	—	—	-4,142	—	-4,142
Total, other comprehensive income		—	—	4,258	-4,142	3,149,573	3,149,689
Transactions with shareholders							
Dividend		—	—	—	—	-1,245,000	-1,245,000
Total transactions with shareholders		—	—	—	—	-1,245,000	-1,245,000
<b>CLOSING BALANCE AS AT DECEMBER 31, 2012</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-34,011</b>	<b>-4,142</b>	<b>24,104,419</b>	<b>28,336,216</b>
Comprehensive income							
Profit for the year		—	—	—	—	2,567,513	2,567,513
Other comprehensive income							
Profit/loss from cash flow hedges	29	—	—	-10,641	—	—	-10,641
Revaluation of defined benefit pensions		—	—	—	75,848	—	75,848
Total, other comprehensive income		—	—	-10,641	75,848	2,567,513	2,632,720
Transactions with the shareholder							
Dividend		—	—	—	—	-1,355,000	-1,355,000
Total transactions with the shareholder		—	—	—	—	-1,355,000	-1,355,000
<b>CLOSING BALANCE AS AT DECEMBER 31, 2013</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-44,653</b>	<b>71,706</b>	<b>25,316,926</b>	<b>29,613,929</b>

Other contributed capital comprises a share premium reserve of KSEK 2,134,950 (applies to both the opening and closing balances for all the above reporting periods).

<sup>1)</sup> Refers to a change in IAS 19 Employee benefits. See also Note 31.

# Changes in equity, Parent Company

Amounts in SEK 1,000	Note	Restricted equity		Non-restricted equity		Total equity
		Share capital	Statutory reserve	Fair value reserve	Retained earnings	
<b>OPENING BALANCE AS AT JANUARY 1, 2012</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-38,270</b>	<b>1,385,394</b>	<b>5,617,074</b>
Comprehensive income						
Profit for the year		—	—	—	1,007,202	1,007,202
Other comprehensive income						
Profit from cash flow hedges	29	—	—	4,258	—	4,258
Total, other comprehensive income		—	—	4,258	1,007,202	1,011,460
Merger						
Merger difference		—	—	—	859,449	859,449
Total, merger		—	—	—	859,449	859,449
Transactions with the shareholder						
Dividend		—	—	—	-1,245,000	-1,245,000
Total transactions with the shareholder		—	—	—	-1,245,000	-1,245,000
<b>CLOSING BALANCE AS AT DECEMBER 31, 2012</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-34,011</b>	<b>2,007,048</b>	<b>6,242,987</b>
Comprehensive income						
Profit for the year		—	—	—	1,180,523	1,180,523
Other comprehensive income						
Loss on cash flow hedges	29	—	—	-10,641	—	-10,641
Total, other comprehensive income		—	—	-10,641	1,180,523	1,169,882
Transactions with the shareholder						
Dividend		—	—	—	-1,355,000	-1,355,000
Total transactions with the shareholder		—	—	—	-1,355,000	-1,355,000
<b>CLOSING BALANCE AS AT DECEMBER 31, 2013</b>		<b>2,135,000</b>	<b>2,134,950</b>	<b>-44,653</b>	<b>1,832,572</b>	<b>6,057,869</b>

Share capital is divided into 2,135,000 shares at a par value of SEK 1,000 with one (1) vote per share (applies to both the opening and closing number of shares for all the above reporting periods).

# Statements of Cash Flows

Amounts in SEK 1,000	Note	Group		Parent Company	
		2013	2012	2013	2012
<b>CURRENT OPERATIONS</b>					
Profit after financial items	40	3,274,495	2,549,111	1,699,162	1,466,735
Adjustment for items not included in the cash flow	41	-400,241	475,616	1,176,791	-190,806
Tax paid		115,463	-432,523	115,462	-32,193
<b>CASH FLOW FROM CURRENT OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>		<b>2,989,717</b>	<b>2,592,204</b>	<b>2,991,415</b>	<b>1,243,736</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>					
Increase (-)/decrease (+) in current receivables		-208,930	-101,913	-213,162	-1,270,253
Increase (+)/decrease (-) in current liabilities		279,821	-363,737	282,511	12,320
<b>CASH FLOW FROM CURRENT OPERATIONS</b>		<b>3,060,608</b>	<b>2,126,554</b>	<b>3,060,764</b>	<b>-14,197</b>
<b>INVESTMENTS</b>					
Investment in shares in Group companies	42	—	-50	-50	—
Investment in properties		-2,754,068	-2,503,064	-2,754,068	—
Sale of properties		242,737	118,049	242,737	—
Investment in other non-current assets		-4,449	-8,982	-4,449	-2,498
Sale of other non-current assets		—	1,005	—	—
Increase in non-current receivables		—	—	—	-18,697
Decrease in non-current receivables		56,212	5,090	56,212	—
<b>CASH FLOW FROM INVESTMENTS</b>		<b>-2,459,568</b>	<b>-2,387,952</b>	<b>-2,459,618</b>	<b>-21,195</b>
<b>FINANCING</b>					
Raising of interest-bearing loans, excluding refinancing		196,346	163,405	196,346	—
Amortisation of interest-bearing liabilities		—	—	—	-62,548
Dividend paid		-1,355,000	-1,245,000	-1,355,000	-1,245,000
<b>CASH FLOW FROM FINANCING</b>		<b>-1,158,654</b>	<b>-1,081,595</b>	<b>-1,158,654</b>	<b>-1,307,548</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-557,614</b>	<b>-1,342,993</b>	<b>-557,508</b>	<b>-1,342,940</b>
Opening cash and cash equivalents		3,246,614	4,589,607	3,246,459	4,589,399
Closing cash and cash equivalents	28	2,689,000	3,246,614	2,688,951	3,246,459

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# Notes

## 1 GENERAL INFORMATION

Akademiska Hus AB (publ) (registration number 556459-9156) is a limited liability company registered in Sweden. The Company's registered office is in Gothenburg. Akademiska Hus is wholly owned by the Swedish Government.

The Company is the parent company in the Akademiska Hus Group, the principal task of which is to own and manage university and college properties.

The Parent Company's functional currency is SEK.

All amounts are in SEK 1,000 (SEK k) unless stated otherwise.

## 2 ADOPTION OF THE ANNUAL REPORT

The Annual Report and consolidated accounts were adopted by the Board and approved for publication on March 13, 2014. The Income Statement and Balance Sheet for the Parent Company and the Group will be the subject of adoption at the Annual General Meeting on April 28, 2014.

## 3 GENERAL ACCOUNTING PRINCIPLES

The consolidated accounts have been prepared in accordance with the EU-endorsed International Financial Reporting Standards (IFRS) as well as interpretations by the International Financial Reporting Interpretations Committee (IFRIC) as at December 31, 2013. The Group also applies Swedish Financial Reporting Board recommendation RFR 1, Supplementary Rules for Consolidated Financial Statements, which specifies the supplements to IFRS disclosures required pursuant to the rules in the Annual Accounts Act.

In the Annual Report, items have been valued at cost except with regard to revaluation of properties, financial assets that can be sold and financial assets and liabilities (including derivatives) valued at fair value in the Statement of Financial Position. The following is a description of the more material accounting principles that have been applied.

### NEW AND AMENDED IFRS STANDARDS AND INTERPRETATIONS 2013

The following amended standards and new interpretations came into effect in 2013:

#### IAS 1 Presentation of Financial Statements

##### - Presentation of Other Comprehensive Income

Amendments to IAS 1 Presentation of Financial Statements requires further information in Other Comprehensive Income with the result that items in Other Comprehensive Income are grouped into two categories: a) items that will not be reclassified to profit or loss, and b) items that will be reclassified to profit or loss if certain criteria are satisfied. The application by Akademiska Hus of the amendments introduced in IAS 1 can be seen in the Statement of profit and loss and Other Comprehensive Income. These changes have only affected the presentation of items reported in Other Comprehensive Income but have not had any effect on reported profit or loss or the financial position for 2012 and nor are they assessed to have any effect on future reporting of profit or loss.

#### Revised IAS 19: Employee Benefits – Defined Benefit Pension plans

The revised IAS 19 (IAS 19R) was applied with effect from 2013. IAS 19R contains guidelines on how taxes payable on pension benefits must be reported and consequently the statement from the Swedish Financial Accounting Standards Council, UFR 4 Accounting for Special Employer's Contribution and Tax on Returns, is no longer applied. A new statement from the Swedish Financial Accounting Standards Council for accounting for tax on returns is now being applied – UFR 9 Accounting for Tax on Returns.

The revised IAS 19 means that actuarial gains and losses must be reported directly in Other Comprehensive Income. In accordance with the transitional rules, Akademiska Hus has recalculated the comparison figures and adjusted opening equity. It is also stated in IAS 19R that when calculating the defined benefit pension cost in the Statement of Comprehensive Income, expected yield on plan assets is no longer an assumption that must be reported in the Statement of Comprehensive Income. In the light of the fact that Akademiska Hus only has unfunded defined benefit pension plans, this change has not had any material effect on Akademiska Hus profit.

The revised IAS 19 has also resulted in amended principles for reporting of remuneration in conjunction with termination of employment. However, this change has not had any effect on the Akademiska Hus financial statements.

#### Revised IFRS 7 Financial Instruments: Disclosures

The amendments to IFRS 7 entail expanded disclosure requirements regarding information about financial instruments that are reported net and financial instruments that are covered by what is known as 'master netting agreements'. Information must be provided about financial assets and financial liabilities gross with a deduction for the effects of net reporting and the effects of master netting agreements. In addition, the terms and conditions for set-off under the Company's master netting agreements must be presented.

Amendments to IFRS 7 must be applied retroactively for the financial year commencing January 1, 2013 or later.

#### IFRS 13 Fair Value Measurement

The new IFRS 13 standard replaces previous guidelines on fair value measurement included in each standard. The standard applies in conjunction with fair value measurement of both financial and non-financial items, i.e. mainly properties and financial instruments. Fair value is defined as the price that would be received in conjunction with the sale of an asset or the payment made to transfer a liability in an orderly transaction between market participants at the measurement date ('exit price').

According to IFRS 13, for assets and liabilities that are to be valued at fair value, classification must take place in a hierarchy comprising three levels and based on the data used to establish their fair value. Level 1 refers to when fair value is set based on listed prices on active markets for identical assets and liabilities. 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.

IFRS 13 has been applied on a future-oriented basis with effect from January 1, 2013. The impact of the introduction of IFRS 13 has not had any material impact on the valuation of assets and liabilities reported at fair value.

#### Other IFRS changes

With the exception of the above, no other new or revised IFRS or interpretations from IFRIC have been applied and nor has there been any material impact on the financial position, financial results or disclosures at the Group or Parent Company. Akademiska Hus has opted not to apply IFRS 10–12 or the amended standards IAS 27 and IAS 28 in advance and will instead apply these with effect from January 1, 2014.

#### NEW AND AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET COME INTO EFFECT

The International Accounting Standards Board (IASB) has issued the following new and amended standards, which had not yet come into effect at the time of publication of this Annual Report.

Standard	Will be applied for the financial year commencing:
IFRS 10 Consolidated Financial Statements	January 1, 2014 or later
IFRS 11 Joint Arrangements	January 1, 2014 or later
IFRS 12 Disclosures of Interests in Other Entities	January 1, 2014 or later
IAS 27 Separate Financial Statements	January 1, 2014 or later
IAS 28 Investments in Associates and Joint Ventures	January 1, 2014 or later
Amendments to IFRS 10, IFRS 11 and IFRS 12 - Transitional Requirements	January 1, 2014 or later
Investment Entities - amendments to IFRS 10, IFRS 12 and IAS 27	January 1, 2014 or later
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	January 1, 2014 or later
Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014 or later
Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014 or later
Interpretation of IFRIC 21 Levies <sup>1)</sup>	January 1, 2014 or later
Amendments to IAS 19 Defined Benefit Plans - Employee Contributions <sup>1)</sup>	July 1, 2014 or later
IFRS 9 Financial Instruments (2009 and 2011) <sup>1)</sup>	January 1, 2015 or later

<sup>1)</sup> Not yet approved for application in the EU.

The Executive Management is currently investigating how other new and amended standards and interpretations will affect the Group's financial statements during the period they are applied for the first time.

#### CONSOLIDATED ACCOUNTS

The consolidated accounts cover the Parent Company and companies over which the Parent Company has a controlling influence. A controlling influence means a right to formulate strategies for financial activities with the aim of securing financial advantages. The existence and effect of potential voting rights that can currently be exercised or converted are taken into account when assessing whether the Group can exercise a controlling influence over another company. All subsidiaries are wholly owned. The subsidiaries are included in the consolidated accounts with effect from the point at which the controlling influence is achieved and they are not included at the point at which the controlling influence ceases.

The consolidated year-end accounts have been prepared according to the acquisition method, which means that the Parent Company's carrying amount of shares in subsidiaries is eliminated against equity, including the capital share of untaxed reserves in the subsidiaries.

#### SEGMENT REPORTING

Operating segments are reported in a way that concurs with the internal report presented to the highest-ranking executive decision-maker. The highest-ranking executive decision-maker is the function that is responsible for allocating resources and assessing the results of operating segments. At Akademiska Hus, this function has been identified as the CEO, who is also the President of the Parent Company.

The Group is organised and controlled based on a geographical division into markets/administration areas. The geographical areas (segments) are exposed to similar risks and opportunities, which differ compared to other geographical areas (segments). Geographical areas concur with each region and thus constitute the segments for which reports are presented.

Segments are consolidated according to the same accounting principles as for the Group as a whole.

#### REVENUE RECOGNITION

In its capacity as property owner, the Group has signed operational lease agreements with customers and consequently the Group's reported income mainly comprises rental revenue. Where applicable, reported rental revenue has been reduced by the sum of the discounts

granted to tenants. In those cases where lease agreements result in reduced rent during a certain period, which is equivalent to a higher rent during another (later) period, this higher or lower rent is allocated to a specific period over the term of the lease. Rental revenue, lease revenue and parking revenue are reported in advance and the allocation of rents to specific periods therefore takes place so that only part of the rents that accrue to the period are reported as revenue. Revenue recognition normally takes place linearly over the term of the lease agreement apart from exceptional cases when another method better reflects how financial advantages accrue to the Group.

Interest income is reported as income divided across the term on application of the annual equivalent rate method.

Dividend income is reported when the right to receive payment has been confirmed.

#### REMUNERATION TO EMPLOYEES

Remuneration to employees in the form of salary, paid holiday, payment while off sick etc., as well as pensions, are reported as they are earned. As regards pensions and other remuneration following termination of employment, these are classified as defined contribution pension plans or defined benefit pension plans.

##### Defined contribution plans

In the case of defined contribution plans, the Company pays fixed contributions to a separate, independent legal entity and has no obligation to make further contributions. The Group's profit is charged with costs as the benefits are earned, which normally concurs with the point at which premiums are paid.

##### Defined benefit plans

For defined benefit pension plans, the cost of the pension plan is based on actuarial calculations according to what is termed the Projected Unit Credit Method. A calculation is made each year by an independent actuary. Revaluations, including actuarial gains and losses, effects of changes in the asset ceiling and the yield on plan assets (excluding the interest component, which is reported in the Statement of Comprehensive Income) are reported directly in the Statement of Financial Position as income or a cost equivalent to the change in the Statement of Total Comprehensive Income during the period in which they arise. Revaluations, which are reported under Other Comprehensive Income, affect the retained earnings and will not be reclassified to profit or loss. Service costs from previous periods are reported in the Statement of Comprehensive Income for the period in which the plan was changed. Net interest is calculated on application of the discount rate at the beginning of the period on the net defined benefit liability or asset.

- The defined benefit costs are divided into the following categories:
- Service costs (including service costs for the current period, service costs for previous periods and profits and losses in respect of reductions and/or adjustments)
  - Net interest cost or net interest expense
  - Revaluations

The first two categories are reported in the Statement of Comprehensive Income as a personnel cost (service cost) or net interest income and expense (net interest expense). Profits and losses in respect of reductions and adjustments are reported as service costs from previous periods. Revaluations are reported under Other Comprehensive Income.

The defined benefit pension obligations reported in the Statement of Financial Position are equivalent to the current surplus or deficit related to the Group's defined benefit obligations. A surplus is only reported to the extent that it is equivalent to the current value of future repayments from each pension plan or future reductions in premium payments into the plan.

## 3 CONTINUED

**TAX**

The tax expense (income) for the period comprises current and deferred tax. Taxes are reported in the Statement of Comprehensive Income with the exception of the underlying transaction, which is reported under Other Comprehensive Income or directly against equity, whereupon the associated tax effect is reported under Other Comprehensive Income or against equity.

Current tax is the tax computed on the taxable profit for a period. The taxable profit for the year differs from the reported profit for the year in the fact that an adjustment has been made for non-taxable and non-deductible items. The Group's current tax liability is computed according to the tax rates stipulated or notified as of the year-end.

Deferred tax is reported in accordance with the Statement of Financial Position method. According to this method, deferred tax liabilities are reported in the Statement of Financial Position for all taxable temporary differences between the carrying amounts and taxable values of assets and liabilities. Deferred tax assets are reported in the Statement of Financial Position with regard to deficit deductions and all deductible temporary differences to the extent it is likely that the amounts can be offset against future taxable surpluses. The reported value of deferred tax assets is examined at each year-end and reduced to the extent it is no longer probable that a sufficient taxable surplus will be available for utilisation.

Deferred tax is computed using the tax rates that are expected to apply for the period in which the asset is recovered or the liability settled.

Tax receivables and tax liabilities are offset and reported at a net amount in the Statement of Financial Position when there is a legal right to offset and when there is an intention to either receive or pay a net amount or receive payment of a receivable and pay the liability at the same time.

**TRANSLATION OF ITEMS IN FOREIGN CURRENCY**

Financial assets and liabilities in foreign currency are translated at the year-end rate, whereupon realised and unrealised translation differences are capitalised. Translation differences in operating receivables and liabilities are reported under Other property management income or Other property management expense whilst translation differences attributable to financial assets and liabilities are reported under Net interest income and expense.

**PROPERTIES**

Properties, i.e. properties that are held to generate rental revenue or gains from an increase in value, are valued continuously at fair value (assessed market value). The fair value is based on the assessed market value at the year-end, which means the value at which a property could be transferred between knowledgeable parties who are independent of each other and who have an interest in the transaction being implemented. Changes in fair value are reported in the Statement of Comprehensive Income under the heading Changes in value of the properties.

The term 'properties' includes buildings and land, land systems, building and land equipment as well as properties under construction (new construction in progress).

Property sales and property purchases are reported in conjunction with the risks and benefits linked to title being transferred to the purchaser or seller, which normally takes place on the completion date, as long as this does not conflict with the terms and conditions in the contract of sale.

A profit or loss that arises on the sale or disposal of properties comprises the difference between the sales price and the most recent valuation (reported value based on the most recent revaluation at fair value). The result in conjunction with sale or disposal is reported in the Statement of Comprehensive Income under the heading Changes in the value of properties.

In those cases where Akademiska Hus uses part of a building for its own administration, the property is only classified as a property for investment if an insignificant part is used for administrative purposes.

If a property is reclassified as a property held for resale or an inventory item, the property is reported at the assumed acquisition value, equivalent to the fair value of the property at the time of reclassification.

**FAIR VALUE, PROPERTIES**

When valuing the properties at fair value (assessed market value), an internal valuation model is used which is quality-assured through the checking of the conditions with external property valuers and through externally performed valuations. The valuation is based on each property's expected cash flow during the coming ten years and an estimated residual value for year eleven. The yield target has been differentiated for different types of property and the rental period as well as the town and location assessment. The rental revenue included in the valuation has been assessed on market terms and in the model, normalised operating costs have been used. Maintenance costs have been calculated on a standardised basis according to the use of the property.

**CARRYING AMOUNT, PROPERTIES**

Depreciation according to plan is based on the original acquisition value reduced by the estimated residual value and takes place on a linear basis over the estimated useful life of the asset.

Depreciation according to plan is normally carried out using the following percentages of the acquisition value:

Land systems	5%
Buildings	2.5%
Building equipment	10%
Land equipment	20%

**EQUIPMENT, FIXTURES AND FITTINGS**

Equipment, fixtures and fittings mainly comprise IT equipment and office equipment. These are reported at the acquisition value reduced by depreciation according to plan and possible impairment.

Depreciation according to plan is based on the original acquisition value reduced by the estimated residual value and takes place linearly over the expected useful life of the asset.

Depreciation according to plan normally takes place using the following percentages of the acquisition value:

Computer equipment	33%
Equipment, fixtures and fittings	20%

Depreciation according to plan of equipment, fixtures and fittings is reported as an operating cost or under property administration.

The profit or loss that arises on scrapping or disposal of equipment, fixtures and fittings is reported as Other property management income or Other property management expense.

**IMPAIRMENT**

Impairment takes place in those cases where the reported value of the asset exceeds the recovery value. Reported values for the Company's assets are checked at each period-end to determine if there is any indication of an impairment requirement. If there is such an indication, the recoverable value of the asset is calculated. The recoverable value is the higher of the value in use and the net realisable value.

When computing the value in use, future cash flows are discounted at a rate of interest before tax that it is envisaged will take into account the market's assessment of risk-free interest and risk linked to the specific asset. For an asset which does not, independent of other assets, generate any cash flow, the recoverable value of the cash-generating unit to which the asset belongs is calculated.

Reversal of previous impairments takes place when the recoverable value for a previously impaired asset exceeds the carrying amount and the need for impairment made previously is no longer considered necessary. The reversal is reported in the Statement of Comprehensive Income. An examination of past impairments takes place on an individual basis.

**FINANCIAL INSTRUMENTS**

The general principles for the valuation of financial instruments are that financial assets and all derivatives should be valued at fair value whilst financial liabilities are valued at the accrued acquisition value.

Financial instruments are reported initially at the acquisition value, corresponding to the fair value of the instrument with an addition for transaction costs for all financial instruments apart from those that belong to the category Financial Assets, which are valued at fair value

through profit or loss. Reporting subsequently takes place depending on how they are classified, as stated below.

A financial asset or financial liability is recorded in the Statement of Financial Position when the Company becomes a party to the contractual terms and conditions of the instrument or when applicable according to 'regular way purchase' principles. Accounts receivable are recorded in the Statement of Financial Position when an invoice has been sent. A liability is recorded when the counter-party has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recorded when an invoice has been received.

A financial asset is removed from the Statement of Financial Position when the rights in the agreement are realised, fall due or the Company loses control over them. The same applies to part of the financial asset. A financial liability is removed from the Statement of Financial Position when the obligation in the agreement is discharged or is extinguished in some other way. The same applies to part of a financial liability.

The Group categorises its financial instruments as:

*– Assets valued at fair value through profit or loss*

Assets in this category are reported initially at the acquisition value, i.e. fair value at the time of acquisition, and are subsequently valued continuously at fair value. The change in value is reported continuously through profit or loss. All Akademiska Hus investment assets and outstanding derivatives (with a positive fair value) fall into this category.

*– Loan receivables and accounts receivable*

Assets in this category are non-derivative financial assets with established or establishable payment flows that are not listed on an active market. These assets are reported and valued on a continuous basis at the accrued acquisition value. Akademiska Hus's accounts receivable also fall into this category and are reported and valued continuously at the acquisition value. At each period-end, an impairment examination is made of this asset. Non-current security holdings fall into this category and are valued at the accrued acquisition value unless an impairment requirement has been identified.

*– Liabilities valued at fair value through profit or loss*

These liabilities are reported initially at the acquisition value and thereafter on an ongoing basis at fair value. The change in value is reported on a continuous basis through profit or loss. Akademiska Hus's outstanding derivatives with a negative fair value fall into this category.

*– Other financial liabilities*

Liabilities in this category are reported and valued at the accrued acquisition value according to the annual equivalent rate method. Direct costs when loans are raised are included in the acquisition value. All debt financing is included in this category. Akademiska Hus's accounts payable and other liabilities are classified under this category but are reported at the acquisition value.

**Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and reported at a net amount in the Statement of Financial Position when there is a legal right to offset and when there is an intention to settle the items at a net amount or at the same time realise the asset and settle the debt.

**Calculation of fair value, financial instruments**

When establishing the fair value of current investments, derivatives and loan liabilities, the official market listing at the period-end is used and calculation takes place according to generally accepted methods. In those cases where such listings are not available, a valuation is made through discounting of future cash flows at the listed market interest rate for each term. Translation into Swedish kronor takes place at the listed rate at the period-end. Calculated and estimated fair values are indicative and will not necessarily be realised.

The nominal value of accounts receivable and accounts payable, reduced by possible estimated credits, is assumed to be equivalent to their fair value. Information according to IFRS 13 about the level in the fair value hierarchy for different items can be found in Note 35.

**Rent receivables, accounts receivable and other receivables**

Rent receivables and accounts receivable are reported initially at the fair value and are then reported at the invoiced amount following a deduction for any impairment (bad debts), which is equivalent to the accrued acquisition value. The estimated term of rent receivables and accounts receivable is short and consequently the value is reported at the nominal amount without discounting. Doubtful receivables are assessed individually and any impairment is reported within operating costs.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances and current investments with a term shorter than three months. These assets are regarded as being sellable immediately with a negligible risk of changes in value, which means that the reported value (acquisition value plus accrued coupon) is equivalent to the fair value.

**Current investments**

Current investments with a term in excess of three months comprise interest-bearing securities and are reported and valued at fair value. Changes in value (unrealised profits and losses) are reported on a continuous basis through net interest income and expense.

In the Statement of Cash Flows, current investments with a term in excess of three months are not classified as cash and cash equivalents.

**Loan financing**

All loan financing is reported initially at fair value, net after transaction costs. Borrowing is subsequently reported at the accrued acquisition value and any difference between the amount received and the repayment amount is reported in net interest income and expense divided over the loan period on application of the annual equivalent rate method.

Borrowing that constitutes a hedged item in conjunction with fair value hedging is reported and valued on an ongoing basis after the acquisition point at fair value with account taken of the hedged risk. Changes in value are reported in net interest income and expense.

Loan financing in foreign currency is translated and the effects are reported through profit or loss.

The Group applies IAS 23 Borrowing Costs. IAS 23 means that the Group capitalises interest expense attributable to properties under construction that take a significant period of time to complete. Capitalised interest expense has a positive effect on net interest income and expense and a negative effect on the change in fair value of properties to the equivalent amount. Financing costs for properties under construction that do not take a significant period of time to complete are charged in full to the financial result for each year.

**Accounts payable and other liabilities**

Accounts payable and other liabilities have a short expected term and are valued at the nominal value without discounting.

**Financial derivatives**

Derivatives are held primarily with the aim of securing long-term, cost-effective debt financing and handling the Group's financial risk exposure by hedging interest and currency exposure against fluctuations in interest rates and exchange rates.

All derivatives are valued at fair value and changes in value are reported on an ongoing basis against net financial income and expense with the exception of the outstanding derivatives, which comprise hedging instruments. In a hedging situation where the underlying Statement of Financial Position item is business-related, the changes in value of the derivative are reported against operating profit. Changes in value attributable to the derivatives that comprise hedging instruments in a cash flow hedge are reported under Other comprehensive income, are accumulated in equity and are reported against financial or operating profit at the time the underlying exposure affects the profit.

Interest derivatives (interest future contracts, interest swap agreements, FRA contracts and interest options) are held mainly to secure the desired fixed interest period in existing debt financing. Interest derivatives are valued on an ongoing basis at fair value and the effects attributable to the changes in value are reported against net interest

**3 CONTINUED**

income and expense in conjunction with hedging of fair value and against Other comprehensive income in conjunction with cash flow hedging. The net of the accrued interest income and interest expense is allocated to specific periods and expensed over the term of the derivative.

In conjunction with financing in a foreign currency, all future payment flows are hedged so that no currency risk remains. Currency risk hedging takes place with the aid of currency derivatives (currency future contracts, currency swap agreements or combined with an interest swap agreement). Currency derivatives are translated at the period-end exchange rate and when hedge reporting is applied, the effects of the currency translation of the derivative naturally meet the effects of the currency translation of the debt in the financial result.

Independent derivatives, i.e. derivatives that are not included in any hedging relationship, are valued at fair value and the change in value is recorded directly against the net interest income and expense.

With the aim of evening out price variations on the electricity market, and in doing so achieve an even trend for the Group's electricity costs, future electricity use is hedged with the aid of electricity futures. Electricity futures are valued continuously at fair value and when hedge reporting according to the cash flow method is applied, the changes in value are reported directly against Other comprehensive income. The effects of price hedging, the difference between the electricity future's hedged price and the average spot price during the term of the electricity future, are offset against profit and are transferred on maturity from equity and reported as an operating cost. Consequently, the result of the electricity future and the Group's physical electricity purchases constitute the actual electricity cost.

In accordance with the currency mandate in the Electricity Trading Policy, currency risk exposure attributable to outstanding electricity futures is currency hedged with the aid of currency futures. Currency futures are valued on an ongoing basis at fair value and when hedge accounting according to the cash flow method is applied, the changes in value are reported directly against Other comprehensive income. The effects are expensed on settlement, i.e. the effects are transferred from equity and reported as an operating cost.

**Hedge accounting**

Akademiska Hus's hedge accounting takes place through a division into two different methods of hedging depending on the aim of the hedging: fair value hedging and cash flow hedging.

In the case of fair value hedging, both the hedged item/exposure and the hedging instrument are valued at fair value. The changes in value are reported continuously in profit or loss.

With cash flow hedging, the hedging instrument is valued at the fair value at the same time that the hedged item in conjunction with borrowing is valued according to the current valuation method (categorisation). According to the demands for cash flow hedging, a change in value attributable to a derivative that qualifies for hedge accounting is reported on an ongoing basis in other comprehensive income and is accumulated in equity until the underlying transaction/exposure affects the Statement of Comprehensive Income.

One of the criteria for hedge accounting to be applied is that the hedging relationship is expected to be effective both at the time of entering into the relationship as well as during the hedging period. The ineffective part of the hedging, i.e. the difference between the changes in value in the exposure (interest, electricity price or exchange rate risk) which are hedged in the underlying transaction/flow and the change in value in the hedging instrument's (derivative's) equivalent risk is expensed.

When a hedging measure is entered into, the relationship between the hedging instrument and the hedged item, along with the aim of the hedging measure and the method used to calculate the effectiveness, are documented.

**PROVISIONS**

Provisions are reported in the Statement of Financial Position when the Company has a formal or informal undertaking because of an event that has occurred and where it is probable that an outflow of resources is required to settle the undertaking and a reliable estimate of the amount can be made.

**PARENT COMPANY, ACCOUNTING PRINCIPLES**

The Parent Company has prepared its annual accounts according to the Annual Accounts Act and the Swedish Accounting Standards Board recommendation RFR 2 Reporting for Legal Entities and applicable statements from the Swedish Financial Reporting Board.

RFR 2 means that in the annual accounts for the legal entity, the Parent Company shall apply all EU-endorsed IFRS and statements as far as this is possible within the framework of the Annual Accounts Act and the Safeguarding of Pension Commitments Act and with consideration given to the link between accounting and taxation. The recommendation states the exceptions and addenda that are to be made to IFRS. The differences between the Group's and the Parent Company's accounting principles are stated below.

**Amended accounting principles**

No amendments to RFR 2 with a material impact on the Parent Company's financial statements were made during 2013.

**Properties**

Properties are reported in a legal entity at the acquisition value with a deduction for accumulated depreciation, impairments and reversed impairments. The depreciation period is based on each property's useful life.

**Payments to employees**

The Parent Company's pension undertakings have been calculated and reported based on the Safeguarding of Pension Commitments Act. Application of the Safeguarding of Pension Commitments Act is a prerequisite for the right to make a tax deduction.

**Deferred tax**

The amounts that are allocated to untaxed reserves comprise taxable temporary differences. Because of the link between accounting and taxation, the deferred tax liability that is attributable to the untaxed reserves is not reported separately in a legal entity. These are thus reported at the gross amount in the Statement of Financial Position. The appropriations are reported at the gross amount in the Statement of Comprehensive Income.

**4 ESTIMATES AND ASSESSMENTS**

When preparing reports in compliance with IFRS, the Executive Management and the Board of Directors must make assessments and assumptions that affect the reported asset and liability items and income and cost items in the final accounts as well as information provided generally, including contingent liabilities. These assessments are based on historical experience and different assumptions the Executive Management and the Board of Directors have considered reasonable under the prevailing circumstances. The conclusions drawn form the basis for decisions regarding reported values of assets and liabilities in those cases where these cannot be established easily through information from other sources. The actual outcome could differ from these assessments if other assumptions are made or if other conditions emerge. Assessments could have a material impact on the Akademiska Hus profit and financial position, particularly within regard to valuation of properties (see also Note 18).

When calculating the Group's pension liability in accordance with IAS 19, a number of assumptions are made, including the discount rate in current value assessment, expected salary increases, inflation, staff turnover, remaining period of service for those covered by the pension plan as well as expected mortality assumptions. The levels of these parameters are adapted to company-specific conditions and partly to normal external conditions (see also Note 31).

**SENSITIVITY ANALYSIS – IMPACT ON PROFIT**

The sensitivity analysis on the next page shows how the pre-tax profit, return on equity and fair value of properties would be affected in the event of changes in different variables. The analysis shows the impact on an annual basis after full effect.

Changes in the cost of capital or yield target are factors that affect the fair value most. However, the impact on profit of a change in value would not affect the cash flow as it is unrealised. In the sensitivity analysis, the current lease portfolio has been taken into account with regard to rental revenue and vacant space.

**SENSITIVITY ANALYSIS**

Change	Impact on pre-tax profit, SEK m	Impact on the return on equity, percentage points	Impact on fair value, SEK m	Impact on fair value, percentage points
Rental revenue, +/- 1 per cent	54	0.1	333	0.6
Vacant space, +/- 1 percentage point	49	0.1	335	0.6
Operating costs, +/- 1 per cent	9	0.0	78	0.1
of which media provision	6	0.0	55	0.1
Maintenance costs, +/- 1 per cent <sup>1)</sup>	7	0.0	38	0.1
Cost of capital, + 1 percentage point	-3,351	-9.0	-3,351	-6.9
Cost of capital, - 1 percentage point	3,675	9.1	3,675	7.5
Yield target, + 1 percentage point	-3,718	-10.1	-3,718	-7.8
Yield target, - 1 percentage point	5,168	12.5	5,168	10.8

<sup>1)</sup> A change in the maintenance cost that affects the profit and return on equity has been calculated based on actual maintenance costs. The effect on the fair value has been calculated based on a standard maintenance cost and standard property administration cost in the valuation model.

**SENSITIVITY ANALYSIS, LIABILITY PORTFOLIO**

The interest-bearing liability portfolio is constantly exposed to interest rate changes on the market.

The analysis of the liability portfolio interest sensitivity can be divided into two parts:

- A change in value of interest derivatives (current values).
- Cash flow effects (net interest income/expense) over a calendar year for items with a short fixed interest period, which are given a new, short-term rate of interest for the remainder of the year.

As the fixed interest period is diversified and in accordance with the current risk mandate, a minimum of two years on average, the variations in the interest cost will fluctuate to a lesser extent than if the fixed interest period had been very short, e.g. three months.

The Company has fixed interest periods both within and outside the Statement of Financial Position in the form of interest derivatives. The aim of these derivatives is to facilitate a change in the liability portfolio's fixed interest period in addition to what has been achieved directly in the financing.

The table below shows the impact on profit of a rise in interest of one percentage point. The calculations are based on an unchanged liability amount.

**SENSITIVITY ANALYSIS, LIABILITY PORTFOLIO**

Liability portfolio	Nominal amount, SEK m	Maturity, years, average	Fixed interest period, years, average	Interest risk, one interest point, SEK m	Interest, %	Change in value, +100 interest points, SEK m as at the year-end <sup>1)</sup>	Net interest income/expense, 100 interest points, SEK m during the remainder of the calendar year <sup>1)</sup>
Fixed interest positions with a fixed interest period longer than one year within the Statement of Financial Position <sup>2)</sup>	7,703	13.74	13.74	6.69	3.66	0	0
Interest derivatives, fixed interest	6,450	0.00	4.00	2.56	2.56	240	0
Interest derivatives, variable interest	-6,450	0.00	0.16	-0.11	1.38	0	54
Variable interest within the Statement of Financial Position <sup>3)</sup>	13,218	2.71	0.20	0.31	1.41	0	-106
<b>TOTAL</b>	<b>20,921</b>	<b>6.77</b>	<b>6.37</b>	<b>9.44</b>	<b>2.35</b>	<b>240</b>	<b>-52</b>

<sup>1)</sup> Refers to one hundred interest points in a parallel displacement of the yield curve.

<sup>2)</sup> Fixed interest positions with a fixed interest period in excess of one year within the Statement of Financial Position refers to issues in SEK that are not included in fair value hedges.

<sup>3)</sup> Variable interest within the Statement of Financial Position refers to the total effect of issues in a foreign currency which, via derivatives, have been swapped to variable interest in Swedish kronor and which are reported as hedges and FRN issues.

**5 MERGER**

In December 2012, the former regional subsidiaries were merged with the Parent Company Akademiska Hus AB. The impact of the mergers on the financial statements was reported in 2012 and consequently the financial statements for 2013 and 2012 in this Annual Report are fully comparable.

**6 SEGMENT REPORT**

The Group's operations are controlled and reported on a regional basis. Segment reporting has been prepared using the same accounting principles applied to the Group as a whole. Revenue per segment is based on the tenant's geographical location whilst assets and liabilities are based on the tenant's physical location.

All revenue is generated in Sweden and all regions carry on property management.

For details of larger customers, see Note 8.

No significant sales between the segments have taken place.

'Investments' refer to gross investments in properties, construction of properties in progress and equipment, fixtures and fittings. 'Other operations' refer to Akademiska Hus Utveckling och Support AB, Datja Fastighets AB and Kunskapsmiljön 3 AB.

As a result of the merger of the former regional subsidiaries that took place the previous year, internal reporting has been adapted to the new conditions. This has meant that the information provided for the reportable segments was changed with effect from 2013. Net operating income is the most important measure of performance and is reported and followed up on a regular basis by the Group's supreme decision-maker. The profit after net operating income is not reported and is no longer followed up for each segment. Properties are the asset measurement that is reported internally and is followed up for each segment. Internal follow-up of other assets and liabilities now only takes place on the overall level for the Group.

## 6 CONTINUED

Segment information 2013	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other operations	Elimina- tions	Group
Rental revenue	725,397	761,219	535,086	899,916	1,919,261	519,398	5,360,277	-1,000		5,359,277
Other property management income	29,667	57,060	9,251	35,764	81,435	15,532	228,709			228,709
<b>Total revenue</b>	<b>755,064</b>	<b>818,279</b>	<b>544,337</b>	<b>935,680</b>	<b>2,000,696</b>	<b>534,930</b>	<b>5,588,986</b>	<b>-1,000</b>	<b>0</b>	<b>5,587,986</b>
Operating costs	-130,939	-122,347	-89,567	-169,665	-296,479	-80,197	-889,194			-889,194
Maintenance costs	-140,509	-95,701	-40,031	-104,122	-195,093	-92,875	-668,331			-668,331
Property administration	-148,687	-25,153	-14,646	-24,652	-45,386	-13,729	-272,253			-272,253
Other property management costs	-18,473	-53,849	-4,704	-33,507	-89,599	-52,654	-252,786			-252,786
<b>Total costs, property management</b>	<b>-438,608</b>	<b>-297,050</b>	<b>-148,948</b>	<b>-331,946</b>	<b>-626,557</b>	<b>-239,455</b>	<b>-2,082,564</b>	<b>0</b>	<b>0</b>	<b>-2,082,564</b>
<b>NET OPERATING INCOME</b>	<b>316,456</b>	<b>521,229</b>	<b>395,389</b>	<b>603,734</b>	<b>1,374,139</b>	<b>295,475</b>	<b>3,506,422</b>	<b>-1,000</b>	<b>0</b>	<b>3,505,422</b>
Changes in value, properties										232,013
Central overheads										-72,828
Result before financial items										3,664,607
Result from financial items (net)										-390,112
<b>PROFIT BEFORE TAX ACCORDING TO THE INCOME STATEMENT</b>										<b>3,274,495</b>
Properties	7,093,610	6,954,996	4,648,219	11,050,272	23,632,979	4,176,759	57,556,835	—	—	57,556,835
of which investments	489,117	117,433	65,302	1,053,044	987,634	41,538	2,750,068	—	—	2,754,068
Segment information 2012	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other operations	Elimina- tions	Group
Rental revenue	766,456	752,966	534,931	920,427	1,779,512	510,928	5,265,220	—	—	5,265,220
Other property management income	35,601	56,461	9,057	24,528	104,851	14,775	245,273	928	—	246,201
Sales between segments		3	113		379	526	1,021	115,545	-116,566	0
<b>Total revenue</b>	<b>802,057</b>	<b>809,430</b>	<b>544,101</b>	<b>944,955</b>	<b>1,884,742</b>	<b>526,229</b>	<b>5,511,514</b>	<b>116,473</b>	<b>-116,566</b>	<b>5,511,421</b>
Operating costs	-137,220	-122,698	-86,223	-182,230	-285,499	-83,352	-897,222	—	27,674	-869,548
Maintenance costs	-138,595	-68,797	-44,169	-104,490	-149,156	-58,871	-564,078	—	—	-564,078
Property administration	-35,671	-40,764	-23,705	-41,773	-71,367	-24,194	-237,474	-117,228	77,253	-277,449
Other property management costs	-27,898	-49,624	-9,751	-15,510	-91,331	-17,569	-211,683	30,538	-30,424	-211,569
<b>Total costs, property management</b>	<b>-339,384</b>	<b>-281,883</b>	<b>-163,848</b>	<b>-344,003</b>	<b>-597,353</b>	<b>-183,986</b>	<b>-1,910,457</b>	<b>-86,690</b>	<b>74,503</b>	<b>-1,922,644</b>
<b>NET OPERATING INCOME</b>	<b>462,673</b>	<b>527,547</b>	<b>380,253</b>	<b>600,952</b>	<b>1,287,389</b>	<b>342,243</b>	<b>3,601,057</b>	<b>29,783</b>	<b>-42,063</b>	<b>3,588,777</b>
Changes in value, properties										-291,205
Central overheads										-66,817
Result before financial items										3,230,755
Result from financial items (net)										-681,644
<b>PROFIT BEFORE TAX ACCORDING TO THE INCOME STATEMENT</b>										<b>2,549,111</b>
Properties	6,619,614	6,974,891	4,557,462	10,094,252	22,334,584	4,096,223	54,677,026	—	—	54,677,026
of which investments	253,903	111,351	95,623	988,288	1,402,579	63,086	2,914,830	2,498	—	2,917,328

**7 CATEGORISED OPERATING COSTS**

	Group		Parent Company	
	2013	2012	2013	2012
Functions reported in the Income Statements				
Property management	-2,082,564	-1,922,644	-2,254,809	-2,015,371
Central administration costs	-72,828	-66,817	-72,828	-66,817
<b>TOTAL OPERATING COSTS ACCORDING TO FUNCTION</b>	<b>-2,155,392</b>	<b>-1,989,461</b>	<b>-2,327,637</b>	<b>-2,082,188</b>
<b>CATEGORISED FUNCTION COSTS</b>				
Energy, fuel and water	-673,751	-642,939	-673,751	-642,939
Property administration	-49,392	-73,254	-44,761	-73,254
Maintenance costs, material and services purchased	-738,211	-616,523	-756,070	-616,523
Site leasehold charges	-57,763	-57,878	-57,763	-57,878
Property tax	-3,166	-2,536	-3,166	-2,536
Personnel costs	-337,732	-319,741	-330,370	-323,271
Depreciation	-9,262	-9,217	-9,262	-9,217
Other costs	-286,115	-267,373	-452,494	-356,570
<b>TOTAL CATEGORISED OPERATING COSTS</b>	<b>-2,155,392</b>	<b>-1,989,461</b>	<b>-2,327,637</b>	<b>-2,082,188</b>

**8 LEASE AGREEMENTS**

All properties are leased under operational lease agreements and generate rental revenue. The rental revenue during the period amounted to KSEK 5,359,277 (5,265,220) and the direct costs for property management for the period amounted to KSEK 2,082,564

(1,922,644). Profit for the year includes KSEK 566,400 (578,219) for variable supplements. Lund University and Uppsala University account for 11 per cent and 9 per cent of the rental revenue respectively.

**LEASE TERMS AS AT 31-12-2013**

Due date	Number of leases	Contracted annual rent	Proportion, %
Non-residential premises			
2014	323	703,397	11
2015	329	749,117	12
2016	188	589,689	10
2017	164	524,823	9
2018	45	398,983	6
2019	45	261,659	4
2020 and later	238	3,002,256	48
Other	262	30,378	0
<b>TOTAL</b>	<b>1,594</b>	<b>6,260,302</b>	<b>100</b>

**CONTRACTED RENTAL REVENUE AS AT 31-12-2013 ACCORDING TO THE SIZE OF THE LEASE**

Annual rent	Number of leases	Contracted annual rent	Proportion, %
Non-residential premises			
>70,000	3	383,467	6
30,000-70,000	38	2,375,929	38
10,000-30,000	142	1,574,829	25
7,500-10,000	53	465,044	8
5,000-7,500	91	555,949	9
2,500-5,000	125	459,044	7
<2,500	880	415,662	7
Other	262	30,378	0
<b>TOTAL</b>	<b>1,594</b>	<b>6,260,302</b>	<b>100</b>

**9 OTHER PROPERTY MANAGEMENT INCOME**

	Group		Parent Company	
	2013	2012	2013	2012
Parking revenue	57,864	54,619	57,864	54,619
Profit on the sale of other non-current assets	175	967	242,937	160,225
Income from external property management assignments and similar assignments	95,593	72,476	95,593	72,476
Income from services performed on behalf of tenants	45,876	48,946	45,876	48,946
Other	29,201	69,193	29,201	25,741
<b>TOTAL</b>	<b>228,709</b>	<b>246,201</b>	<b>471,471</b>	<b>362,007</b>

**10 OTHER PROPERTY MANAGEMENT EXPENSES**

	Group		Parent Company	
	2013	2012	2013	2012
Site leasehold charges, property tax and other risk costs	-75,711	-80,096	-75,711	-80,096
Loss on the sale and disposal of other non-current assets	—	-1	-205,584	-123,385
Costs for external property management assignments and similar assignments	-60,320	-56,673	-60,320	-56,673
Costs for services performed on behalf of tenants	-44,600	-45,567	-44,600	-45,567
Other	-72,155	-29,232	-32,951	-10,449
<b>TOTAL</b>	<b>-252,786</b>	<b>-211,569</b>	<b>-419,166</b>	<b>-316,170</b>

**11 DEPRECIATION IN PROPERTY MANAGEMENT**

	Group		Parent Company	
	2013	2012	2013	2012
Properties	—	—	-1,268,159	-1,278,979
Equipment, fixtures and fittings	-9,262	-9,217	-9,262	-9,217
<b>TOTAL</b>	<b>-9,262</b>	<b>-9,217</b>	<b>-1,277,421</b>	<b>-1,288,196</b>

In the Group and Parent Company, KSEK 4,631 (6,224) has been reported as property administration and KSEK 4,631 (2,993) as operating costs. In the Parent Company, depreciation of properties totalling KSEK 0 (1,278,979) has been added through a merger.

**12 EMPLOYEES AND PERSONNEL COSTS**

The average number of employees was as follows:

	2013	2012
<b>AKADEMISKA HUS AB</b>		
Head Office, Gothenburg	69	62
Southern Region	48	53
Western Region	63	64
Eastern Region	28	27
Uppsala Region	66	68
Stockholm Region	102	97
Northern Region	31	32
Kunskapsmiljön 3 AB	—	—
Datja Fastighets AB	—	—
Akademiska Hus Utveckling och Support AB	—	—
<b>GROUP, TOTAL</b>	<b>407</b>	<b>403</b>

The proportion of women (based on the average number of employees) in the Parent Company and the Group is 26 per cent (23).

**GENDER DIVISION, BOARD, GROUP MANAGEMENT AND OTHER PERSONS IN EXECUTIVE POSITIONS**

The Board comprises 8 (8) members elected at the Annual General Meeting and 2 (2) members appointed by the employees. 3 (3) of the members are women, i.e. 30 per cent (30).

Overall management of the Group rests with the Executive Management, which comprises 6 (7) men and 5 (4) women. The Executive Management comprises the President, Vice President, Director of Accounting and Finance, Human Resources Director, Corporate Communications Director, General Counsel and Regional Directors.

**SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS**

	2013		2012	
	Group	Parent Company	Group	Parent Company
<b>SALARIES AND REMUNERATION</b>				
Board members, President and Vice President	5,380	5,380	4,871	4,871
Other employees	207,216	207,216	193,724	193,724
<b>TOTAL</b>	<b>212,596</b>	<b>212,596</b>	<b>198,595</b>	<b>198,595</b>
<b>SOCIAL SECURITY COSTS</b>				
Board members, President and Vice President	2,997	2,997	2,571	2,571
(of which pension costs)	(1,542)	(1,542)	(1,305)	(1,305)
Other employees	104,073	104,073	96,314	96,314
(of which pension costs)	(60,483)	(60,483)	(55,741)	(55,741)
<b>TOTAL</b>	<b>107,070</b>	<b>107,070</b>	<b>98,885</b>	<b>98,885</b>
(of which pension costs)	(62,025)	(62,025)	(57,046)	(57,046)

The Group's and Parent Company's outstanding pension obligations to the President and regional company directors total KSEK 1,816 (809). The subsidiaries do not have any employees and no salaries have been paid.

## PAYMENTS TO THE BOARD

		2013				2012			
		Director's fees	Remuneration Committee	Finance Committee	Audit Committee	Director's fees	Remuneration Committee	Finance Committee	Audit Committee
Chairman of the Board	Eva-Britt Gustafsson	225	10	20	—	200	10	20	—
Member	Leif Ljungqvist <sup>1)</sup>	—	—	—	—	—	—	—	—
Member	Per Granath	112	—	20	—	100	—	20	—
Member	Gunnar Svedberg	112	10	—	—	100	10	—	—
Member	Maj-Charlotte Wallin	112	—	—	—	100	—	—	—
Member	Ingemar Ziegler	112	—	—	20	100	—	—	20
Member	Olof Ehrlén	112	—	—	20	100	—	—	20
Member	Pia Sandvik	112	—	20	—	100	—	20	—
Member	Marianne Förander <sup>1)</sup>	—	—	—	—	12	—	—	10
Employee representative	Anders Larsson	—	—	—	—	—	—	—	—
Employee representative	Thomas Jennlinger	—	—	—	—	—	—	—	—
<b>TOTAL</b>		<b>897</b>	<b>20</b>	<b>60</b>	<b>40</b>	<b>812</b>	<b>20</b>	<b>60</b>	<b>50</b>

<sup>1)</sup> Member for part of 2012.

## PAYMENTS TO THE EXECUTIVE MANAGEMENT

		2013		2012	
		Basic salary <sup>12)</sup>	Pension cost	Basic salary <sup>12)</sup>	Pension cost
CEO/President	Kerstin Lindberg Göransson	2,702	630	2,585	622
Vice President	Michael Walmerud <sup>1)</sup>	1,666	483	602	98
Regional Director, South	Tomas Ringdahl <sup>2)</sup>	1,466	319	—	—
Regional Director, West	Birgitta Hohlfält van Dalen	1,133	371	1,104	427
Regional Director, East	Lars Hagman <sup>3)</sup>	1,120	221	230	27
Regional Director, Uppsala	Hans Antonsson <sup>4)</sup>	941	318	1,150	408
Regional Director, Uppsala and North	David Carlsson <sup>5)</sup>	1,376	274	1,122	233
Regional Director, Stockholm	Sten Wetterblad	1,623	425	1,593	423
CIO	Cecilia Nielsen <sup>6)</sup>	880	143	676	119
General Counsel	Carolin Åberg-Sjöqvist	845	163	832	167
Director, Accounting and Financing	Gunnar Odors	1,095	431	979	341
Human Resources Director	Kristina Korsgren	964	254	920	243
Treasurer	Agneta Rodosi <sup>7)</sup>	—	—	1,254	428
Regional Director, South	Unni Sollbe <sup>8)</sup>	—	—	953	374
Regional Director, South	Bengt Keyser <sup>9)</sup>	—	—	115	—
Regional Director, East	Lars Svensson <sup>10)</sup>	—	—	855	245
Vice President	Anette Henriksson <sup>11)</sup>	—	—	662	170
<b>TOTAL</b>		<b>15,811</b>	<b>4,032</b>	<b>15,632</b>	<b>4,325</b>

<sup>1)</sup> Mikael Walmerud took up the position of Vice President on August 15, 2012.

<sup>2)</sup> Tomas Ringdahl took up the position of Regional Director on January 1, 2013.

<sup>3)</sup> Lars Hagman took up the position of Regional Director on October 15, 2012.

<sup>4)</sup> Hans Antonsson stepped down from the position of Regional Director on August 31, 2013.

<sup>5)</sup> David Carlsson took up the position of Regional Director in Uppsala on September 1, 2013.

<sup>6)</sup> Cecilia Nielsen took up the position of CIO on March 18, 2012.

<sup>7)</sup> Agneta Rodosi is no longer a member of the Executive Management.

<sup>8)</sup> Unni Solbe stepped down as Regional Director on October 31, 2012.

<sup>9)</sup> Bengt Keyser was acting Regional Director during the period November 1 - December 31, 2012.

<sup>10)</sup> Lars Svensson stepped down as Regional Director on October 12, 2012.

<sup>11)</sup> Anette Henriksson stepped down as Vice President on May 20, 2012.

<sup>12)</sup> No payments were made in addition to the above reported basic salary.

## 12 CONTINUED

PRINCIPLES GOVERNING REMUNERATION  
TO THE BOARD AND EXECUTIVE MANAGEMENT

The members of the Board receive a fee as decided at the Annual General Meeting. Board members who are employed in the Akademiska Hus Group, or who work at the Government Offices, do not receive any fee for this work.

Remuneration for committee work was set at the 2013 Annual General Meeting.

Remuneration to the CEO and other senior executives comprises a basic salary and a pension. The pension cost refers to the cost that had an impact on the profit for the year. All remuneration is excluding social insurance charges and special employer's contribution. Remuneration to the CEO is decided by the Board following a recommendation by the Remuneration Committee. Remuneration to other senior executives is decided by the President of the Parent Company following consultation with the Remuneration Committee. Remuneration comprises a basic salary and a defined contribution pension based on the ITP premium according to a collective agreement. Akademiska Hus follows the owner's guidelines governing terms and conditions of employment for senior executives. To ensure that the owner's guidelines are followed, an external enquiry was conducted in 2011. The enquiry showed that Akademiska Hus is following the guidelines. There is no variable or bonus-based remuneration. Salary surveys are conducted where a comparison is made with other property companies.

## PENSIONS

Akademiska Hus has taken out an individual occupational pension solution for the CEO, Kerstin Lindberg Göransson, where the agreed retirement age is 65 years. Akademiska Hus allocates 30 per cent of

Kerstin Lindberg Göransson's fixed monthly salary, which is paid into an occupational pension insurance plan according to a special agreement drawn up with a pension company. The pension package includes a sickness and early retirement pension, a retirement pension and optional survivor's pension and/or repayment cover.

Other senior executives have similar defined contribution agreements with a maximum allocation of 30 per cent, or what is termed a high-income earner solution with an opt-out premium that is cost-neutral compared with traditional, collectively agreed ITP.

## PERIODS OF NOTICE AND SEVERANCE PAY

An agreement has been reached with the CEO, Kerstin Lindberg Göransson, regarding a mutual period of notice of six months. In the event of notice being given by the Company, severance pay is payable for a further 18 months. The severance pay shall be considered to include payment for holidays and pension benefits. The severance pay is reduced by any amount Kerstin Lindberg Göransson may receive from other employment or through other activities.

Other senior executives within the Group have an agreed period of notice of between six and twelve months depending on when the agreements were signed. Agreements entered into after 2009 follow government guidelines with a period of notice of six months and in the event of notice being given by the Company, severance pay is payable for a maximum of eighteen months. Agreements entered into before 2009 stipulate a period of notice of twelve months and severance pay for twelve months. All agreements, however, fall within the framework of twenty-four months, including the period of notice. Salary payable or remuneration for work performed during the time severance pay is received shall be set off on a krona-by-krona basis.

## 13 FEES AND DISBURSEMENTS TO AUDITORS

Group and Parent Company

## 2013

Deloitte AB	
Audit assignment	1,447
Audit work in addition to the audit assignment	478
Tax consulting	300
Other services	497
<b>TOTAL</b>	<b>2,722</b>

## 2012

Deloitte AB	
Audit assignment	930
Audit work in addition to the audit assignment	463
Tax consulting	190
Other services	1,193
<b>TOTAL</b>	<b>2,776</b>

'Audit assignment' refers to payment to the auditor for the statutory audit, i.e. work necessary to submit the audit report. 'Audit work in addition to the audit assignment' in effect refers to what can be designated quality assurance services (e.g. examination of a prospectus for an EMTN programme) as well as the provision of advice or other assistance as a result of observations made in conjunction with such an

examination or the performance of other such duties. 'Tax consulting' is self-explanatory. 'Other services' refers mainly to fees for consultation in conjunction with the merger of the subsidiaries, examination of tax returns and consultation regarding financial instruments and the Sustainability Report.

**14 PROFIT FROM FINANCIAL INCOME AND EXPENSE**

	Group		Parent Company	
	2013	2012	2013	2012
<b>RESULT FROM OTHER SECURITIES AND RECEIVABLES RECORDED AS NON-CURRENT ASSETS</b>				
Interest income, other <sup>1)</sup>	86,969	59,824	86,969	59,824
Changes in value, independent derivatives	137,759	-4,209	137,759	-4,209
<b>TOTAL</b>	<b>224,728</b>	<b>55,615</b>	<b>224,728</b>	<b>55,615</b>
<b>OTHER INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS</b>				
Interest income, other <sup>1)</sup>	68,830	166,762	68,830	166,762
Changes in value, independent derivatives	7,211	63,604	7,211	63,604
<b>TOTAL</b>	<b>76,041</b>	<b>230,366</b>	<b>76,041</b>	<b>230,366</b>
<b>RESULT, FINANCIAL INCOME</b>	<b>300,769</b>	<b>285,981</b>	<b>300,769</b>	<b>285,981</b>
<b>OTHER INTEREST EXPENSE AND SIMILAR PROFIT/LOSS ITEMS</b>				
Interest expense, other <sup>1)</sup>	-583,164	-663,334	-719,580	-771,798
Changes in value, independent derivatives	-2,590	-137,887	-2,590	-137,887
Changes in value, fair value hedging	-105,127	-166,404	-105,127	-166,404
<b>RESULT, FINANCIAL EXPENSE</b>	<b>-690,881</b>	<b>-967,625</b>	<b>-827,297</b>	<b>-1,076,089</b>
<b>RESULT, NET FINANCIAL INCOME AND EXPENSE</b>	<b>-390,112</b>	<b>-681,644</b>	<b>-526,528</b>	<b>-790,108</b>
<sup>1)</sup> Of which interest income/interest expense deriving from financial instruments that are not valued at fair value in profit or loss.	-193,323	1,698,383	-329,738	1,634,459

	Group		Parent Company	
	2013	2012	2013	2012
Changes in value are as follows:				
<b>UNREALISED CHANGES IN VALUE</b>				
Independent derivatives	127,311	-70,525	127,311	-70,525
Fair value hedging, hedging instruments	-354,980	-604,064	-354,980	-604,064
Fair value hedging, hedged item	249,853	437,660	249,853	437,660
Total	22,184	-236,929	22,184	-236,929
<b>REALISED CHANGES IN VALUE</b>				
Independent derivatives	15,068	-7,967	15,068	-7,967
Total	15,068	-7,967	15,068	-7,967
<b>TOTAL CHANGES IN VALUE</b>	<b>37,252</b>	<b>-244,896</b>	<b>37,252</b>	<b>-244,896</b>

**15 APPROPRIATIONS AND UNTAXED RESERVES (PARENT COMPANY)**

	Parent Company	
	31-12-2013	31-12-2012
<b>APPROPRIATIONS</b>		
Change in tax allocation reserve	-177,091	-190,437
Difference between recorded depreciation and depreciation according to plan	-26,386	2,134
<b>TOTAL</b>	<b>-203,477</b>	<b>-188,303</b>
<b>UNTAXED RESERVES</b>		
Tax allocation reserve, 2008 tax assessment	—	264,803
Tax allocation reserve, 2009 tax assessment	305,293	305,293
Tax allocation reserve, 2010 tax assessment	458,536	458,536
Tax allocation reserve, 2011 tax assessment	397,454	397,454
Tax allocation reserve, 2012 tax assessment	437,485	437,485
Tax allocation reserve, 2013 tax assessment	449,374	449,374
Tax allocation reserve, 2014 tax assessment	441,894	—
Additional depreciation	959,525	933,139
<b>TOTAL</b>	<b>3,449,561</b>	<b>3,246,084</b>

**16 TAXES**

The following components are included in the Group and Parent Company tax expense:

	Group		Parent Company	
	2013	2012	2013	2012
<b>TAX ON PROFIT FOR THE YEAR</b>				
Current tax				
Current tax on profit for the year	-291,800	-356,304	-291,737	-356,303
Total current tax	-291,800	-356,304	-291,737	-356,303
<b>DEFERRED TAX</b>				
Deferred tax attributable to a change in temporary differences	-415,182	-337,206	-23,425	10,029
Effect of change in tax rate	—	1,293,972	—	75,044
Total deferred tax	-415,182	956,766	-23,425	85,073
<b>TOTAL TAX ON PROFIT FOR THE YEAR</b>	<b>-706,982</b>	<b>600,462</b>	<b>-315,162</b>	<b>-271,230</b>

The difference between the reported tax expense and tax expense based on the current tax rate comprises the following components:

	Group		Parent Company	
	2013	2012	2013	2012
Reported profit before tax	3,274,495	2,549,111	1,495,685	1,278,432
Tax at the current tax rate	-720,389	-670,254	-329,051	-336,228
Tax effect of expenses that are not tax deductible/taxable (permanent differences):				
Non-deductible expenses	-1,890	-2,435	-1,409	-7,940
Non-taxable income <sup>1)</sup>	20,830	6,283	20,830	6,283
Taxable standard interest calculated on the tax allocation reserve	-5,446	-6,643	-5,445	-6,643
Effect of change in tax rate	—	1,293,972	—	75,044
Adjustment of tax expense for previous years	-87	-20,461	-87	-1,746
<b>TOTAL REPORTED TAX EXPENSE</b>	<b>-706,982</b>	<b>600,462</b>	<b>-315,162</b>	<b>-271,230</b>

1) Non-taxable income for 2013 includes disposal of trade-related shares with a tax amount totalling KSEK 18,630.

**Reported deferred tax claim/liability**

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
<b>DEFERRED TAX CLAIMS ATTRIBUTABLE TO TEMPORARY DIFFERENCES</b>				
Financial instruments	27,080	32,816	27,080	32,816
Cash flow hedge	13,224	12,455	13,224	12,455
Pension provisions	14,468	32,245	—	—
Total, reported deferred tax receivables	54,772	77,516	40,304	45,271
<b>DEFERRED TAX LIABILITIES ATTRIBUTABLE TO TEMPORARY DIFFERENCES</b>				
Tax allocation reserve	-547,808	-508,910	—	—
Properties	-6,504,877	-6,120,330	-392,970	-365,697
Financial instruments	-10,811	-22,908	-10,811	-22,908
Other	—	2,783	27	310
Total, reported deferred tax liability	-7,063,496	-6,649,365	-403,754	-388,295
<b>TOTAL REPORTED DEFERRED TAX LIABILITY</b>	<b>-7,008,724</b>	<b>-6,571,849</b>	<b>-363,450</b>	<b>-343,024</b>

The following deferred tax claims/liabilities refer to items where a change has been reported in other comprehensive income.

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Cash flow hedge				
- Currency derivatives	5,925	-3,555	5,925	-3,555
- Electricity derivatives	-2,924	2,354	-2,924	2,354
- Actuarial gains and losses	-21,393	1,168	—	—
<b>TOTAL DEFERRED TAX REPORTED IN OTHER COMPREHENSIVE INCOME</b>	<b>-18,392</b>	<b>-33</b>	<b>3,001</b>	<b>-1,201</b>

**UNREPORTED DEFERRED TAX**

No deferred tax in respect of untaxed reserves has been reported in the Parent Company. The deferred tax liability related to untaxed reserves totals KSEK 758,903 (714,200) and is included in these reserves. Of the unreported deferred tax liability for 2012, KSEK 632,770 arose due to the merger. The consolidated accounts do not include any material unreported temporary differences between carrying amounts and tax values for assets and liabilities. All tax deficit deductions within the Group can be utilised for an unlimited period in the future.

**17 DIVIDEND**

The dividend paid to the shareholder on May 8, 2013 totalled SEK 1,355,000,000 (1,245,000,000). The dividend per share was SEK 634.66 (583.14). As regards the dividend for the year, the Board proposes a dividend of SEK 643.56 per share to be paid to the shareholder as instructed by the owner. A decision regarding a dividend will be reached by the shareholder at the Annual General Meeting. The dividend has not been recorded as a liability in the Annual Report. The dividend is estimated at SEK 1,374,000,000.

**18 PROPERTIES (GROUP)**

The fair value of properties has changed during the year as follows:

	Group	
	31-12-2013	31-12-2012
Opening carrying amount	54,677,026	52,070,700
Investments, new construction and redevelopment	2,750,068	2,901,346
Acquisitions	4,000	7,000
Capitalised interest charges	136,416	106,529
Sales	-375,500	-146,209
Change in fair value	364,825	-262,340
of which change in value due to changes in cost of capital	104,862	-29,027
of which capitalised interest charges	-136,416	-106,529
of which completed projects, revaluation of cash flows etc.	396,379	-126,784
<b>CARRYING AMOUNT</b>	<b>57,556,035</b>	<b>54,677,026</b>

	Group	
	2013	2012
Changes in value		
Positive	1,843,473	1,182,161
Negative	-1,478,647	-1,444,501
Result from sales and disposals		
Positive	48,443	21,921
Negative	-181,256	-50,786
<b>TOTAL CHANGES IN VALUE, PROPERTIES</b>	<b>232,013</b>	<b>-291,205</b>

## Change in fair value of properties, regions, SEK m.

Region	31-12-2013	31-12-2012	Change	Of which invest- ments/acquisitions	Of which sales/ disposals	Of which unrealised change in value	Of which capitalised interest expense
South	7,094	6,620	474	489	-191	168	9
West	6,955	6,975	-20	117	0	-142	5
East	4,648	4,557	91	65	0	23	2
Uppsala	11,050	10,094	956	1,053	-3	-163	69
Stockholm	23,633	22,335	1,298	988	-181	442	49
North	4,177	4,096	81	42	0	37	2
<b>TOTAL</b>	<b>57,557</b>	<b>54,677</b>	<b>2,880</b>	<b>2,754</b>	<b>-375</b>	<b>365</b>	<b>136</b>

## VALUATION MODELS/METHODS

Akademiska Hus has an internal property valuation process that is highly developed and has been quality assured. Information regarding valuation principles as well as levels of input data, assumptions and prerequisites are produced by the Company's valuation specialists. These are finally confirmed by the President.

Akademiska Hus valuation models comply with good market practice in the property industry and the cash flows and yield targets that are used are justified based on both property-specific conditions and industry-specific conditions. The properties have been valued individually without any account being taken of portfolio effects.

The fair value of the Group's properties as at December 31, 2013 has been set using an internal property valuation. The valuation has been conducted using different valuation methods as follows:

	SEK m	Share, %
Internal cash flow valuation	53,023	92%
Expansion reserves	936	2%
Other valuation (including properties under construction and development properties)	3,598	6%
<b>Total</b>	<b>57,557</b>	<b>100%</b>

SEK 53,023 million (92 per cent) of the fair value has been set through an internal cash flow valuation where the cash flow used comprises the revenue and cost for each property, i.e. the net operating income. Rent payments have been calculated based on current leases. If the rent level at the end of the lease is deemed to be in line with the market, it is assumed that the agreement can be extended subject to the same terms and conditions. Otherwise the rents are adjusted to a level that is in line with the market. Operating costs are assessed based on historical outcome and forecasts. Property administration costs are assessed based on the average cost level within Akademiska Hus and the maintenance costs are assessed based on actual costs and key figures for the industry.

For an initial calculation period of 10 years, the current value of the cash flow generated each year is calculated using a nominal cost of capital. The residual value from year 11 is also calculated based on the market's assessed actual yield targets. This residual value is calculated at the current value, which is in turn calculated using a nominal cost of capital. The fair value of a property comprises the sum of the current value of the cash flows during the calculation period and the current residual value.

The starting point for choosing cost of capital is the nominal rate of interest applied on the secondary market for government bonds with the term equivalent to the length of the calculation period. Added to this is a risk premium that should cover both the market risk and the property-related risk.

The yield targets are assessed, when feasible, using the property transactions that have taken place on the market as a starting point with, as far as possible, comparable properties. Each year, Akademiska Hus verifies the assessed yield targets, cost of capital and other valuation conditions using two independent valuation institutes, NAI Svefa and DTZ.

Both the cost of capital for discounting the cash flow as well as the yield target have been differentiated for each property depending on the town, location, lease term and type of premises. The risks are thus analysed using several dimensions and are generally considered to be higher for properties with shorter leases, installation-intensive premises and properties in less attractive locations.

Expansion reserves, SEK 936 million (2 per cent) have been valued using the location prices for construction rights with a deduction for development costs, supplemented by developer calculations. In some cases, the planning conditions for new construction are unclear and

consequently the pure land values have been used to establish the fair value. The expansion reserves include construction rights covering a gross area of approximately 1.2 million square metres.

SEK 3,598 million (6 per cent) comprises mainly properties with uncertain future cash flows. These have been valued individually using the most appropriate valuation method.

The total fair value of properties includes new construction in progress amounting to SEK 4,491 million (4,006), which has also been valued using the internal cash flow valuation with a deduction for remaining investment.

The properties are on level 3 in the fair value hierarchy.

## External valuation

To assure the internal valuation, selected properties are valued each year by external valuation companies. As at September 30, 2013, 29 valuation buildings/sellable units at a fair value of SEK 10,391 million were valued externally, corresponding to approximately 18 per cent of the Akademiska Hus total fair value. The external valuations in 2013 were carried out by DTZ as a benchmark for the internal cash flow valuations. DTZ's valuers are authorised by the Swedish Society of Real Estate Economics. The external valuations confirm the reliability of the internal valuation model.

## Valuation conditions 2013

No general change in the direct yield targets or cost of capital was made in the internal property valuation during the year. This means that the difference between the long-term market interest rates and the yield targets for property investments (risk premium) continues to be high. The difference that was noted previously in the yield targets between properties that are good and properties that are not quite as good remained during 2013. Well-located, efficient properties with a strong customer base and good rental potential are in greatest demand and are naturally less sensitive to external changes.

## Cost of capital and yield targets

Characteristic of Akademiska Hus are long leases with stable, credit-worthy customers. The tenants have a public principal and thus a very good credit rating, which means a low rent risk during the term of the lease. Around 90 per cent of the revenue comes from the dominant customer group, universities and colleges. All centres of education, apart from Chalmers University of Technology, have the Swedish state as principal and thus have the highest credit rating. The average remaining lease term is 5.3 years (5.2).

Akademiska Hus works in a specific segment of the property market, which means that our properties have a higher degree of adaptation to specific purposes and thus a slightly more uncertain residual value than might be the case for more general properties, such as office buildings and residential properties. This means that many of our properties are not available to new tenants or for new purposes without substantial redevelopment. After the initial calculation period, the more property-specific risks must therefore be reflected in more concrete terms in the assessment of residual value. An assessment of the uncertainty regarding modernity, standard/condition, technical risk and redevelopment/adaptation requirements is made at the point at which residual value is calculated. These risks are quantified mainly in the form of charges to cash flow rather than the direct yield target.

The cost of capital for the cash flow varies for different properties within the range 7.15–13.02 per cent depending on the town/city, location, lease term and type of premises. The long-term yield target varies between 5.05 per cent and 10.8 per cent depending on the town/city, location and type of premises.

## 18 CONTINUED

The average yield target and cost of capital for each region are shown in the table below.

	31-12-2013		31-12-2012	
	Yield target, %	Cost of capital, %	Yield target, %	Cost of capital, %
South	6.5	8.7	6.6	8.7
West	6.5	8.6	6.6	8.7
East	7.0	9.1	7.0	9.2
Uppsala	6.6	8.7	6.6	8.7
Stockholm	5.9	8.0	6.0	8.1
North	7.2	9.3	7.3	9.5
Group	6.4	8.5	6.4	8.6

## Town/city and location

In conjunction with an internal valuation, the property holdings have been grouped into the following 26 cities/towns/locations:

Inner-city Stockholm, inner-city Gothenburg, other parts of Stockholm, Solna, Lund, other parts of Gothenburg, Uppsala, Linköping, inner-city Malmö, other parts of Malmö, Kista, Sundsvall, Huddinge, Umeå, Norrköping, Karlstad, Borås, Luleå, Kristianstad, Skövde, Örebro, Grythyttan, Ultuna, Gävle, Alnarp and other smaller locations.

The division into different cities, towns and locations reflects the demand on the market and the attractiveness of the properties. Inner-city locations in Stockholm and Gothenburg are in greatest demand and most attractive whilst demand is lowest in smaller, rural locations.

The city, town and location classifications have been based on the general division of the property market. Larger and important cities and towns have been assigned a higher degree of attractiveness from a demographic, employment and economic point of view. This is also the case from the point of view of higher education and research, where Sweden's three cities, Stockholm, Gothenburg and Malmö, but also the classic university towns of Lund and Uppsala and to a certain extent Linköping and Umeå, are regarded as being more attractive and are considered to be more stable and secure education and research locations in the long term.

## Special adaptation and category of premises

In the valuation, a division has been made into installation-intensive premises and non-installation-intensive premises. The proportion of installation-intensive premises within Akademiska Hus is approximately 34 per cent. For these premises, there is a relatively higher risk in the rent flow in the long term as they represent a significant element of specially adapted premises. To counter this risk, installation-intensive premises have been assigned a generally higher yield target.

## Lease term

From a valuation point of view, a division has been made into the average remaining lease term: six years or less, between six and 10 years and more than 10 years. For valuation properties with an average remaining lease term exceeding six years, the relative risk is lower as the cash flow valuation is based predominantly on hedged flows.

## Other assumptions

The following assumptions form the basis for the internal market valuation:

- Inflation is estimated at 0 per cent (1.0) for the first year of the calculation period based on the views of different forecasters, such as the National Institute of Economic Research, the Swedish Central Bank and other banks. During the remainder of the calculation period, inflation is estimated to be 2.0 per cent (2.0) per annum, which is equivalent to the long-term inflation target set by the Swedish Central Bank.
- The rent trend is estimated at a maximum of inflation (CPI). Consideration has been given to the formulation of the lease agreements, which have an annual rent trend equal to an average of 70 per cent of the CPI. The rent is adapted to the assessed market rent at the end of the lease term.
- For current lease agreements, the initial, actual level of vacant space has been used. At the end of the current lease agreement, a general level of vacant space of 5 per cent (5) has been assumed.
- Operating costs are assessed according to historic outcome and forecast and normally follow inflation (CPI).

- Property administration costs have been set at a standard of SEK 75/m<sup>2</sup> (75).
- Maintenance costs have been set at a standard of SEK 70/m<sup>2</sup> (70) for non-installation-intensive premises and SEK 110/m<sup>2</sup> (110) for installation-intensive premises.

## Sensitivity analysis

The sensitivity analysis shows how the fair value is affected in conjunction with changes in different variables. However, the effect of the changes in value on profit does not impact on cash flow as it is unrealised.

Change	Impact on fair value, SEK m	Impact on fair value, %
Rental revenue, +/- 1 per cent	333	0.6
Vacant space, +/- 1 percentage point	335	0.6
Operating costs, +/- 1 per cent	78	0.1
of which media provision	55	0.1
Maintenance costs, +/- 1 per cent <sup>1)</sup>	38	0.1
Cost of capital, + 1 percentage point	-3,351	-6.9
Cost of capital, - 1 percentage point	3,675	7.5
Yield target, + 1 percentage point	-3,718	-7.8
Yield target, - 1 percentage point	5,168	10.8

<sup>1)</sup>In conjunction with an impact on profit and return on equity, the change in maintenance costs has been based on actual maintenance costs.

The impact on fair value has been calculated based on a standard maintenance cost and standard property administration cost in the valuation model.

## Other

There are no limits with regard to the right to sell the properties or use the rental revenue.

All properties are leased under operational lease agreements and generate rental revenue. The rental revenue during the period amounted to KSEK 5,359,277 (5,265,220) and the direct costs for the properties during the period totalled KSEK -2,082,564 (-1,922,644).

## 19 PROPERTIES (PARENT COMPANY)

The carrying amount of properties changed as follows during the year:

	Parent Company	
	31-12-2013	31-12-2012
Opening acquisition value	44,783,794	—
Addition following merger of subsidiaries	—	44,783,794
Investment in new construction and redevelopment	2,750,068	—
Acquisitions	4,000	—
Sales and disposals	-417,375	—
<b>CLOSING ACCUMULATED ACQUISITION VALUE</b>	<b>47,120,487</b>	<b>44,783,794</b>
	Parent Company	
	2013	2012
Opening depreciation	-14,683,240	—
Addition following merger of subsidiaries	—	-13,832,232
Reclassifications	-3,852	-3,383
Sales and disposals	159,180	336,172
Depreciation for the year	-1,227,010	-1,183,797
<b>CLOSING ACCUMULATED DEPRECIATION ACCORDING TO PLAN</b>	<b>-15,754,922</b>	<b>-14,683,240</b>
	Parent Company	
	2013	2012
Opening impairments	-648,058	—
Addition following merger of subsidiaries	—	-560,978
Reclassifications	3,852	3,383
Sales and disposals	54,363	4,719
Reversed impairments	-40,755	34,059
Impairments for the year	—	-129,241
<b>CLOSING ACCUMULATED IMPAIRMENTS</b>	<b>-630,598</b>	<b>-648,058</b>
<b>CARRYING AMOUNT</b>	<b>30,734,967</b>	<b>29,452,496</b>

**20 EQUIPMENT, FIXTURES AND FITTINGS**

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Opening acquisition value	108,434	115,411	108,434	15,349
Addition following merger of subsidiaries	—	—	—	93,085
Purchases	4,449	8,982	4,449	—
Sales and disposals	-19,757	-15,959	-19,757	—
<b>CLOSING ACCUMULATED ACQUISITION VALUE</b>	<b>93,126</b>	<b>108,434</b>	<b>93,126</b>	<b>108,434</b>
Opening depreciation	-85,345	-91,802	-85,345	-8,809
Addition following merger of subsidiaries	—	—	—	-76,536
Sales and disposals	19,636	15,674	19,636	—
Depreciation for the year	-9,262	-9,217	-9,262	—
<b>CLOSING ACCUMULATED DEPRECIATION</b>	<b>-74,971</b>	<b>-85,345</b>	<b>-74,971</b>	<b>-85,345</b>
<b>CARRYING AMOUNT</b>	<b>18,155</b>	<b>23,089</b>	<b>18,155</b>	<b>23,089</b>

**21 SHARES IN GROUP COMPANIES**

	Parent Company	
	31-12-2013	31-12-2012
Opening acquisition value	650	1,564,200
Deduction following merger of subsidiaries	—	-1,563,700
Addition following merger of subsidiaries	—	150
Acquisition of subsidiaries	50	—
Sale of subsidiaries	-50	—
<b>CARRYING AMOUNT</b>	<b>650</b>	<b>650</b>

## Specification of the Parent Company's shareholdings in Group companies:

Subsidiaries	Company reg. no.	Registered office	Total number of shares	Share of equity in % <sup>1)</sup>	Parent Company	
					31-12-2013 Carrying amount	31-12-2012 Carrying amount
Akademiska Hus Utveckling och Support AB	556610-2975	Gothenburg	500 (500)	100 (100)	500	500
Kunskapsmiljön 2 AB	556829-2816	Lund	0 (500)	0 (100)	—	50
Kunskapsmiljön 3 AB	556925-7818	Umeå	500 (0)	100 (0)	50	—
Datja Fastighets AB	556745-5703	Stockholm	1,000 (1,000)	100 (100)	100	100
<b>TOTAL</b>					<b>650</b>	<b>650</b>

<sup>1)</sup> Corresponds to the number of votes.

**22 DERIVATIVES (GROUP)**

Derivatives are used to handle interest risk exposure and to eliminate currency risks in conjunction with financing in a foreign currency. The fair value of interest and cross currency interest rate swap agreements

includes the underlying capital amounts and accrued interest. The Group's risk management is described in Note 36 Financial Risk Management. Carrying amounts, derivatives, are broken down as follows:

		31-12-2013		31-12-2012	
		Assets	Liabilities	Assets	Liabilities
<b>NON-CURRENT</b>	Independent derivatives				
	- interest rate derivatives	174,611	301,050	126,632	393,046
	- cross currency interest rate swap agreements				
	Hedging instruments, fair value hedging	429,918	—	452,286	—
	- interest swaps				
	- cross currency interest rate swap agreements	175,882	—	188,618	3,666
	Hedging instruments, cash flow hedging	512,197	—	1,098,478	—
	- currency derivatives				
	- electricity derivatives	—	2,853	533	6,562
		—	19,291	—	12,806
<b>TOTAL, NON-CURRENT</b>		<b>1,292,608</b>	<b>323,194</b>	<b>1,866,547</b>	<b>416,080</b>
<b>CURRENT</b>	Independent derivatives				
	- interest derivatives	858	13,638	—	51,515
	Hedging instruments, fair value hedging				
	- cross currency interest rate swap agreements				
	Hedging instruments, cash flow hedging	325,235	—	381,930	—
	- currency derivatives				
	- electricity derivatives	4,721	779	388	63,715
		—	35,830	—	17,013
<b>TOTAL, CURRENT</b>		<b>330,814</b>	<b>50,247</b>	<b>382,318</b>	<b>132,243</b>
<b>TOTAL, DERIVATIVES</b>		<b>1,623,422</b>	<b>373,441</b>	<b>2,248,865</b>	<b>548,323</b>

Fair value is equivalent to the carrying amount in the table above. Derivatives and swap agreements are on level 2 in the fair value hierarchy, see Note 35.

The maturity structure of the Group's derivatives is as follows, SEK m.

	31-12-2013						31-12-2012					
	Independent derivatives <sup>1)</sup>		Fair value hedging <sup>2)</sup>		Cash flow hedging <sup>3)</sup>		Independent derivatives <sup>1)</sup>		Fair value hedging <sup>2)</sup>		Cash flow hedging <sup>3)</sup>	
	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value
2013	—	—	—	—	—	—	2,513	2	-2,136	382	-285	-28
2014	4,284	-16	-1,818	325	-281	-37	-550	-43	-1,780	323	-199	-15
2015	-454	393	-1,000	170	-175	-18	-424	406	-1,000	197	-92	-4
2016	-3,350	-18	-1,091	55	-78	-4	-350	-17	-1,068	53	—	—
2017	100	-21	—	—	—	—	100	-31	—	—	—	—
2018	150	-16	-2,432	299	—	—	400	-27	-2,536	501	—	—
2019	1,174	-73	—	—	—	—	1,000	-113	—	—	—	—
2020	—	-22	—	—	—	—	—	—	—	—	—	—
2021 and later	1,750	62	-1,453	159	—	—	1,181	-8	-1,424	216	—	—
<b>TOTAL</b>	<b>3,654</b>	<b>289</b>	<b>-7,794</b>	<b>1,008</b>	<b>-534</b>	<b>-59</b>	<b>3,870</b>	<b>169</b>	<b>-9,944</b>	<b>1,672</b>	<b>-576</b>	<b>-47</b>

<sup>1)</sup> Nominal amount, independent derivatives. A positive amount constitutes an extension of the portfolio's fixed interest.

<sup>2)</sup> Nominal amount, fair value hedging. A negative amount constitutes a purchase of foreign currency.

<sup>3)</sup> Nominal amount, cash flow hedging. A negative amount constitutes a purchase of foreign currency and/or a purchase of electricity derivatives.

The table below shows the due date structure for derivatives, SEK million, which constitute hedging instruments in cash flow hedging.

	31-12-2013				31-12-2012			
	Currency derivatives <sup>1)</sup>		Electricity derivatives <sup>2)</sup>		Currency derivatives <sup>1)</sup>		Electricity derivatives <sup>2)</sup>	
	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value
2014	-146	-1	-135	-36	-98	-5	-101	-10
2015	-86	-2	-89	-16	-44	-1	-48	-3
2016	-37	-1	-41	-3	—	—	—	—
<b>TOTAL</b>	<b>-269</b>	<b>-4</b>	<b>-265</b>	<b>-55</b>	<b>-142</b>	<b>-6</b>	<b>-149</b>	<b>-13</b>

<sup>1)</sup> Nominal amount, currency derivatives. A negative amount constitutes a purchase of foreign currency.

<sup>2)</sup> Nominal amount, electricity derivatives. A negative amount constitutes a purchase of electricity derivatives.

The following table shows the due date structure for forecast electricity use together with electricity derivatives and currency derivatives

	Forecast use, MWh	Hedging level, price, %	Hedging level, currency, %
2014	450,000	79	77
2015	450,000	56	54
2016	450,000	29	27

### 23 OTHER NON-CURRENT RECEIVABLES

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Interest-bearing note	188,892	274,952	188,892	274,952
Other non-interest-bearing receivables	197,635	158,276	197,635	158,276
<b>TOTAL</b>	<b>386,527</b>	<b>433,228</b>	<b>386,527</b>	<b>433,228</b>

Other non-current receivables are reported and valued according to the loan receivables and accounts receivable category. Fair value is equivalent to the carrying amount of other non-current receivables. Promissory notes and other non-current receivables are on level 2 in the fair value hierarchy.

Of the Group's non-current receivables, KSEK 350,863 is expected to be realised within five years of the year-end and KSEK 35,664 later than five years.

The interest-bearing promissory note changed as follows:

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Opening balance	274,952	267,274	274,952	—
Addition following merger of subsidiaries	—	—	—	267,274
Provisions for the year	-86,060	—	-86,060	—
Reversed provisions	—	7,678	—	7,678
<b>CLOSING BALANCE</b>	<b>188,892</b>	<b>274,952</b>	<b>188,892</b>	<b>274,952</b>

The non-interest-bearing promissory note changed as follows:

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Opening balance	—	52,815	—	—
Addition following merger of subsidiaries	—	—	—	52,815
Provisions for the year	—	-52,815	—	-52,815
<b>CLOSING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other non-interest-bearing receivables changed as follows:

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Opening balance	158,276	136,924	158,276	15
Addition following merger of subsidiaries	—	—	—	136,909
Reversed provisions	39,359	21,352	39,359	21,352
<b>CLOSING BALANCE</b>	<b>197,635</b>	<b>158,276</b>	<b>197,635</b>	<b>158,276</b>

entered into with the aim of hedging the electricity price. All outstanding currency hedgings are in EUR/SEK.

### 24 RENT RECEIVABLES AND ACCOUNTS RECEIVABLE

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Rent receivables and accounts receivable	242,465	288,461	242,465	288,461
Provision, doubtful rent receivables and accounts receivable	-239	-55	-239	-55
<b>TOTAL</b>	<b>242,226</b>	<b>288,406</b>	<b>242,226</b>	<b>288,406</b>

Rent receivables and accounts receivable are reported and valued according to the loan receivables and accounts receivable category. The fair value of rent receivables and accounts receivable concurs with the carrying amount as of the year-end and there is no impairment requirement. The Group's rent receivables and accounts receivable are on level 2 in the fair value hierarchy.

Of the rent receivables and accounts receivable that had fallen due as at December 31, 2013, KSEK 36,541 had fallen due by 1–5 days, KSEK 4,424 had fallen due by 5–30 days, KSEK 1,041 had fallen due by 30–60 days and KSEK 3,083 had fallen due by more than 60 days. Receivables falling due do not include impaired receivables.

Rent receivables and accounts receivable changed as follows:

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Opening balance	288,461	383,105	288,461	—
Addition following merger of subsidiaries	—	—	—	288,461
Provisions for the year	-45,996	-94,644	-45,996	—
<b>CLOSING BALANCE</b>	<b>242,465</b>	<b>288,461</b>	<b>242,465</b>	<b>288,461</b>

The provision for doubtful rent receivables and accounts receivable changed as follows:

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Opening balance	-55	-3,342	-55	—
Addition following merger of subsidiaries	—	—	—	-3,342
Provisions for the year	-184	-184	-184	-184
Reversed provisions	—	2,652	—	2,652
Established credit losses	—	819	—	819
<b>CLOSING BALANCE</b>	<b>-239</b>	<b>-55</b>	<b>-239</b>	<b>-55</b>

### 25 OTHER RECEIVABLES

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
VAT receivable	236,588	269,489	236,588	269,489
Settlement, taxes and charges	278,705	119,907	278,705	119,907
Other current receivables	183,417	28,172	188,266	28,775
<b>TOTAL</b>	<b>698,710</b>	<b>417,568</b>	<b>703,559</b>	<b>418,171</b>

Other current receivables are reported at cost.

**26 PREPAID EXPENSES AND ACCRUED INCOME**

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Accrued rent	76,386	59,098	76,386	59,098
Prepaid rent	14,681	16,685	14,681	16,685
Accrued interest income	3,075	3,050	3,075	3,050
Prepaid interest expense	290	290	290	290
Prepaid energy costs	901	1,278	901	1,278
Other	31,560	72,524	31,560	72,524
<b>TOTAL</b>	<b>126,893</b>	<b>152,925</b>	<b>126,893</b>	<b>152,925</b>

**27 DUE DATE STRUCTURE, RECEIVABLES**

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Due date structure				
Receivables expected to be cleared within one year of the year-end	1,398,643	1,385,706	1,403,492	1,386,323
Receivables expected to be cleared within 1-5 years of the year-end	1,383,116	1,457,617	1,383,116	1,457,617
Receivables expected to be cleared later than five years after the year-end	296,019	842,158	296,019	842,158
<b>TOTAL</b>	<b>3,077,778</b>	<b>3,685,481</b>	<b>3,082,627</b>	<b>3,686,098</b>

**28 CASH AND CASH EQUIVALENTS**

Current investments comprise temporary surplus liquidity, invested in the short term, totalling KSEK 2,399,935 (2,546,050) and collateral granted attributable to Credit Support Annex (CSA) agreements totalling KSEK 180 (151,052). Blocked bank funds in respect of pledged assets for stock market-cleared derivatives are included to the amount of KSEK 132,865 (119,318) in the reported amount for cash and bank balances for the Group and the Parent Company. This is a buffer to cover expected daily collateral requirements.

Cash and cash equivalents according to the Statement of Cash Flows concur with cash and cash equivalents in the Statement of Financial Position.

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Current investments	2,400,115	2,697,102	2,400,115	2,697,102
Cash and bank holdings	288,885	549,512	288,836	549,357
<b>TOTAL</b>	<b>2,689,000</b>	<b>3,246,614</b>	<b>2,688,951</b>	<b>3,246,459</b>

Cash and cash equivalents are reported and valued according to the category 'assets valued at fair value in profit or loss'. Fair value is equivalent to the carrying amount of cash and bank holdings and current investments.

**29 HEDGE RESERVE/FAIR VALUE RESERVE**

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
<b>OPENING BALANCE</b>	<b>-34,011</b>	<b>-38,270</b>	<b>-34,011</b>	<b>-38,270</b>
Change in value, derivatives (cash flow hedging)				
- currency derivatives	21,122	29,147	21,122	29,147
- electricity derivatives	-14,213	9,585	-14,213	9,585
Transferred to operating profit	-20,552	-33,273	-20,552	-33,273
Tax effect	3,001	-1,200	3,001	-1,200
<b>CLOSING BALANCE</b>	<b>-44,653</b>	<b>-34,011</b>	<b>-44,653</b>	<b>-34,011</b>

The tax effect, KSEK 3,001 (-1,200) refers to the change for the year. The closing deferred tax receivable/payable is reported in Note 16 Taxes.

**30 LOANS**

The Group's financing takes place mainly through borrowing via the public financing programmes. Through their standardised terms and conditions, these permit rational, cost-effective financing. The Group has a domestic commercial paper programme, an MTN programme (not updated since 2009) and international ECP and EMTN programmes. Bank financing is used to a limited extent. The average capital for bank financing during 2013 was SEK 117 million (249).

Loans in the Group are on level 2 in the fair value hierarchy. Fair value for the financial liabilities on level 2 has been set in accordance with generally accepted valuation techniques, based on discounting of future cash flows, where the discount rate of interest that reflects the counterparty's credit risk is the most essential input data.

The Group's risk management is presented in Note 36 Financial risk management.

**FINANCING COST**

Net interest income and expense amounted to SEK -390 million (-682) and the average net liability portfolio was SEK 19,274 million (17,210). The financing cost amounted to 2.62 per cent (4.21), calculated as interest expense in relation to average interest-bearing net loan liability, excluding cash and bank holdings. As at December 31, 2013, the average rate of interest on the outstanding liability portfolio was 2.23 per cent (2.42) excluding interest derivatives, and 2.26 per cent (2.90) including interest derivatives.

Financing cost, %	2013	2012	2011	2010	2009
Financing cost for loans, including charge, %	2.24	2.75	2.78	1.21	1.72
Net interest income and expense, interest rate swaps, %	0.39	0.40	0.44	0.96	0.60
<b>Financing costs, %</b>	<b>2.63</b>	<b>3.15</b>	<b>3.22</b>	<b>2.17</b>	<b>2.32</b>
Changes in value, financial derivatives, %	-0.01	1.06	-0.23	-0.33	1.31
<b>TOTAL FINANCING COST, %</b>	<b>2.62</b>	<b>4.21</b>	<b>2.99</b>	<b>1.84</b>	<b>3.63</b>

Borrowing can be broken down as follows, SEK m:

	Group				Parent Company			
	31-12-2013		31-12-2012		31-12-2013		31-12-2012	
	Carrying amount	Fair value						
<b>CATEGORY, OTHER FINANCIAL LIABILITIES</b>								
Bonds & MTN	1,319	1,375	1,319	1,414	1,319	1,375	1,319	1,414
EMTN	9,211	9,286	7,977	8,737	9,211	9,286	7,977	8,737
Other loans	402	427	420	467	402	427	420	467
<b>TOTAL</b>	<b>10,932</b>	<b>11,088</b>	<b>9,716</b>	<b>10,618</b>	<b>10,932</b>	<b>11,088</b>	<b>9,716</b>	<b>10,618</b>
<b>CATEGORY, FINANCIAL LIABILITIES VALUED AT FAIR VALUE IN PROFIT OR LOSS ACCORDING TO THE FAIR VALUE HEDGING METHOD</b>								
Bonds & MTN	1,309	1,291	1,321	1,310	1,309	1,291	1,321	1,310
EMTN	4,619	4,622	4,635	4,631	4,619	4,622	4,635	4,631
Other loans	643	643	2,621	2,617	643	643	2,621	2,617
<b>TOTAL</b>	<b>6,571</b>	<b>6,556</b>	<b>8,577</b>	<b>8,558</b>	<b>6,571</b>	<b>6,556</b>	<b>8,577</b>	<b>8,558</b>
<b>TOTAL NON-CURRENT LOANS</b>	<b>17,503</b>	<b>17,644</b>	<b>18,293</b>	<b>19,176</b>	<b>17,503</b>	<b>17,644</b>	<b>18,293</b>	<b>19,176</b>
Category, other financial liabilities								
ECP	2,835	2,824	2,006	2,000	2,835	2,824	2,006	2,000
Other loans	14	12	8	12	14	12	8	12
<b>TOTAL</b>	<b>2,849</b>	<b>2,836</b>	<b>2,014</b>	<b>2,012</b>	<b>2,849</b>	<b>2,836</b>	<b>2,014</b>	<b>2,012</b>
<b>CATEGORY, FINANCIAL LIABILITIES VALUED AT FAIR VALUE IN PROFIT OR LOSS ACCORDING TO THE FAIR VALUE HEDGING METHOD</b>								
EMTN	—	—	2,162	2,166	—	—	2,162	2,166
Other loans	1,823	1,820	—	—	1,823	1,820	—	—
<b>TOTAL</b>	<b>1,823</b>	<b>1,820</b>	<b>2,162</b>	<b>2,166</b>	<b>1,823</b>	<b>1,820</b>	<b>2,162</b>	<b>2,166</b>
<b>TOTAL CURRENT LOANS</b>	<b>4,672</b>	<b>4,656</b>	<b>4,176</b>	<b>4,178</b>	<b>4,672</b>	<b>4,656</b>	<b>4,176</b>	<b>4,178</b>
<b>TOTAL LOANS</b>	<b>22,175</b>	<b>22,300</b>	<b>22,469</b>	<b>23,354</b>	<b>22,175</b>	<b>22,300</b>	<b>22,469</b>	<b>23,354</b>

The above table shows amounts excluding accrued coupon interest.

#### DUE DATE STRUCTURE, LOANS, SEK M

	Fixed interest			Variable interest				Total
	Loans	Derivatives	Sub-total	Loans	ECP and commercial paper	Derivatives	Sub-total	
2014	1,818	-849	969	—	2,834	580	3,414	4,383
2015	4,154	-1,204	2,950	500	—	992	1,492	4,442
2016	1,941	-691	1,250	500	—	668	1,168	2,418
2017	500	400	900	500	—	-400	100	1,000
2018	2,732	-1,432	1,300	—	—	1,308	1,308	2,608
2019	120	1,000	1,120	—	—	-1,000	-1,000	120
2020	650	—	650	—	—	—	—	650
2021 and later	5,037	-4	5,033	338	—	-71	267	5,300
<b>TOTAL</b>	<b>16,952</b>	<b>-2,780</b>	<b>14,172</b>	<b>1,838</b>	<b>2,834</b>	<b>2,077</b>	<b>6,749</b>	<b>20,921</b>

The above table shows financing (nominal amount) together with outstanding interest and currency derivatives. Loans and derivatives in foreign currency have been translated at the year-end exchange rate. As all loans raised in a foreign currency are swapped to Swedish kronor, the exchange rate effect is neutralised. A positive figure means that the Group pays interest and a negative figure means that the Group receives interest.

#### MATERIAL CONTRACTUAL TERMS AND CONDITIONS

The Group's bond programmes, MTN and EMTN, include a clause regarding state ownership. In the event the Swedish state ceases to be the holder, directly or indirectly, of more than 50 per cent of the shares in Akademiska Hus AB, equivalent to more than 50 per cent of the shares and more than 50 per cent of the votes, the bonds fall due for payment immediately. The contractual terms and conditions for the

short-term financing programmes do not include any equivalent undertaking. Ever since the programmes were established, the Group's policy has been not to accept any other terms and conditions that require a certain rating, equity ratio or interest coverage ratio to be maintained.

#### HEDGE ACCOUNTING

When financing in a foreign currency, all future payment flows are hedged so that the exchange risk is eliminated. Through cross currency interest rate swap agreements, all interest payments, both fixed and variable, are hedged as well as future repayments. All the measures taken have the express purpose of hedging and eliminating an exchange rate risk so that all financing is denominated in Swedish kronor. Effective hedging means that changes in the value of the hedged position and the actual hedging transaction on balance counteract each other.

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## CURRENCY DISTRIBUTION

The Group's financing as of the year-end is distributed as follows under the original currency and in SEK m after taking into account currency and interest swap agreements:

	31-12-2013				31-12-2012			
	Nominal amount	Interest %	Interest % in SEK	Amount in SEK m <sup>1)</sup>	Nominal amount	Interest %	Interest % in SEK	Amount in SEK m <sup>1)</sup>
<b>SWAPPED TO SEK</b>								
ECP								
USD	361	0.30	1.16	2,335	308	0.33	1.39	2,006
<b>SUB-TOTAL</b>				<b>2,335</b>				<b>2,006</b>
EMTN								
CHF	800	2.42	1.79	6,072	1,100	2.51	1.97	8,219
<b>SUB-TOTAL</b>				<b>6,072</b>				<b>8,219</b>
<b>OTHER LOANS</b>								
CHF	250	2.35	1.19	1,823	250	2.35	1.49	1,820
JPY	10,000	1.84	1.05	643	10,000	1.84	1.43	800
<b>SUB-TOTAL</b>				<b>2,466</b>				<b>2,620</b>
<b>TOTAL</b>				<b>10,873</b>				<b>12,845</b>
<b>UNSWAPPED (IN SEK M)</b>								
ECP	500	1.11	1.11	500	—	—	—	—
Bonds & MTN	10,125	3.02	2.96	10,386	8,925	3.21	3.19	9,195
Other loans	416	3.01	3.01	416	428	3.35	3.35	428
<b>SUB-TOTAL</b>				<b>11,302</b>				<b>9,623</b>
<b>TOTAL</b>				<b>22,175</b>				<b>22,468</b>

<sup>1)</sup> Refers to carrying amount.

## 31 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

The Group's pension commitments include both defined contribution and defined benefit pension plans according to collective agreements.

## DEFINED CONTRIBUTION PENSION PLANS

The Group's defined contribution pension plans, ITP 1 and Alternative ITP (a pension for high-income earners) cover all Group employees. The defined contribution pension plans mainly comprise a retirement pension, sickness pension and family pension. The premiums are paid continuously throughout the year to different insurance companies. The premiums are based on salary.

The total cost for the financial year for defined contribution pension plans (Group and Parent Company) amounted to KSEK 11,719 (12,902).

## DEFINED BENEFIT PENSION PLANS

All Group employees are covered by the Group's defined benefit pension plan, ITP 2. According to this plan, the employees are entitled to pension benefits based on their pensionable income as well as the number of years of service. The pension plan mainly comprises a retirement pension, sickness pension and family pension. The pension commitments are secured through provisions in the Statement of Financial Position and are credit-insured by PRI Pensionsgaranti. All pension commitments which the Akademiska Hus Group took over from the National Board of Public Building when the Company was formed on October 1, 1993 are defined benefit plans, secured through provisions in the Statement of Financial Position, guaranteed by the National Debt Office and administered by the National Government Employees' Pension Board (SPV).

The most recent actuarial calculation of the current value of the defined benefit commitment was carried out by an authorised actuary on December 31, 2013. When calculating the current value of the defined benefit commitment and associated costs for employment during the current period and associated costs for employment during previous periods, the Projected Unit Credit Method was used.

The revised IAS 19 means that actuarial gains and losses must be reported directly in Other Comprehensive Income. In accordance with

the transitional rules, Akademiska Hus has recalculated the comparison figures and adjusted opening equity. The effect as at January 1, 2012 was SEK –89 million, including account taken of deferred tax and the special employer's contribution. As at December 31, 2012, the effect was SEK –85 million. Previously reported amortisation of an actuarial loss of SEK –4 million has instead been reported under Other comprehensive income with the corresponding positive effect on the reported net profit for the 2012 financial year (after tax and the effect of the special employer's contribution). It is also stated in IAS 19R that when calculating the defined benefit pension cost in the Statement of Comprehensive Income, expected yield on plan assets is no longer an assumption that must be reported in the Statement of Comprehensive Income. In the light of the fact that Akademiska Hus only has unfunded defined benefit pension plans, this change has not had any material effect on Akademiska Hus profit.

As is the case for the majority of listed companies, Akademiska Hus has switched to using the housing bond interest rate as the discount rate in the actuarial calculations. Up until 2012, the Government bond interest rate was used. If the Government bond interest rate was used, the Group's pension provision would have been SEK 427 million at the end of 2013. The impact on profit for 2013 of the change in the interest assumption was KSEK 90,535.

The revised IAS 19 has also resulted in amended principles for reporting of remuneration in conjunction with termination of employment. However, this change has not had any effect on the Akademiska Hus financial statements.

The ITP 2 plan exposes the Group to a number of actuarial risks, such as an interest risk, risk regarding life expectancy and the increase in the income base amount.

## Interest risk

A reduction in the bond rate of interest will increase the pension liability. Possible future falls in the interest rate on first-class corporate bonds in SEK could thus entail a risk that the Group's pension expense and undertakings could increase.

**Life expectancy risk**

The current value of the defined benefit obligation is calculated with consideration given to the Group's best assessment regarding mortality for members of the plan, both during and after employment. There is a risk that life expectancy will increase for the members of the plan, which would in that case increase both the pension costs and the Group's commitment.

**Salary risk**

The current value of the defined benefit commitment is calculated in the light of future salaries for members of the plan. Major salary increases compared with what was included in the actuarial calculations entail a risk that the Group's liability could increase, as could the Group's pension expense.

**Income base amount**

The current value of the defined benefit obligations is calculated in the light of future increases in the income base amount. A larger increase than assumed in the actuarial calculations means a risk that the Group's liability could increase, as could the Group's pension expense.

The actuarial computation of the pension commitments and pension costs is based on the following assumptions:

Assumptions	2013	2012
Discount rate, %	3.70	2.20
Salary increase, %	3.00	3.10
Inflation, %	1.50	1.60
Income base amount, %	2.50	2.60
Personnel turnover, %	2.00	2.00
Mortality	DUS06	DUS06

Assumptions regarding life expectancy are based on public statistics and experience of mortality calculations in Sweden and have been adopted in consultation with actuarial experts. These assumptions result in the following average remaining life expectancy for a person who retires at the age of 65:

Estimated average remaining life expectancy, years	31-12-2013	31-12-2012
Retirement at the year-end		
Men	20.9	20.9
Women	23.5	23.5
Retirement 20 years after the year-end		
Men	22.6	22.6
Women	24.5	24.5

The following amounts regarding the defined benefit pension cost are reported in the Income Statement:

Amount reported in the Income Statement	2013	2012
Benefits earned during the year	26,343	19,424
Interest on pension provision	8,784	9,119
<b>PARTS OF THE DEFINED BENEFIT PENSION COST REPORTED IN THE PROFIT FOR THE YEAR</b>	<b>35,127</b>	<b>28,543</b>

The defined benefit costs have been reported as a personnel cost and interest cost respectively.

The following actuarial gains and losses have been reported under Total comprehensive income:

Amount reported in the Statement of Comprehensive Income	31-12-2013	31-12-2012
Actuarial gains and losses that arise as a result of changes in financial assumptions	90,535	-9,540
Actuarial gains and losses that arise as a result of changes in experience	6,706	4,230
<b>TOTAL AMOUNT REPORTED UNDER OTHER COMPREHENSIVE INCOME</b>	<b>97,241</b>	<b>-5,310</b>

The change for the period in the defined benefit obligation can be seen in the following table:

Change in the defined benefit obligation for the period	31-12-2013	31-12-2012
Opening balance	406,877	386,950
Service costs during the period	26,343	19,424
Net interest cost	8,784	9,119
Actuarial gains (-)/losses (+)		
Changes in financial assumptions	-90,535	9,540
Experience-based adjustments	-6,706	-4,230
Pension payments	-16,854	-13,926
<b>CLOSING BALANCE</b>	<b>327,909</b>	<b>406,877</b>

The estimated term of the Group's defined benefit pension commitment can be seen in the following table:

Estimated term for the pension commitment	31-12-2013	31-12-2012
Fall due for payment within one year of the year-end	12,497	12,037
Fall due for payment 1-5 years after the year-end	69,258	66,499
Fall due for payment later than five years after the year-end	246,154	328,341
	<b>327,909</b>	<b>406,877</b>

**FUTURE PAYMENTS**

The Group is expected to pay KSEK 31,889 (35,127) in charges for the defined benefit plan during the forthcoming financial year.

**PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS IN THE PARENT COMPANY**

The reported pension liability in the Parent Company comprises:

	31-12-2013	31-12-2012
FPG/PRI pensions	183,417	23,890
Additional FPG/PRI pensions following merger of subsidiaries	—	148,339
Other pensions	78,730	54,789
Other pensions, additional pensions following merger of subsidiaries	—	26,319
<b>TOTAL</b>	<b>262,147</b>	<b>253,337</b>

Other pensions in the Parent Company refer mainly to the historical pension liability that was taken over from the National Board of Public Building when the Akademiska Hus Group was founded.

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Pension commitments and provisions for pension commitments for the defined benefit plans in the Parent Company have changed as follows:

Pension commitments	31-12-2013		31-12-2012	
Opening balance		253,337		76,349
Addition following merger of subsidiaries		—		167,754
Pension costs, defined benefit plans		10,088		10,325
Interest expense		10,567		10,446
Payments		-11,845		-11,537
<b>CLOSING BALANCE</b>		<b>262,147</b>		<b>253,337</b>

The total pension cost in the Parent Company is broken down as follows:

	2013		2012	
Pension costs, defined benefit plans		10,088		10,325
Interest part of the pension cost		10,567		10,446
<b>PENSION COSTS, DEFINED BENEFIT PLANS</b>		<b>20,655</b>		<b>20,771</b>
Pension costs, defined contribution plans		20,005		19,834
Employer's contribution and tax on the yield, other pension costs		9,232		8,330
<b>TOTAL PENSION COSTS</b>		<b>49,892</b>		<b>48,935</b>

ACTUARIAL ASSUMPTIONS

The actuarial calculation of pension commitments and pension costs in the Parent Company is based on the actuarial assumptions laid down in the FPG/PRI system and by the Swedish Financial Supervisory Authority.

32 OTHER LIABILITIES

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Other interest-bearing liabilities	1,042,345	1,007,353	1,042,345	1,007,353
Other non-interest-bearing liabilities	267,343	169,580	267,229	169,971
<b>TOTAL, OTHER LIABILITIES</b>	<b>1,309,688</b>	<b>1,176,933</b>	<b>1,309,574</b>	<b>1,177,324</b>

Other liabilities are reported and valued according to the Other financial liabilities category. The fair value is equivalent to the carrying amount of other liabilities. The Group's other liabilities are on level 2 in the fair value hierarchy.

The Parent Company has entered into a supplementary agreement, a Credit Support Annex (CSA) to the ISDA agreement, with the aim of handling exposure to counter-party risks in derivatives. The agreement means that the parties mutually undertake to furnish collateral in the form of cash and cash equivalents or securities with a good rating for undervalues in outstanding derivatives. The agreement in turn gives the secured party right of disposal of collateral received. As of the year-end, the Group received collateral through the CSA agreements totaling KSEK 1,042,345 (1,007,353).

Of the Group's other liabilities, KSEK 1,300,441 falls due for payment within one year of the year-end, KSEK 0 within one to five years of the year-end, and KSEK 9,247 later than five years after the year-end.

33 ACCRUED EXPENSES AND PREPAID INCOME

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Prepaid rental revenue	1,395,725	1,250,302	1,395,725	1,250,302
Accrued salary and personnel costs	29,841	20,660	29,841	24,142
Accrued operating and maintenance costs	124,594	41,839	85,540	41,839
Accrued investments	182,699	78,756	182,699	78,756
Accrued interest	185,778	280,583	262,889	280,583
Other interim liabilities	77,029	36,326	38,050	36,326
<b>TOTAL</b>	<b>1,995,666</b>	<b>1,708,466</b>	<b>1,994,744</b>	<b>1,711,948</b>

34 DUE DATE STRUCTURE, LIABILITIES

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
<b>DUE DATE STRUCTURE</b>				
Liabilities due for payment within one year of the year-end	8,555,584	7,551,220	8,556,544	7,557,312
Liabilities due for payment within 1-5 years of the year-end	11,678,233	9,502,291	11,678,233	9,502,291
Liabilities due for payment later than five years after the year-end	13,494,022	16,242,483	6,783,143	9,860,118
<b>TOTAL</b>	<b>33,727,839</b>	<b>33,295,994</b>	<b>27,017,920</b>	<b>26,919,721</b>

35 FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE

The table below shows the financial assets and liabilities that are valued at fair value. They are classified in a hierarchy, comprising three levels and based on the information used to set their fair value.

Level 1 refers to when fair value is set based on listed prices on active markets for identical assets and liabilities. 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.

The fair value of financial assets and liabilities is set by using information that is attributable to one or more of the above-mentioned levels. The classification is determined by the lowest level in the hierarchy for the information that has a material impact on the value.

The Group mainly holds derivatives that are on level 2. The valuation of the instruments is done according to the zero coupon method, which means that all the future cash flows of the instrument are set at the current value. The zero coupon interest rates used to discount the cash flows are calculated with the aid of STIBOR/LIBOR for short-term interest rates and swap notations for longer terms. The source of this information is real-time data from Thomson/Reuters.

	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
<b>INVESTMENTS</b>				
- current investment	—	2,400,115	—	2,400,115
<b>INDEPENDENT DERIVATIVES</b>				
- interest derivatives	—	175,469	—	175,469
- cross currency interest rate swap agreements	—	429,918	—	429,918
<b>HEDGING INSTRUMENTS, FAIR VALUE HEDGING</b>				
- interest derivatives	—	175,882	—	175,882
- cross currency interest rate swap agreements	—	837,432	—	837,432
<b>HEDGING INSTRUMENTS, CASH FLOW HEDGING</b>				
- currency derivatives	—	4,721	—	4,721
<b>TOTAL ASSETS</b>	<b>—</b>	<b>4,023,537</b>	<b>—</b>	<b>4,023,537</b>

	Level 1	Level 2	Level 3	Total
<b>LIABILITIES</b>				
<b>INDEPENDENT DERIVATIVES</b>				
- interest derivatives	—	314,688	—	314,688
<b>HEDGING INSTRUMENTS, CASH FLOW HEDGING</b>				
- currency derivatives	—	3,632	—	3,632
- electricity derivatives	55,121	—	—	55,121
<b>TOTAL LIABILITIES</b>	<b>55,121</b>	<b>318,320</b>	<b>—</b>	<b>373,441</b>

**36 FINANCIAL RISK MANAGEMENT (GROUP)**

In its capacity as a net borrower, the Group is exposed to financial risks, particularly interest rate risks, refinancing risks, credit risks and exchange rate risks. The governing document, the Finance Policy, is adopted each year by the Board of Directors. It contains the long-term strategic orientation, allocation of liability, the Group's approach to financial risks and the mandate to handle these risks. The plan for handling financial risks for the coming year is adopted in December and includes authorisation and mandates as well as concrete plans for financing operations. The Group's financial management is centralised at the Parent Company's Treasury Department, which facilitates effective and co-ordinated financial risk management.

**INTEREST RISK**

The term 'interest risk' refers to the negative impact on Group profit due to a change in market interest rates. The Group's interest rate risk exposure is high due to the relatively high leverage. The handling of the interest risk in the form of a choice of a fixed interest period in the liability portfolio is consequently one of the most important tasks. The Finance Policy states that the interest risk should be handled within a fixed interest mandate for the basic portfolio adopted by the Board. The current mandate states that the fixed interest period, including interest derivatives, should be 2–5 years (2–5). The Group defines the average fixed interest period as a measure of the sensitivity in net interest income and expense in conjunction with a change in the market interest rates. The Group uses interest derivatives as a means of adjusting and securing the desired fixed interest period. The point of departure, however, is that these derivatives should be used mainly when the desired fixed interest period is difficult to achieve within existing borrowing or can only be achieved at a considerable additional cost.

The fixed interest period at the year-end was 3.4 years (3.2), including interest derivatives. The average fixed interest period during the year was 3.4 years (3.3).

Since 2011, bonds with fixed interest and maturity terms in excess of 15 years have been handled in a separate long-term bond portfolio. The reason is that the customary risk figure for the fixed interest mandate (average fixed interest period) will be distorted when the portfolio contains a relatively limited proportion of bonds with extremely long fixed interest periods and maturities. Bonds with terms in excess of 15 years represent a significant interest risk exposure, which justifies a separate mandate. This portfolio must therefore not comprise more than 30 per cent of the total portfolio. At the turn of the year, long-term bonds totalling SEK 3,155 million were issued, equivalent to 15.1 per cent of the total portfolio.

**DUE DATE STRUCTURE FOR FIXED INTEREST PERIODS AND LIABILITY MATURITY, SEK M**

	Bonds, fixed interest	Fixed interest period, loans	Fixed interest period, derivatives	Fixed interest period, total
2014:1	3,280	4,980	-1,287	3,693
2014:2	532	532	2,114	2,646
2014:3	840	840	401	1,241
2014:4	—	1,000	—	1,000
2015	4,654	3,292	-1,204	2,088
2016	2,441	1,941	-691	1,250
2017	1,000	500	400	900
2018	2,732	2,732	-1,432	1,300
2019	120	120	1,000	1,120
2020	650	650	—	650
2021 and later	5,375	5,037	-4	5,033
<b>TOTAL</b>	<b>21,624</b>	<b>21,624</b>	<b>-703</b>	<b>20,921</b>

The above table shows nominal amounts. The nominal amounts have been recalculated at the year-end rate. As all loans that are raised in foreign currency are swapped to Swedish kronor, the exchange rate effect is neutralised. A positive figure means that the Group pays interest and a negative figure means that the Group receives interest.

**CURRENCY RISK**

A currency risk is the risk that exchange rate changes will have a negative impact on the Income Statements and Consolidated Balance Sheets. In conjunction with borrowing in a foreign currency, the Group is exposed to a currency risk and as the Group's operations are exclusively in Swedish kronor, the policy is that all exchange rate risk in conjunction with financing in a foreign currency should be eliminated. All payment flows in foreign currency attributable to borrowing are exchange-hedged with the aid of forward rate agreements and cross currency swap agreements. This means that the Group does not have any currency risk in conjunction with borrowing in a foreign currency.

In accordance with the currency mandate in the Electricity Trading Policy, the exchange rate exposure attributable to outstanding electricity derivatives is hedged with the aid of currency futures.

**CURRENCY BREAKDOWN, LOANS AND DERIVATIVES, SEK M**

Original currency	Loans	Derivatives	Total
CHF	7,634	-7,634	—
JPY	614	-614	—
SEK	11,042	9,879	20,921
USD	2,334	-2,334	—
<b>TOTAL</b>	<b>21,624</b>	<b>-703</b>	<b>20,921</b>

The table above shows the nominal amounts. The nominal amounts were recalculated using the year-end rate.

**LIQUIDITY AND REFINANCING RISK**

The term 'refinancing risk' refers to the risk that the cost is higher or that the financing opportunities are limited when the loans that fall due are to be renewed. The Finance Policy states that unutilised credit facilities should be in place to a sufficient extent to guarantee good payment capacity. The aim is to limit the costs by seeking to strike a balance between short-term, medium-term and long-term financing, and endeavouring to achieve diversification between different financing arrangements and markets. Loans that fall due should have a spread so that a maximum of 40 per cent fall due for refinancing within a 12-month period.

The Group has a very good credit rating, which offers a good opportunity to achieve the diversification aimed for through the public financing programmes.

The Group's liquid assets at the end of 2013 totalled SEK 2,689 million (3,246). At the year-end, bank facilities granted totalled SEK 3,500 million (3,500), of which SEK 1,500 million (1,500) was unconfirmed.

**FACILITIES AND RATING**

	Rating Standard & Poor's	Framework 31-12-2013	Utilised nom. 31-12-2013
Bank		SEK 3,500 m	—
Commercial paper		SEK 4,000 m	—
ECP (Euro Commercial Paper)	A1+	EUR 600 m	EUR 273 m
MTN (Medium Term Note) <sup>1)</sup>	AA	SEK 8,000 m	SEK 5,680 m
EMTN (Euro Medium Term Note)	AA/A1+	EUR 3,000 m	EUR 1,531 m

<sup>1)</sup> Not updated since 2009.

## 36 CONTINUED

The table below shows the remaining contractual term for the Group's financial liabilities. The liquidity flows are undiscounted and foreign flows have been translated at the rate on the closing date. For those instruments where the future variable rate of interest is unknown, the rate of interest has been calculated with the aid of the implicit forward interest rates for the yield curve on the closing date.

Use is made primarily of rental revenue to meet the obligations linked to the Group's financial liabilities presented in the table below. The rental revenue falls due for payment quarterly and is subject to long agreement terms. The credit risk associated with rental revenue is considered low.

## LIQUIDITY RISK, SEK M

	Loans	Hedged loans	Derivative insurance	Derivatives	Current investments	Accounts payable	Total
2014:1	-40	-3,407	363	-95	2,251	—	-927
2014:2	-51	-49	-9	-538	150	—	-496
2014:3	-80	-885	16	11	—	—	-938
2014:4	-148	-43	17	-14	—	—	-187
2015	-2,524	-2,870	512	-58	—	—	-4,940
2016	-1,612	-1,190	7	-23	—	—	-2,818
2017	-1,226	-83	-45	-5	—	—	-1,359
2018	-505	-2,515	89	-4	—	—	-2,935
2019	-312	-33	-29	-18	—	—	-393
2020	-837	-33	-31	30	—	—	-871
2021 and later	-6,394	-1,487	92	34	—	—	-7,755
<b>TOTAL</b>	<b>-13,729</b>	<b>-12,595</b>	<b>982</b>	<b>-679</b>	<b>2,401</b>	<b>0</b>	<b>-23,619</b>

Positive value = payments received, negative value = payments made.

## CREDIT RISK AND COUNTER-PARTY RISK

The terms 'credit risk' and 'counter-party risk' refer to the risk of a loss if a counter-party does not fulfil its undertakings. The Group is exposed when surplus liquidity is placed in financial assets and in conjunction with trade in derivatives. The Group applies a conservative counter-party risk. The Finance Plan includes a limit system for handling financial risks where permitted exposure depends on the counter-party's credit rating and the term of the involvement. The limits are related to the Group's risk capacity in the form of equity and are decided by the Board of Directors.

As the Group is in the long term a net borrower, periods of surplus liquidity are more of a temporary nature. Investments should therefore be characterised by good liquidity in the secondary market and be in accordance with the limit structure.

The Group's policy is that internationally standardised netting agreements, ISDA agreements, should always be signed with a counter-party before uncleared derivative transactions take place. As at December 31, 2013, the total counter-party exposure in derivatives (calculated as the net claim per counter-party) stood at SEK 1,243 million (1,727). With the aim of further reducing exposure to a counter-party risk, the Parent Company has entered into a number of supplementary agreements, Credit Support Annexes (CSA), to the ISDA agreements. The agreements mean that the parties mutually undertake to make collateral available in the form of cash and cash equivalents or bonds for the undervalues in outstanding derivative contracts. At the year-end, the Group had received SEK 1,042 million (856) net.

The table below shows the Group's exposure to counter-party risks divided according to different rating categories.

## COUNTER-PARTY RISKS, EXCLUDING RENT RECEIVABLES, SEK M

	Receivable	Liability	Collateral received/granted	Net exposure
<b>INSTITUTES WITH A LONG RATING</b>				
AAA/Aaa	—	—	—	0
AA+/Aa1	—	—	—	0
AA/Aa2	—	—	—	0
AA-/Aa3	7	-21	-27	-41
A+/A1	1,043	-21	-45	977
A/A2	1,188	-1	-825	362
A-/A3	413	—	-37	376
<b>INSTITUTES WITH ONLY A SHORT RATING</b>				
A-2	200	—	—	200
K-1	400	—	—	400
BBB+	80	—	-101	-21
Companies wholly owned by the Swedish Government	399	—	—	399
<b>TOTAL</b>	<b>3,730</b>	<b>-43</b>	<b>-1,035</b>	<b>2,652</b>

Positive figure = Group receivable, negative figure = Group liability.

## CREDIT RISK ATTRIBUTABLE TO RENT RECEIVABLES

A large proportion of the Group's receivables are rent receivables. The maximum credit risk exposure for rent receivables and accounts receivable is equal to their carrying amounts. However, the assessed credit risk in rent receivables is low in the light of the high credit rating of the tenants.

## ELECTRICITY PRICE RISK

The Board of Directors adopts an Electricity Trading Policy that governs the risk approach and mandate for handling the electricity price risk. The term 'electricity price risk' refers to the risk that the future price of electricity will affect the Group's operating costs negatively. With the aim of reducing exposure to changes in the electricity price, different financial price-hedging instruments are used (electricity derivatives). The Group stipulates a long-term price hedging strategy. Trade in physical electric power (spot) and financial price-hedging instruments takes place through Nord Pool. To limit the counter-party risk, all financial trading is cleared through Nord Pool.

## INTEREST ANALYSIS, LIABILITY PORTFOLIO

The average rate of interest can be determined for outstanding loans and interest derivatives with a fixed and variable rate of interest at the end of each period. As loans and interest swaps fall due and are replaced by new loans and interest swaps, the rate of interest changes. Bonds issued at a fixed rate of interest provide predictable interest expense over long periods. During 2014, interest swaps totalling SEK 950 million will fall due with an average fixed rate of interest of 2.85 per cent. This presents scope for extending the fixed interest period at a limited cost.

The following analysis presents the impact on profit of a rise in the interest rate of one percentage point. The calculations assume an unchanged level of debt.

	Nominal amount, SEK m	Maturity, years, average	Fixed interest, years, average	Interest risk, 1 interest point, SEK m	Interest, %	Change in value, + 100 interest points, SEK m, as at the year-end <sup>1)</sup>	Net interest income and expense, 100 percentage points, SEK m, during the remainder of the calendar year <sup>1)</sup>
Fixed interest positions with a fixed interest period longer than one year within the Statement of Financial Position	7,703	13.74	13.74	6.69	3.66	0	0
Interest derivatives, fixed interest	6,450	0.00	4.00	2.56	2.56	240	0
Interest derivatives, variable interest	-6,450	0.00	0.16	-0.11	1.38	0	54
Variable interest within the Statement of Financial Position	13,218	2.71	0.20	0.31	1.41	0	-106
<b>TOTAL</b>	<b>20,921</b>	<b>6.77</b>	<b>6.37</b>	<b>9.44</b>	<b>2.35</b>	<b>240</b>	<b>-52</b>

<sup>1)</sup> Refers to +100 interest points in a parallel displacement of the yield curve.

### 37 ASSET MANAGEMENT (GROUP)

The Group strives to achieve good growth in profit, financial sustainability and financial capacity. The financial objectives are set to provide a combination of a high return on equity, high growth capacity and financial stability.

According to the owner's financial targets for Akademiska Hus, the dividend should amount to 50 per cent of the profit after financial items, excluding unrealised changes in value and with a deduction for current tax. When deciding on a dividend, account must be taken of the Group's capital structure and capital requirements. The other financial targets are that the equity ratio should be between 30 and 40 per cent and that the return on equity should amount to the average five-year government bond interest rate with a supplement of four percentage points, which for 2013 amounts to 5.6 per cent. During 2013, the equity ratio was 46.8 per cent for the Group and 24.0 per cent for the Parent Company. After the proposed dividend, the equity ratio will be 45.6 per cent for the Group and 21.0 per cent for the Parent Company. The owner's equity ratio target will be exceeded even after the proposed dividend.

Financing operations are described in the Financing section in the Administration Report, Note 30 Loans and Note 36 Financial risk management.

The Group's capital structure comprises an interest-bearing net loan liability and equity attributable to the Parent Company's shareholder (share capital, other contributed capital, retained earnings, including profit for the year).

The Group's capital is as follows:

	31-12-2013	31-12-2012
Loans from financing programmes (Note 30)	22,174,666	22,468,839
Collateral received for derivative transactions entered into (Note 32)	1,042,165	1,007,353
Financial derivatives (Note 22)	-1,249,981	-1,700,542
Cash and cash equivalents (Note 28)	-2,689,000	-3,246,614
<b>INTEREST-BEARING NET LOAN LIABILITY</b>	<b>19,277,850</b>	<b>18,529,036</b>
<b>EQUITY</b>	<b>29,613,929</b>	<b>28,336,216</b>

### 38 PLEDGED ASSETS

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Blocked bank funds	132,865	119,318	132,865	119,318
Current investments	180	151,052	180	151,052
<b>TOTAL</b>	<b>133,045</b>	<b>270,370</b>	<b>133,045</b>	<b>270,370</b>

Unsettled results from transactions as well as standardised computed safety margins using stock exchange-cleared derivatives have been secured through blocked bank funds.

Pledged assets have fallen by SEK 137 million. The decrease can be attributed to pledged assets for the Group's liabilities due to a lower volume in CSA agreements.

### 39 CONTINGENT LIABILITIES

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Contingent liability, FPG/PR1	3,668	3,445	3,668	3,445
<b>TOTAL</b>	<b>3,668</b>	<b>3,445</b>	<b>3,668</b>	<b>3,445</b>

### 40 INTEREST RECEIVED AND PAID

	Group		Parent Company	
	2013	2012	2013	2012
Interest received	71,483	117,557	71,483	117,557
Interest paid	-602,269	-674,680	-602,269	-674,680
<b>TOTAL</b>	<b>-530,786</b>	<b>-557,123</b>	<b>-530,786</b>	<b>-557,123</b>

**41 ADJUSTMENTS FOR ITEMS NOT INCLUDED IN THE CASH FLOW**

	Group		Parent Company	
	2013	2012	2013	2012
Depreciation	9,262	9,217	1,277,421	3,231
Change in value, properties	-501,242	155,811	—	—
Capital gain (-) / loss (+) on sale of other tangible, non-current assets	132,813	27,899	-46,288	—
Change in value, financial instruments	-49,469	262,958	-49,469	262,958
Cash flow hedge	-13,645	5,461	-13,645	5,461
Change in pension provisions and similar commitments	22,078	14,684	8,810	176,988
Adjustment for items attributable to merger of subsidiaries	—	—	—	-639,445
Other	-38	-414	-38	1
<b>TOTAL</b>	<b>-400,241</b>	<b>475,616</b>	<b>1,176,791</b>	<b>-190,806</b>

**42 PURCHASE SUM IN CONJUNCTION WITH INVESTMENTS, ACQUISITIONS AND DISPOSALS**

For investments and acquisitions for the period, a total of KSEK 2,754,068 (2,917,327) has been paid, of which KSEK 2,754,068 was paid in cash and cash equivalents. For disposals for the period, a total of KSEK 242,737 (119,054) has been received, of which KSEK 242,737 was received in cash and cash equivalents.

**43 CHANGE IN INTEREST-BEARING NET LOAN LIABILITIES**

	Group		Parent Company	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Opening amount	18,529,036	17,049,003	18,529,191	-4,761,138
Increase (-) / decrease (+) in interest-bearing receivables	-5,146	-26,365	-4,966	22,009,937
Increase (+) / Decrease (-) in current investments	296,987	1,719,355	296,987	1,719,355
Increase (-) / Decrease (+) in cash and cash equivalents	260,627	-376,362	260,521	-376,415
Increase (+) / Decrease (-) in interest-bearing liabilities	196,346	163,405	196,346	-62,548
<b>CHANGE IN INTEREST-BEARING NET LOAN LIABILITY</b>	<b>748,814</b>	<b>1,480,033</b>	<b>748,888</b>	<b>23,290,329</b>
<b>AMOUNT AT THE YEAR-END</b>	<b>19,277,850</b>	<b>18,529,036</b>	<b>19,278,079</b>	<b>18,529,191</b>

**44 EVENTS AFTER THE YEAR-END**

There were no events of a material nature after the end of the reporting period.

**45 TRANSACTIONS WITH RELATED PARTIES**

In conjunction with intra-Group purchases and sales, the same pricing principles are applied as would have been the case in transactions with an external party. Intra-Group property purchases and sales take place subject to a fiscal residual value. Purchases and sales of other current assets take place at the carrying amount. There were no transactions with the President, Board of Directors or senior executives, apart from salary and other remuneration, see Note 12.

# Signing of the Annual Report

The Board of Directors and the President hereby certify that the Annual Report has been prepared in accordance with the Annual Accounts Act and RFR 2 and provides a fair picture of the Company's position and results and that the Administration Report provides a fair overview of the development of the Group's operations, position and results and describes material risks and uncertainties facing the Company.

The Board of Directors and the President hereby certify that the Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the EU, and provide a fair picture of the Group's position and results and that the Administration Report for the Group provides a fair overview of the development of the Group's operations, position and results and describes material risks and uncertainties facing the companies that form part of the Group.

Gothenburg, March 13, 2014

Eva-Britt Gustafsson  
Chair

Olof Ehrlén  
Board member

Per Granath  
Board member

Thomas Jennlinger  
Employee representative

Anders Larsson  
Employee representative

Leif Ljungqvist  
Board member

Pia Sandvik  
Board member

Gunnar Svedberg  
Board member

Maj-Charlotte Wallin  
Board member

Ingemar Ziegler  
Board member

Kerstin Lindberg Göransson  
President

Our Audit Report was submitted on March 13, 2014

DELOITTE AB  
Hans Warén  
Authorised Public Accountant

# Audit report

To the Annual General Meeting of the shareholders of Akademiska Hus AB (publ)  
Company registration number 556459-9156

**REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS**  
We have audited the annual accounts and the consolidated accounts of Akademiska Hus AB (publ) for the 2013 financial year with the exception of the Corporate Governance Report on pages 72–81. The Company's annual accounts and consolidated accounts are included in the printed version of this document on pages 1, 4–47, 50–71 and 82–139.

## Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts according to the Annual Accounts Act and consolidated accounts in accordance with International Financial Reporting Standards, as endorsed by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers the elements of internal control relevant to the Company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes eval-

uating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as at December 31, 2013 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as endorsed by the EU, and the Annual Accounts Act. Our opinions do not cover the Corporate Governance Report on pages 72–81. The Administration Report is consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the Annual General Meeting of shareholders adopt the Income Statement and Balance Sheet for the Parent Company and the Group.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the Company's profit or loss and the administration of the Board of Directors and the President of Akademiska Hus AB (publ) for the 2013 financial year. We have also conducted a statutory examination of the Corporate Governance Report.

## Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act and that the Corporate Governance Report on pages 72–81 has been prepared in accordance with the Annual Accounts Act.

#### Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the Company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the Company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and the consolidated accounts, we examined significant decisions, actions taken and circumstances of the Company in order to determine whether any member of the Board of Directors or the President is liable to the Company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained according to the above is sufficient and appropriate to provide a basis for our opinion. In addition, we have read the Corporate Governance Report and based on this reading and our knowledge of the Company and the Group, we feel that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report has a different orientation and is significantly more limited in scope compared with the orientation and scope of an audit according to International Standards on Auditing and generally accepted auditing standards in Sweden.

#### Opinions

We recommend to the Annual General Meeting of shareholders that the profit be appropriated in accordance with the proposal in the Administration Report and that the members of the Board of Directors and the President be discharged from liability for the financial year. A Corporate Governance Report has been prepared and its statutory information is consistent with the other parts of the annual accounts and consolidated accounts.

Gothenburg, March 13, 2014

Signature on Swedish original

DELOITTE AB  
Hans Warén  
Authorised Public Accountant

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MAP REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT, SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
A 1	Bredgatan 13	Sankt Peter 33	Bredgatan 13	1958	Lund University	Lund	943	0	1,240	1,315	849	13,217
A 2	Tapetserarverkstad	Paradis 51	Paradisgatan 5	1916	Lund University	Lund	236	0	260	1,102	35,028	1,440
A 3	Pedagogen	Paradis 51	Allhelgona Kyrkogatan 16	1918	Lund University	Lund	3,638	0	4,307	1,184	0	45,465
A 4	Teologen	Paradis 51	Allhelgona Kyrkogata 8	1927	Lund University	Lund	3,745	0	5,069	1,354	0	33,913
A 5	Tillämpad Psykologi	Paradis 51	Allhelgona Kyrkogata 14	1882	Lund University	Lund	784	0	1,008	1,285	0	9,006
A 6	Kirurgiska pav.	Paradis 51	Sandgatan 3	1867	Lund University	Lund	3,429	0	4,536	1,323	0	46,742
A 7	Sociologen	Paradis 51	Paradisgatan 5	1850	Lund University	Lund	3,401	0	4,116	1,210	0	39,209
A 8	Hud Kliniken	Paradis 51	Paradisgatan 3	1824	Lund University	Lund	1,053	0	1,833	1,740	0	18,046
A 9	Psykologen	Paradis 51	Allhelgona Kyrkogata 14	1867	Lund University	Lund	2,780	0	3,781	1,360	0	39,404
A 10	Beteendevetenskapliga biblioteket	Paradis 51	Allhelgona Kyrkogata 14	1899	Lund University	Lund	1,633	0	2,394	1,466	0	23,432
A 11	Byrålogen	Paradis 51	Paradisgatan 5	1983	Lund University	Lund	3,765	0	5,259	1,397	0	58,538
A 12	Eden	Paradis 51	Allhelgona Kyrkogata 14	1984	Lund University	Lund	4,678	0	6,905	1,476	0	84,821
A 13	Socialhögskolan	Paradis 47	Bredgatan 26	1889	Lund University	Lund	1,383	0	1,868	1,351	3,157	21,145
A 14	UB	Absalon 5	Helgonabacken	1907	Lund University	Lund	14,007	0	11,907	850	29,728	110,918
A 15	Humanisten	Absalon 5	Helgonabacken 14	1959	Lund University	Lund	16,431	0	26,456	1,610	0	299,883
A 16	Biskopsgatan 7	Hyphoff 5	Biskopsgatan 5	1893	Lund University	Lund	1,358	0	2,047	1,507	19,751	18,405
A 17	Konst och Musik	Hyphoff 5	Biskopsgatan 5	1965	Lund University	Lund	1,087	0	1,586	1,459	0	13,798
A 18	Kultur anatomen	Hyphoff 5	Biskopsgatan 7	1893	Lund University	Lund	1,840	0	2,720	1,478	0	26,525
A 19	Vaktmästarhus	Hyphoff 5	Pålsjövägen 1	1893	Lund University	Lund	252	0	146	581	0	951
A 20	Finng 10	Hyphoff 5	Finngatan 10	1891	Lund University	Lund	541	0	377	697	0	3,487
A 20	Finngatan 12	Hyphoff 5	Finngatan 12	1900	Telavox AB	Lund	297	0	434	1,461	0	4,395
A 20	Finngatan 14	Hyphoff 5	Finngatan 14	1907	Borstahuset AB	Lund	380	0	561	1,477	0	6,066
A 20	Finngatan 16	Hyphoff 5	Finngatan 16	1905	Lund University	Lund	429	0	598	1,394	0	6,227
A 21	Geocentrum 1	Saxo 3	Sölvegatan 10	1924	Lund University	Lund	3,328	0	135	41	4,943	-16,978
A 22	Geocentrum 2	Sölve 1	Helgonavägen 5	1936	Lund University	Lund	8,184	0	20,638	2,522	46,999	235,362
A 23	Gerdagatan 9	Sölve 1	Gerdagatan 9	1936	Institute for Language and Folklore	Lund	552	0	649	1,176	0	6,289
A 23	Gerdagatan 11	Sölve 1	Gerdagatan 11	1952	Lund University	Lund	402	0	368	916	0	3,191
A 23	Gerdagatan 13	Sölve 1	Gerdagatan 13	1952	Lund University	Lund	394	0	413	1,049	0	4,260
A 24	Fysik	Sölve 1	Professorsgatan 1	1962	Lund University	Lund	23,591	952	38,725	1,641	0	307,832
A 25	Innovationscentrum	Sölve 1	Sölvegatan 16	1963	Lund University	Lund	2,522	0	3,764	1,492	0	42,206
A 26	Zoofysiologen	Eskil 21	Helgonavägen 3	1962	Lund University	Lund	8,403	0	5,195	618	43,396	70,620
A 27	BMC Fysiologen	Eskil 21	Sölvegatan 19	1955	Lund University	Lund	9,062	0	20,647	2,278	0	210,256
A 28	BMC, Hus A-R	Eskil 21	Sölvegatan 17	1995	Lund University	Lund	33,825	0	99,738	2,949	0	864,693
A 29	Astronomi	Eskil 21	Sölvegatan 27	2001	Lund University	Lund	4,560	0	9,220	2,022	0	116,046
A 30	Genetik	Helgona 6:16	Sölvegatan 29	1949	Lund University	Lund	5,248	755	4,624	881	372,034	30,622
A 31	Biologicentrum	Helgona 6:16	Sölvegatan 35	1962	Lund University	Lund	9,802	0	32,565	3,322	0	379,992
A 32	Ekologi	Helgona 6:16	Sölvegatan 37	1994	Lund University	Lund	12,105	0	22,566	1,864	0	209,606

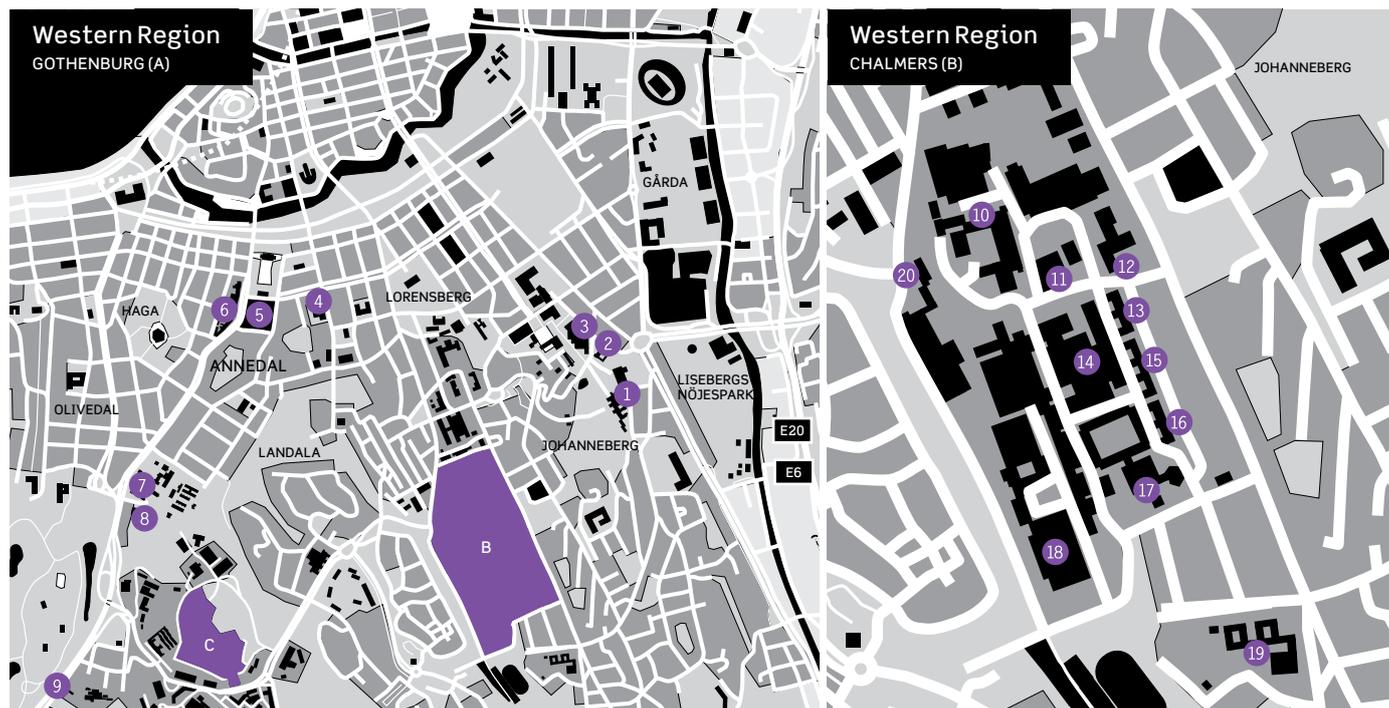


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B 33	Tornavägen 13	Helgona 6:16	Tornavägen 13	1952	Expresscykel i Lund AB	Lund	1,030	0	616	598	0	7,266
B 34	Matematik	Helgona 6:16	Sölvegatan 18	1964	Lund University	Lund	10,387	0	12,327	1,187	0	105,898
B 35	Annexet	Helgona 6:16	Sölvegatan 18	1964	Lund University	Lund	4,098	0	8,627	2,105	0	106,718
B 36	Maskinteknik	Helgona 6:16	Ole Römers v 1	1966	Lund University	Lund	27,837	1,845	30,610	1,100	0	195,537
B 37	Elektroteknik	Helgona 6:16	Ole Römers v 3	1968	Lund University	Lund	19,018	0	25,512	1,341	0	242,062
B 38	Väg & vatten	Helgona 6:16	John Ericssons v 1	1967	Lund University	Lund	18,612	1,342	17,682	950	0	131,330
B 39	Arkitektur	Helgona 6:16	Sölvegatan 24	1965	Lund University	Lund	10,004	0	14,872	1,487	0	165,737
B 40	Kemacentrum	Helgona 6:16	Getingevägen 60	1969	Lund University	Lund	51,365	0	85,307	1,661	0	783,538
B 41	Designcentrum	Helgona 6:16	Sölvegatan 26	2002	Lund University	Lund	9,954	0	21,279	2,138	0	265,843
B 42	Lth Info och studie	Helgona 6:16	John Ericssons v 4	1977	Lund University	Lund	4,503	0	6,880	1,528	0	71,452
B 43	Kårhuset	Helgona 6:16	John Ericssons väg 3	1994	Lund University	Lund	5,565	0	7,473	1,343	0	72,201
B 44	KF Sigma	Helgona 6:16	Sölvegatan 22 F	1986	Lund University	Lund	1,681	0	1,524	906	0	13,387
B 45	AH Kontorsbyggnad	Studentkåren 4	Ole Römers väg 2	1902	Akademiska Hus South	Lund	2,521	0	2,804	1,112	25,267	21,347
B 46	Tornavägen 11	Helgona 6:16	Tornavägen 11	1959	—	Lund	1,507	1,507	357	237	0	12,734
	Maria Magle	Maria Magle 6	Magle St Kyrkog 12	1861	Lund University	Lund	2,146	0	2,473	1,152	2,473	10,328
	Utb.res. Lth-området	Helgona 6:16	—	—	—	Lund	0	0	0	0	0	51,613
	Utb.res. Kuvösen	Studentkåren 4	—	—	—	Lund	0	0	0	0	0	31,088
	Tandvårdshögskolan	Klerken 4	Carl Gustavs väg 34	1948	Malmö University	Malmö	15,459	0	22,449	1,452	7,643	195,003
	Slottet	Alnarp 1:60	Slottsvägen 5	1862	Swedish University of Agricultural Sciences	Alnarp	3,314	0	4,023	1,214	933,117	28,068
	Agricum	Alnarp 1:60	Slottsvägen 2	1950	Swedish University of Agricultural Sciences	Alnarp	4,360	80	4,042	927	0	23,690
	Animalienborg	Alnarp 1:60	Sundsvägen 3	1905	Swedish University of Agricultural Sciences	Alnarp	3,438	246	3,229	939	0	21,877
	Hovbeslagskolan	Alnarp 1:60	Smedjevägen 2	1877	Swedish University of Agricultural Sciences	Alnarp	2,867	30	1,683	587	0	6,212
	Restaurang	Alnarp 1:60	Sundsvägen 9	1876	Swedish University of Agricultural Sciences	Alnarp	2,536	0	1,479	583	0	2,449
	Södra elev	Alnarp 1:60	Elevenborgsvägen 4	1951	Swedish Board of Agriculture	Alnarp	1,728	0	975	564	0	3,487
	Kärnhuset	Alnarp 1:60	Smedjevägen 3	1971	Genetic Resource Centre	Alnarp	2,530	19	2,034	804	0	9,348
	Ekonomilokal	Alnarp 1:60	Växthusvägen 14	1945	Swedish University of Agricultural Sciences	Alnarp	2,160	0	388	180	0	-1,738
	Horticum	Alnarp 1:60	Sundsvägen 10	1974	Swedish University of Agricultural Sciences	Alnarp	5,962	0	10,296	1,727	0	63,020
	Stora logen	Alnarp 1:60	F Meldahls väg 3	1890	Swedish University of Agricultural Sciences	Alnarp	2,762	1,287	478	173	0	-4,038
	Mejeriet	Alnarp 1:60	Kungsgårdsvägen 8	1936	Akademiska Hus South	Alnarp	3,789	1,000	1,645	434	0	-3,500



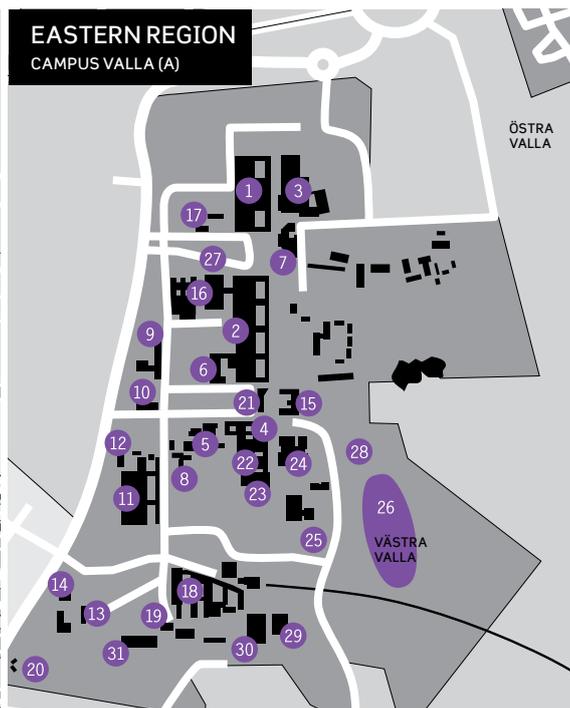
MAP REFERENCE NO. PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT, SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
Bostad	Alnarp 1:60	Mejeristigen 1	1936	Private individual	Alnarp	1,666	0	694	417	0	1,036
Elevenborg	Alnarp 1:60	Elevenborgsvägen 2	1910	Swedish University of Agricultural Sciences	Alnarp	3,605	223	1,685	467	0	3,203
Växtskyddscentrum	Alnarp 1:60	Sundsvägen 16	1980	Swedish University of Agricultural Sciences	Alnarp	10,428	174	12,533	1,202	0	64,698
Utb.res. Alnarp	Alnarp 1:60	—	—	—	Alnarp	0	0	0	0	0	1,430
Gamlegård	Alnarp 1:60	Gamlegård 4	1750	Swedish University of Agricultural Sciences	Alnarp	5,029	0	2,451	487	0	7,612
Alnarpsgården	Alnarp 1:60	Sundsvägen 6	1869	Swedish University of Agricultural Sciences	Alnarp	7,671	0	5,222	681	0	34,360
Smp	Alnarp 1:60	Sundsvägen 8 A	1957	SMP AB	Alnarp	2,801	0	1,656	591	0	6,746
C 57 Admibyggnad	Näsby 34:24	Elmetorpsvägen	1920	Kristianstad University	K-stad	1,651	0	2,002	1,212	80,140	12,101
C 58 Administrationen	Näsby 34:24	Elmetorpsvägen	1923	Kristianstad University	K-stad	1,108	0	1,657	1,495	0	12,983
C 59 Bibliotek	Näsby 34:24	Elmetorpsvägen	1920	Kristianstad University	K-stad	5,371	0	7,093	1,321	0	54,512
C 60 Baggium Bygg/Fordon	Näsby 34:24	Elmetorpsvägen	1920	Praktiska Sverige AB	K-stad	545	0	848	1,556	0	8,345
C 61 Kontor	Näsby 34:24	Elmetorpsvägen	1922	Pyslingen Förskolor och Skolor AB	K-stad	3,110	1,118	3,871	1,245	0	27,043
C 62 Pedagoger	Näsby 34:24	Elmetorpsvägen	1922	Kristianstad University	K-stad	7,238	0	8,543	1,180	0	63,056
C 63 Hälsohuset	Näsby 34:24	Elmetorpsvägen	1920	Kristianstad University	K-stad	7,440	0	9,094	1,222	0	67,513
C 64 Matte/Natur	Näsby 34:24	Elmetorpsvägen	1922	Kristianstad University	K-stad	3,717	0	4,693	1,263	0	33,237
C 65 Teknik	Näsby 34:24	Elmetorpsvägen	1921	Kristianstad University	K-stad	3,292	0	4,153	1,261	0	30,626
Properties under construction											644,122

TOTAL	475,873	10,578	705,914	1,483	1,604,525	7,093,610
Rent reductions and vacant space						-7,362
Revenue, non-recurring rent payments						19,100
Revenue, properties sold						7,745
Rental revenue, net						725,397



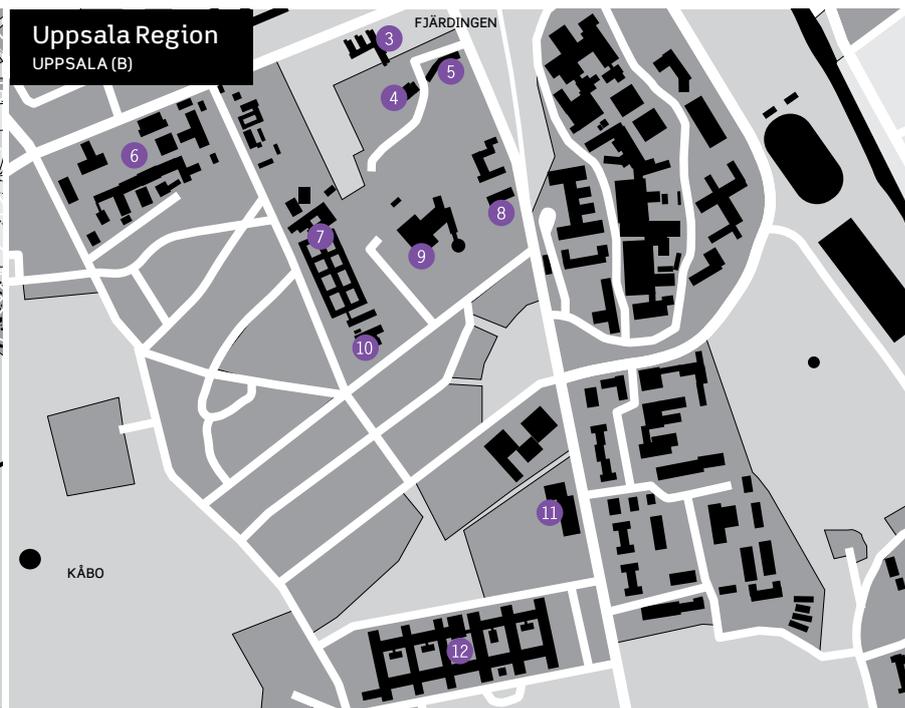
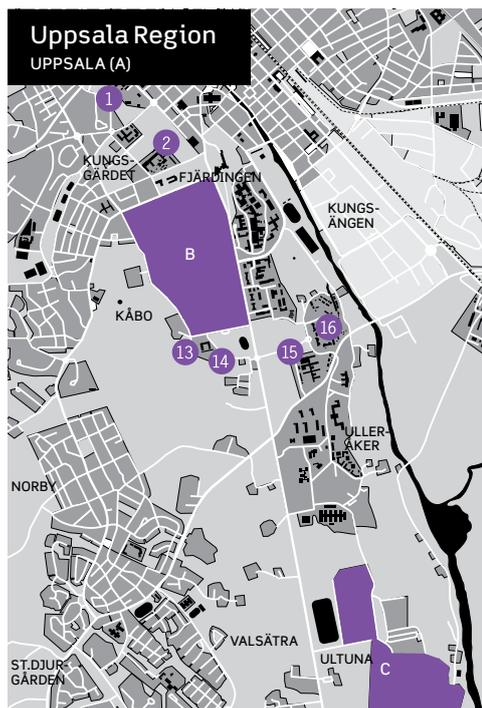
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A	1	Universitetsbiblioteket	Lorensberg 21:1	Renströmsgatan 4	1953	Gothenburg University	Göteborg	13,338	0	16,445	1,233	0	171,358
A	1	Humanisten	Lorensberg 21:1	Renströmsgatan 6	1966	Gothenburg University	Göteborg	15,906	0	21,484	1,351	0	241,209
A	2	Arkeologen	Lorensberg 21:1	Olof Wiksgatan 6	1947	Gothenburg University	Göteborg	3,144	0	4,674	1,487	35,248	51,830
A	3	Artisten	Lorensberg 24:3	Fågelsången 1	1935	Gothenburg University	Göteborg	14,645	0	25,110	1,715	9,605	290,770
A	4	Viktoriagatan 13	Vasastaden 12:19	Viktoriagatan 13	1952	Gothenburg University	Göteborg	4,150	0	5,843	1,408	7,654	60,473
A	5	Handelshögskolan	Haga 22:1	Vasagatan 1	1952	Gothenburg University	Göteborg	26,620	0	38,913	1,462	25,210	475,491
A	6	Haga	Haga 21:19	Sprängkullsgatan 25	1994	Gothenburg University	Göteborg	21,622	0	34,727	1,606	22,290	353,428
A	7	KK2	Annedal 20:2	Konstepidiminsväg 2	1924	Gothenburg University	Göteborg	5,514	0	8,708	1,579	10,428	89,349
A	8	Psykologen	Annedal 21:11	Haraldsgatan 1	1995	Gothenburg University	Göteborg	6,169	0	9,287	1,505	3,125	101,277
A	9	Botanik	Änggården 34:2	Carl Skottbergs g 22 B	1970	Gothenburg University	Göteborg	9,816	68	15,500	1,579	11,280	129,035
B	10	Fysik Origo	Johanneberg 31:9	Kemigården 1	1926	Chalmersfastigheter AB	Göteborg	11,762	0	17,539	1,491	182,800	165,899
B	10	It-gymnasiet villan	Johanneberg 31:9	Origovägen 2	1948	IT Gymnasiet Sverige AB	Göteborg	289	0	566	1,958	0	6,178
B	10	Fysik Soliden	Johanneberg 31:9	Origovägen 6 B	1945	Chalmersfastigheter AB	Göteborg	2,422	0	3,561	1,470	0	32,251
B	10	It-gymnasiet	Johanneberg 31:9	Origovägen 4	1926	IT Gymnasiet Sverige AB	Göteborg	1,855	0	2,584	1,393	0	24,384
B	11	Matematiska vetenskaper	Johanneberg 31:9	Chalmers Tvärgata 3	1945	Chalmersfastigheter AB	Göteborg	6,737	0	13,935	2,068	0	146,452
B	12	Chalmers bibliotek	Johanneberg 31:9	Chalmers Tvärgata 1	1957	Chalmersfastigheter AB	Göteborg	5,925	0	7,494	1,265	0	62,323
B	13	Hörsalar HA	Johanneberg 31:9	Hörsalsvägen 4	1962	Chalmersfastigheter AB	Göteborg	1,141	0	1,542	1,351	0	14,560
B	14	Maskinteknik	Johanneberg 31:9	Hörsalsvägen 7	1968	Chalmersfastigheter AB	Göteborg	25,284	0	32,329	1,279	0	216,359
B	14	Kraftcentral	Johanneberg 31:9	Chalmers tvärg. 6	1947	—	Göteborg	88	0	0	0	0	0
B	14	Lokalkontor AH	Johanneberg 31:9	Chalmers tvärg. 6	1969	Akademiska Hus Väst	Göteborg	1,045	0	958	917	0	6,291
B	15	Hörsalar HB	Johanneberg 31:9	Hörsalsvägen 10	1962	Chalmersfastigheter AB	Göteborg	2,172	0	3,788	1,744	0	36,809
B	16	Hörsalar HC	Johanneberg 31:9	Hörsalsvägen 14	1962	Chalmersfastigheter AB	Göteborg	1,441	0	1,922	1,334	0	18,153
B	17	Elkraftteknik	Johanneberg 31:9	Hörsalsvägen 11	1955	Chalmersfastigheter AB	Göteborg	5,008	0	6,306	1,259	0	55,827
B	17	Idélära	Johanneberg 31:9	Rännvägen 8	1959	Chalmersfastigheter AB	Göteborg	752	0	637	847	0	4,671
B	17	Edit	Johanneberg 31:9	Maskingränd 2	1963	Chalmersfastigheter AB	Göteborg	19,603	0	32,136	1,639	0	320,939
B	17	Förråd och ställverk	Johanneberg 31:9	Elektrovägen	—	Chalmersfastigheter AB	Göteborg	105	0	15	141	0	164
B	18	Väg och vatten 1	Johanneberg 31:9	Sven Hultins gata 6	1966	Chalmersfastigheter AB	Göteborg	6,592	0	8,087	1,227	0	63,652
B	18	Arkitektur	Johanneberg 31:9	Sven Hultins gata 6	1968	Chalmersfastigheter AB	Göteborg	14,080	0	14,845	1,054	0	133,159
B	18	Väg och vatten 2	Johanneberg 31:9	Sven Hultins gata 8	1969	Chalmersfastigheter AB	Göteborg	18,151	0	18,560	1,023	0	138,664
B	19	Eklandagatan 86	Krokslätt 109:20, 110:3	Eklandagatan 86	1993	City of Gothenburg	Göteborg	7,704	5,666	9,382	1,218	0	74,055
B	20	Centrala admin.	Johanneberg 31:9	Chalmersplatsen 4	1962	Chalmersfastigheter AB	Göteborg	3,378	0	4,241	1,256	0	42,075
		Gibraltar herrgård	Johanneberg 31:9	Gibraltargatan 17	1974	Hummingbird AB	Göteborg	334	0	661	1,979	0	7,399
		Utb.res. Chalmers	Johanneberg 31:9	—	—	—	Göteborg	—	—	—	—	—	68,932





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	Intellektet 1	Intellektet 1	Campus Valla	—	—	Linköping	0	0	0	0	1,032,112	0
A 1	A-huset	Intellektet 1	Campus Valla	1990	Linköping University	Linköping	30,865	0	46,540	1,508	0	357,133
A 2	B-huset	Intellektet 1	Campus Valla	1972	Linköping University	Linköping	35,357	350	47,099	1,332	0	414,559
A 3	C-huset	Intellektet 1	Campus Valla	1972	Linköping University	Linköping	11,188	0	11,603	1,037	0	88,390
A 4	D-huset	Intellektet 1	Campus Valla	1980	Linköping University	Linköping	12,947	0	15,597	1,205	0	139,519
A 5	Temahuset	Intellektet 1	Campus Valla	1987	Linköping University	Linköping	5,882	0	7,532	1,280	0	61,254
A 6	E-huset	Intellektet 1	Campus Valla	1985	Linköping University	Linköping	4,229	0	4,868	1,151	0	40,699
A 7	Kårallen	Intellektet 1	Campus Valla	1987	Linköping University	Linköping	5,647	0	3,831	678	0	20,341
A 8	Akademiska Hus, adm	Intellektet 1	Campus Valla	1987	Akademiska Hus Öst AB	Linköping	1,116	0	1,075	1,107	0	8,501
A 9	Nova	Intellektet 1	Campus Valla	1975	ALcontrol AB	Linköping	6,172	0	9,109	1,476	0	56,747
A 10	Vallfarten	Intellektet 1	Campus Valla	1975	Linköping University	Linköping	1,274	0	3,175	2,492	0	9,650
A 11	Terra	Intellektet 1	Campus Valla	1975	VTI	Linköping	21,941	1,899	23,112	1,053	0	189,895
A 12	Provhall	Intellektet 1	Campus Valla	1973	Peab Drift & Underhåll Mellansverige AB	Linköping	399	0	202	525	0	881
A 13	Förråd	Intellektet 1	Campus Valla	1975	Linköping University	Linköping	704	0	0	0	0	0
A 14	Provvägshall/vti	Intellektet 1	Campus Valla	1973	VTI	Linköping	1,287	0	747	580	0	2,515
A 15	Origo	Intellektet 1	Campus Valla	1992	Linköping University	Linköping	4,065	0	4,844	1,192	0	40,209
A 16	Fysikhuset	Intellektet 1	Campus Valla	1995	Linköping University	Linköping	16,918	0	31,497	1,862	0	280,711
A 17	Hus Ett	Intellektet 1	Campus Valla	1987	Linköping University	Linköping	637	0	532	835	0	4,546
A 18	Galaxen	Intellektet 1	Campus Valla	1978	FOI	Linköping	31,195	1,050	34,984	1,121	0	306,496
A 19	NSC	Intellektet 1	Campus Valla	1978	Linköping University	Linköping	948	0	9,224	9,730	0	28,528
A 20	Mjärdevi Västergård	Intellektet 1	Campus Valla	1780	Kårservice Östergötland AB	Linköping	113	113	81	719	0	227
A 21	Zenit	Intellektet 1	Campus Valla	1998	Linköping University	Linköping	1,957	0	2,405	1,229	0	20,520
A 22	I-huset	Intellektet 1	Campus Valla	1990	Linköping University	Linköping	2,762	0	2,892	1,047	0	25,861
A 23	I-huset 3	Intellektet 1	Campus Valla	1996	Linköping University	Linköping	1,373	0	1,673	1,219	0	16,038
A 24	KEY	Intellektet 1	Campus Valla	2000	Linköping University	Linköping	11,139	0	19,425	1,744	0	159,975
A 25	Idrottshall	Intellektet 1	Campus Valla	2007	Linköping Municipal Authority	Linköping	5,553	0	4,472	805	0	48,140
A 26	Fröidrottsarena	Intellektet 1	Campus Valla	—	Linköping Municipal Authority	Linköping	581	0	5,474	9,422	0	87,478
A 27	L-huset	Intellektet 1	Campus Valla	2011	Linköping University	Linköping	377	0	1,371	3,638	0	12,455
A 28	Ångströmhuset	Intellektet 1	Campus Valla	2011	Linköping University	Linköping	237	0	3,583	15,119	0	31,635
A 29	TMC	Intellektet 1	Campus Valla	2012	Linköping University	Linköping	1,869	0	5,508	2,947	0	49,762
A 30	KMC	Intellektet 1	Campus Valla	2013	Linköping University	Linköping	2,329	0	1,520	653	0	80,686
A 31	Kärnhuset NSC	Intellektet 1	Campus Valla	2013	Linköping University	Linköping	3,040	0	4,146	1,364	0	95,731
	Cbr5	Intellektet 1	Campus Valla	2011	Linköping University	Linköping	312	0	3,789	12,145	0	0
	Utbyggnadsreserv											
	Intellektet 1	Intellektet 1	Campus Valla	—	—	Linköping	0	0	0	0	0	125,779
	Universitetet 1	Universitetet 1	Fakultetsgatan 1	—	—	Örebro	0	0	0	0	244,185	0



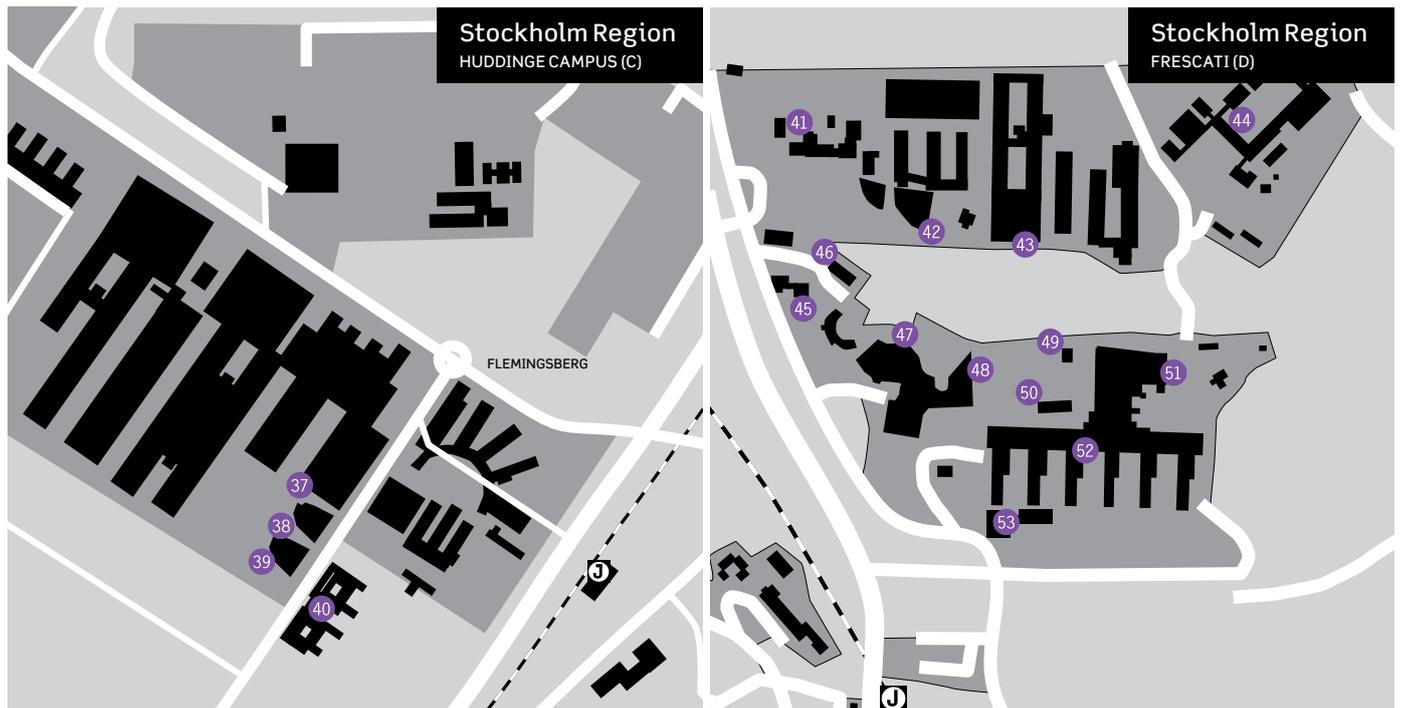


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A	1	Ekonomikum	Luthagen 62:7	Kyrkogårdsgatan 10	1975	Uppsala University	Uppsala	21,838	0	31,664	1,450	43,620	296,880
A	2	Engelska parken 1	Kåbo 14:3	Thunbergsvägen 3 A-B	1859	Uppsala University	Uppsala	2,719	0	4,161	1,530	34,191	37,318
A	2	Engelska parken 2	Kåbo 14:3	Thunbergsvägen 3 E	1904	Uppsala University	Uppsala	30,455	0	42,575	1,398	0	384,600
A	2	Engelska parken 3	Kåbo 14:3	Thunbergsvägen 3 D	1954	Uppsala University	Uppsala	3,862	0	6,014	1,557	0	55,536
A	2	Engelska parken 4	Kåbo 14:3	Thunbergsvägen 5 A	1986	Uppsala University	Uppsala	2,701	0	4,949	1,832	0	24,093
A	2	Engelska parken 5	Kåbo 14:3	Thunbergsvägen 5 A	1947	Uppsala University	Uppsala	1,103	0	4,329	3,924	0	5,840
A	2	Utb.res. Engelska parken	Kåbo 14:3	—	—	—	Uppsala	0	0	0	0	0	654
A	—	Utb.res. Rosendal	Kåbo 1:20	—	—	—	Uppsala	0	0	0	0	0	157,671
A	13	Rosendalsgymnasiet	Kåbo 1:20	Husargatan 8	1976	Uppsala Municipal Authority	Uppsala	9,062	0	15,441	1,704	19,172	166,731
A	14	Fyrkanten	Kåbo 1:20	Leo Fenders väg	—	—	Uppsala	1,103	1,103	0	0	2,970	0
A	15	Ångströmlab	Kronåsen 7:1	Lägerhyddsvägen 1	1994	Uppsala University	Uppsala	50,105	0	104,347	2,083	82,442	1,049,103
A	15	Ångström lab 2	Kronåsen 7:1	Lägerhyddsvägen	2013	Uppsala University	Uppsala	1,259	0	2,927	2,325	0	0
A	15	Utb.res. Ångström	Kronåsen 7:1	—	—	—	Uppsala	0	0	0	0	0	21,743
A	16	ITC 1	Kronåsen 1:15	Lägerhyddsvägen 2	1909	Uppsala University	Uppsala	21,472	0	34,906	1,626	68,695	334,917
A	16	ITC 2	Kronåsen 1:15	Lägerhyddsvägen 2	1916	Svensk Markservice AB	Uppsala	3,190	402	3,344	1,048	0	13,931
A	16	ITC 3	Kronåsen 1:15	Lägerhyddsvägen 2	1903	Science Students Union	Uppsala	2,545	1,839	675	265	0	0
A	16	ITC 4	Kronåsen 7:1	Lägerhyddsvägen 3	1879	Uppsala University	Uppsala	2,071	1,228	2,617	1,264	0	20,426
A	16	Utb.res. ITC	Kronåsen 1:15	—	—	—	Uppsala	0	0	0	0	0	3,826
B	3	Blåsenhus 1	Kåbo 5:1	von Kraemers Allé 1	2009	Uppsala University	Uppsala	20,736	0	51,171	2,468	137,808	654,834
B	4	Idrottshuset	Kåbo 5:1	von Kraemers Allé 5	2009	Uppsala University	Uppsala	2,986	0	6,915	2,316	0	83,882
B	5	Stora Lugnet	Kåbo 5:4	Dag Hammarskjölds väg 11 A-B	1955	Uppsala University	Uppsala	2,134	574	3,340	1,565	4,090	24,107
B	5	Lugnet	Kåbo 5:1	von Kraemers Allé 8	1750	Uppsala kommun	Uppsala	358	0	335	934	0	1,421
B	6	EBC 1, Zoologen	Kåbo 34:12	Villavägen 9	1916	Uppsala University	Uppsala	7,560	0	9,431	1,247	53,794	100,875
B	6	EBC 2	Kåbo 34:12	Norbyvägen 14	1999	Uppsala University	Uppsala	2,401	0	4,332	1,804	0	47,308
B	6	EBC 4 Lab	Kåbo 34:12	Norbyvägen 18 A	1962	Uppsala University	Uppsala	14,511	0	26,648	1,836	0	225,204
B	6	EBC 5, Paleontologen	Kåbo 34:12	Norbyvägen 22	1933	Uppsala University	Uppsala	2,738	0	2,064	754	0	12,943
B	6	EBC 6, Limnologen	Kåbo 34:12	Norbyvägen 18 B	1963	—	Uppsala	0	0	448	—	0	0
B	6	EBC 7	Kåbo 34:12	Norbyvägen 18 E	2009	Uppsala University	Uppsala	2,405	0	12,669	5,268	0	119,640
B	6	Utb.res. Lagerträdet	Kåbo 34:12	—	—	—	Uppsala	0	0	0	0	0	1,353
B	7	Västra Lugnet	Kåbo 5:1	Villavägen	1912	—	Uppsala	1,722	1,722	731	425	—	7,000
B	7	Geocentrum	Kåbo 5:1	Villavägen 18	1979	Uppsala University	Uppsala	18,905	0	26,614	1,408	0	255,730
B	8	Kunskapsgymnasiet	Kåbo 5:1	von Kraemers Allé 24	1967	Kunskapsskolan	Uppsala	2,881	0	8,062	2,798	0	91,062
B	9	Arkivcentrum	Kåbo 5:1	von Kraemers Allé 19	1953	Landsarkivet i Uppsala	Uppsala	13,503	0	15,427	1,142	0	149,225
B	10	Kontor Akademiska Hus	Kåbo 5:1	Artillerigatan 7	2003	Akademiska Hus Uppsala	Uppsala	2,237	0	5,127	2,292	8,300	48,559
B	11	Magistern	Kåbo 1:10	Dag Hammarskjölds v 31	1943	Kunskapsskolan	Uppsala	4,382	552	10,029	2,289	0	116,958
B	11	Utb.res. Magistern	Kåbo 1:10	—	—	—	Uppsala	0	0	0	0	0	47,485
B	12	Biomedicinskt centrum	Kåbo 1:10	Husargatan 3	1997	Uppsala University	Uppsala	78,341	0	175,142	2,236	98,732	1,623,325
B	—	Utb.res. Blåsenhus	Kåbo 5:1	—	—	—	Uppsala	0	0	0	0	0	68,870
B	—	Kv Blåsenhus	Kåbo 5:1	Norbyvägen 6	—	—	Uppsala	0	0	0	0	0	45,700





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A	1	Botanicum	N Djurgården 1:46	Lilla Frescativägen 5	1973	Stockholm University	Stockholm	8,849		13,835	1,564	0	107,092
A	2	Psyk. Inst.	N Djurgården 1:45	Frescati Hagväg 8	1916	Stockholm University	Stockholm	6,347	138	8,875	1,399	53,364	81,371
A	2	Psyk. Inst.	N Djurgården 1:45	Frescati Hagväg 14	1944	Stockholm University	Stockholm	2,825		3,246	1,150	0	25,312
A	2	Stressforskningsinst.	N Djurgården 1:45	Frescati Hagväg 16 A	1955	Stockholm University	Stockholm	3,486	64	5,765	1,655	0	30,518
A	2	Fyotronen	N Djurgården 1:45	Frescati Hagväg 9	1965	Stockholm University	Stockholm	1,056		2,247	2,130	0	23,655
A	2	Trädgårdsvillan	N Djurgården 1:45	Frescati Hagväg 7	1800	Stockholm University	Stockholm	489	209	402	822	0	790
A	2	Psyk. Inst.	N Djurgården 1:45	Frescati Hagväg 12	1948	MUM Projektbyggarna	Stockholm	720		1,028	1,992	0	9,070
A	3	Inst. Orientaliska språk	N Djurgården 1:44	Kräftriket 1 A	1911	Stockholm University	Stockholm	315		343	1,089	70,540	1,784
A	3	Företagsekon. Inst.	N Djurgården 1:44	Kräftriket 2 A-C	1911	Stockholm University	Stockholm	9,500	1,004	17,171	1,809	0	154,604
A	3	Inst. Orientaliska språk	N Djurgården 1:44	Kräftriket 4 A-B	1911	Stockholm University	Stockholm	2,201	50	2,230	1,014	0	12,886
A	3	Matematiska Inst.	N Djurgården 1:44	Kräftriket 5 A-B	1911	Stockholm University	Stockholm	2,486		3,969	1,598	0	34,267
A	3	Matematiska Inst.	N Djurgården 1:44	Kräftriket 6 A-B	1911	Stockholm University	Stockholm	2,736		4,365	1,597	0	37,686
A	3	Score	N Djurgården 1:44	Kräftriket 7 A-C	1911	Stockholm University	Stockholm	1,343	21	1,914	1,426	0	15,473
A	3	Värdshuset	N Djurgården 1:44	Kräftriket 9 A-C	1911	Kräftan AB	Stockholm	723		1,054	1,458	0	5,597
A	3	Silm Resilience Centre	N Djurgården 1:44	Kräftriket 10 A-C	1911	Stockholm University	Stockholm	631		1,031	1,634	0	9,665
A	3	Centraltvätt	N Djurgården 1:44	Kräftriket 11 A	1911	Arcimboldo AB	Stockholm	516	48	394	763	0	1,034
A	3	Kontorsbyggnad	N Djurgården 1:44	Kräftriket 16 A-D	1944	Boomerang Int.	Stockholm	1,177		2,256	1,918	0	24,156
A	3	Butik & garagebyggnad	N Djurgården 1:44	Kräftriket 14 A	1930	TF Häst & Fritid Kaskad	Stockholm	244		232	951	0	1,449
A	3	Naprapathögskolan	N Djurgården 1:44	Kräftriket 24 A-C	1952	Midbacken AB	Stockholm	3,359	120	7,230	2,154	0	77,432
A	3	Inst. Orientaliska språk	N Djurgården 1:44	Kräftriket 17	1957	Stockholm University	Stockholm	3,108	248	1,374	443	0	1,225
A	4	Albano	—	—	—	Hochtief Solutions AG	Stockholm	0		0		48,692	74,000
A	5	Studenspalatset	Bergsmannen S. 8	Norr tullsgatan 2	1920	Stockholm University	Stockholm	3,149		5,046	1,603	1,232	55,319
A	6	Spökslottet	Kungstenen 4	Drottninggatan 116	1700	Stockholm University	Stockholm	1,351		3,139	2,325	1,211	41,428
A	7	Arkitektur	Domherren 1	Östermalmsgatan 26	1970	Royal Institute of Technology	Stockholm	11,846		14,777	1,248	5,294	100,000
B	8	Hagaskolan	Haga 4:35	Fogdevreten 2 A-D	1942	Karolinska Institute	Solna	2,697	1,490	4,451	1,651	0	42,385
B	9	KI Science Park	Haga 4:35	Tomtebodavägen 23	1960	Swedish Orphan Biovitrum AB	Solna	24,762		85,359	3,449	0	1,267,527
B	10	SMI säk.lab.	Haga 4:35	Nobels väg 23	2000	Swedish Institute for Infectious Disease Control	Solna	1,069		11,013	10,312	0	58,327
B	11	Vir. Lab. SMI	Haga 4:35	Nobels väg 21	2005	Swedish Institute for Infectious Disease Control	Solna	2,981		11,357	3,812	0	143,138
B	12	Smittskyddsinstitutet	Haga 4:35	Nobels väg 18	1952	Karolinska Institute	Solna	13,350		38,618	2,894	0	471,609
B	13	Bakteriologiska Inst.	Haga 4:35	Theorells väg 3	1957	DEMOLISHED 2013	Solna	0		0	0	0	0
B	14	Röda Villan	Haga 4:35	Theorellsväg 5	2007	DEMOLISHED 2013	Solna	0		0	0	0	0
B	15	Rättsmedicin	Haga 4:35	Retzius väg 5	1951	National Board of Forensic Medicine	Solna	4,622		9,469	2,050	0	126,147
B	16	Wargentinhuset	Haga 4:35	Nobels väg 12 A-B	1948	Karolinska Institute	Solna	7,728		22,913	2,967	0	279,474
B	17	KI bibl., Frisks & Svettis	Haga 4:35	Nobels väg 6 B	1947		Solna	2,096		2,718	1,298	0	10,119
B	17	Aula Medica	Haga 4:35	Solnavägen 7	2013		Solna	9,973		19,604	1,967		498,825



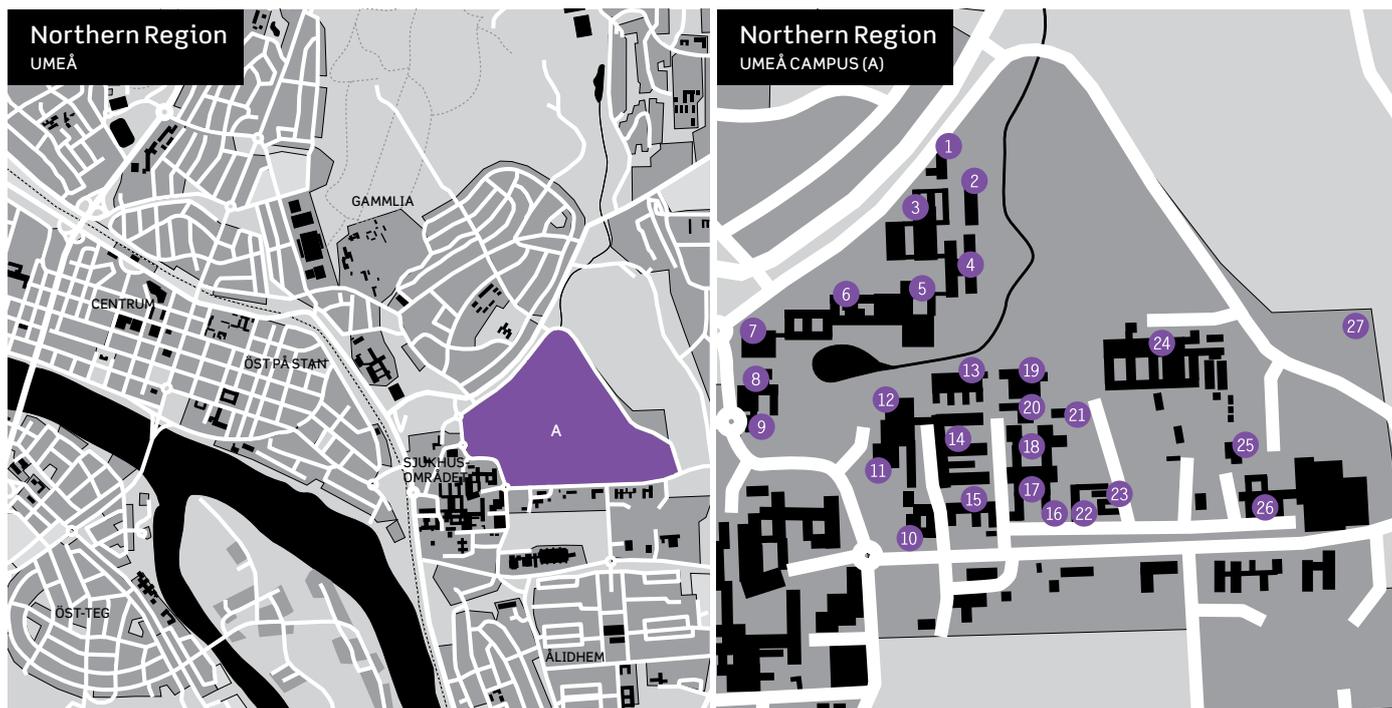
MAP	REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT, SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK
B	18	Farmakologiska Inst.	Haga 4:35	Nanna Svartz väg 2	1950	Karolinska Institute	Solna	4,556		12,367	2,716	0	81,557
B	19	KI administration	Haga 4:35	Nobels väg 5	1951	Karolinska Institute	Solna	5,347		10,507	1,966	0	125,224
B	20	Gammelgården	Haga 4:35	Nobels väg 2	1750	Karolinska Institute	Solna	345		452	1,311	0	4,550
B	21	Ludwiginstitutet	Haga 4:35	Nobels väg 3	1948	Karolinska Institute	Solna	5,922		12,539	2,119	0	100,444
B	22	CGB laboratoriet	Haga 4:35	Berzelius väg 37	1950	Karolinska Institute	Solna	4,454		16,585	3,726	0	174,146
B	23	Cell & molekylärbiologi	Haga 4:35	von Eulers väg 5	1960	Karolinska Institute	Solna	4,375		27,426	6,273	0	172,623
B	24	Fysiologiska Inst.	Haga 4:35	von Eulers väg 4 A-B	1948	Karolinska Institute	Solna	7,739		23,137	2,992	0	232,211
B	25	Inst. för Tumörbiologi	Haga 4:35	Berzelius väg 8	1983	Akademiska Hus Stockholm	Solna	2,159		4,042	1,873	0	44,899
B	26	Astrid Fagreuslab.	Haga 4:35	Tomtebodavägen 2	2003	Karolinska Institute	Solna	4,697		30,073	6,407	0	184,977
B	27	Hysesbostäder	Haga 4:35	Berzeliusväg 2 A-G	1949	Karolinska Institute	Solna	646		490	759	0	1,473
B	28	Jernhusmark	Haga 4:35	Tomtebodavägen 3 D	—	Akademiska Hus Stockholm	Solna	1,314	157	1,462	1,114	0	16,897
B	29	Berzeliuslaboratoriet	Haga 4:35	Berzelius väg 3	1972	Karolinska Institute	Solna	13,378		39,624	2,964	0	349,905
B	30	Restaurang Jöns Jacob	Haga 4:35	Retzius väg 24	1978	Karolinska Institute	Solna	2,980		5,513	1,851	0	29,112
B	31	ICHAR	Haga 4:35	Nobels väg 9	1942	Karolinska Institute	Solna	4,750		10,154	2,139	0	107,318
B	32	Scheelelab.	Haga 4:35	Tomtebodavägen 6	1997	Karolinska Institute	Solna	19,161		54,846	2,864	0	755,408
B	33	P-hus KI söder	Haga 4:35	Tomtebodavägen 7-9	2003	Swedish Institute for Infectious Disease Control	Solna	4,959		0	0	0	0
B	34	Retziuslab	Haga 4:35	Retzius väg 8	2001	Karolinska Institute	Solna	14,535		60,791		0	631,046
B	35	Tomteboda, ECDC	Haga 4:35	Tomtebodavägen 11 A	1888	ECDC	Solna	12,133	1,846	21,760	1,795	319,319	258,585
B	36	Widerströmska huset	Haga 4:35	Tomtebodavägen 18A	2012	Karolinska Institute	Solna	14,759		35,881	2,433		483,644
C	37	Ki-Syd huvudbyggnad	Medicinaren 4	Alfred Nobels Allé 8	—	Karolinska Institute	Flemingsberg	35,783		65,884	1,842	26,941	603,058
C	38	Bipontus	Medicinaren 4	Alfred Nobels Allé 10	1998	Karolinska Institute	Flemingsberg	6,561		14,757	2,251	0	85,385
C	39	Pontus	Medicinaren 4	Alfred Nobels Allé 12	1998	Karolinska Institute	Flemingsberg	5,916		13,935	2,357	0	111,256
C	40	Zanderska huset	Embryot 1	Alfred Nobels Allé 23	2002	Karolinska Institute	Flemingsberg	16,829		40,048	2,381	36,119	434,515
D	41	Manne Sieghbathhusen	N Djurgården 1:48	Frescativ 24 A m fl	—	Stockholm University	Stockholm	6,730		9,688	1,440	0	118,162
D	42	Geovetenskapens hus	N Djurgården 1:48	S. Arrhenius v 6 A	1997	Stockholm University	Stockholm	18,154		50,245	2,769	0	550,026
D	43	Arrheniuslab.	N Djurgården 1:48	S. Arrhenius v 16 C-D	1973	Stockholm University	Stockholm	46,437	19	104,774	2,258	0	1,158,409
D	44	Frescatibackehusen	N Djurgården 1:48	S. Arrhenius väg 21 A	1944	Stockholm University	Stockholm	9,701	235	29,379	3,030	0	119,719
D	45	Nobelhusen	N Djurgården 1:48	Frescativ 14 A-B	—	Stockholm University Student Union	Stockholm	1,363	871	1,613	1,184	0	10,970
D	46	Pic-Nic restaurang	N Djurgården 1:48	Frescativägen 18	—	Restaurang Universitetet	Stockholm	287		447	1,557	0	3,240
D	47	Aula magna	N Djurgården 1:48	Frescativägen 6	1997	Stockholm University	Stockholm	6,484		19,227	2,967	0	254,046
D	48	Allhuset Lantis	N Djurgården 1:48	Universitetsvägen 7	1994	Stockholm University	Stockholm	9,332	158	11,225	1,204	291,895	90,737
D	49	Vaktm.bost Skära villan	N Djurgården 1:48	S. Arrhenius väg 30	1800	Stockholm University	Stockholm	1,922		2,028	1,056	0	16,277
D	50	Rektorsamb. Bloms hus	N Djurgården 1:48	Universitetsvägen 16	1850	Stockholm University	Stockholm	1,421		1,874	1,320	0	16,877
D	51	Universitetsbibl.	N Djurgården 1:48	S. Arrhenius v 28	1982	Stockholm University	Stockholm	21,594		31,869	1,477	0	390,803
D	52	Södra Huset	N Djurgården 1:48	Universitetsv 10 A m fl	1971	Stockholm University	Stockholm	53,296		90,719	1,703	0	1,049,598
D	53	Studenthuset	N Djurgården 1:48	Universitetsvägen 2 A-F	2013	Stockholm University	Stockholm	5,208		6,637	1,275		193,118



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E 54	KTH & Danshögskolan	Maskining. 1	Brinellvägen 58	1966	Royal Institute of Technology	Stockholm	23,864	1,420	53,376	2,238	24,383	683,377
E 55	Byggnad för KTH	N Djurgården 1:49	Drn Kristinas v 48	1946	Royal Institute of Technology	Stockholm	4,316		5,493	1,274	0	83,573
E 56	Bergsvetenskap	N Djurgården 1:49	Brinellvägen 23	1967	Royal Institute of Technology	Stockholm	10,836		22,904	2,115	0	238,459
E 57	Väg- & vatten	N Djurgården 1:49	Brinellvägen 30-36	1972	University of Dance and Circus	Stockholm	6,872	198	8,990	1,309	0	109,115
E 58	Väg- & vatten	N Djurgården 1:49	Teknikringen 72-76	1957	Royal Institute of Technology	Stockholm	7,653		10,764	1,407	0	166,747
E 59	Byggkonstruktion	N Djurgården 1:49	Teknikringen 78	1957	Royal Institute of Technology	Stockholm	3,413		5,534	1,623	0	72,587
E 60	Lantmäteriet	N Djurgården 1:49	Drn Kristinas v 30	1958	Royal Institute of Technology	Stockholm	7,683		13,521	1,761	0	159,238
E 61	Hysesbostäder	N Djurgården 1:49	Teknikringen 60, 62	1947	Private individual	Stockholm	2,263		1,665	736	0	3,398
E 62	Alfvén och Opera	N Djurgården 1:49	Teknikringen 31-35	1953	Royal Institute of Technology	Stockholm	12,900		17,787	1,380	0	178,909
E 63	Röda Korset	N Djurgården 1:1	Brinellvägen 2	1927	Royal Institute of Technology	Stockholm	6,424		20,635	3,214		307,459
E 64	Trafikstudier	N Djurgården 1:49	Teknikringen 10	1931	Royal Institute of Technology	Stockholm	1,277		3,047	2,388	0	51,895
E 65	Rest System & Bror	N Djurgården 1:49	Drn Kristinas v 22-24	1964	Festvåningen Muren AB	Stockholm	903		1,665	1,846	0	12,562
E 66	Farkostteknik	N Djurgården 1:49	Teknikringen 6	1931	Royal Institute of Technology	Stockholm	10,237		23,265	2,274	0	377,684
E 67	Byggnad för kemi	N Djurgården 1:49	Teknikringen 26-36	1922	Royal Institute of Technology	Stockholm	19,787		51,941	2,627	0	667,735
E 68	Teknisk fysik	N Djurgården 1:49	Teknikringen 14	1962	Royal Institute of Technology	Stockholm	4,316		21,215	4,919	0	134,685
E 69	Sing Sing	N Djurgården 1:49	Lindstedtsvägen 30	1948	Royal Institute of Technology	Stockholm	10,646		23,709	2,228	0	303,675
E 70	Värme- och kraft	N Djurgården 1:49	Drn Kristinas v 14-18	1952	HI3G Access AB	Stockholm	32		0	0	0	0
E 71	KTH Bibliotek	N Djurgården 1:49	Osquars backe 31	1917	Royal Institute of Technology	Stockholm	9,356		22,784	2,437	0	301,148
E 72	Hållfasthetslära	N Djurgården 1:49	Drn Kristinas v 4-8	1943	Royal Institute of Technology	Stockholm	4,349		7,392	1,701	0	142,650
E 73	KTH huvudbyggnad	N Djurgården 1:49	Lindstedtsvägen	1917	Royal Institute of Technology	Stockholm	22,130		54,436	2,461	0	685,439
E 74	IVL	N Djurgården 1:49	Valhallavägen 81	1930	Swedish Environmental Research Institute	Stockholm	3,315		7,898	2,384	0	94,834
E 75	KTH adm.byggnad	N Djurgården 1:49	Valhallavägen 79	1935	Royal Institute of Technology	Stockholm	2,925		5,900	2,018	161,507	74,227
E 76	Huvudbyggnad	Forskningen 1	Drn Kristinas v 25	1939	Academic Work Sweden	Stockholm	2,444		3,431	1,405	63,747	38,316
E 77	Provninganstalt	Forskningen 1	Drn Kristinas v 33 A-D	1920	Swedish National Defence College	Stockholm	2,872		3,798	1,323	0	28,441
E 78	Försvarshögskolan	Forskningen 1	Drn Kristinas v 31	1920	Swedish National Defence College	Stockholm	16,410		44,174	2,694	0	660,889
E 79	Fd Hovjägarbostället	Forskningen 1	Drn Kristinas v 41	1886	Swedish National Defence College	Stockholm	263		366	1,390	0	3,998
E 80	Ytkemiska Inst.	Forskningen 1	Drn Kristinas v 47-51	1943	SP Technical Research Institute of Sweden	Stockholm	6,684		9,676	1,449	0	81,701
E 81	Q-husen	Forskningen 1	Osqualdas väg 10-12	1991	Royal Institute of Technology	Stockholm	13,562		30,866	2,277	0	394,970
E 82	KTH-byggnad	Forskningen 1	Drn Kristinas v 53	1958		Stockholm	1,753	1,509	1,863	1,064	0	10,774
E 83	Huvudbyggnad STFI	Forskningen 1	Drn Kristinas v 55-63	1946	Inventia AB	Stockholm	10,463		17,363	1,660	0	230,674
E 84	Trätekt	Forskningen 1	Drn Kristinas v 65-67	1946	SP Technical Research Institute of Sweden	Stockholm	3,015		3,408	1,131	0	30,805
E 85	GIH	Idrottshögskolan 1	Lidingövägen 1	1940	College of Physical Education and Sports	Stockholm	14,878		25,281	1,700	32,030	249,193



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F 86 Forum	Reykjanes 1	Isafjordsgatan 39	1984 Royal Institute of Technology	Kista	44,685	2,104	55,171	1,235	20,078	Disposal in progress
F 87 Electrum 3	Keflavik 2	Isafjordsgatan 28	1998 Swerea KIMAB AB	Kista	15,748	1,000	20,442	1,299	0	255,499
F 88 Electrum 1	Keflavik 2	Isafjordsgatan 18-26	1987 Royal Institute of Technology	Kista	44,353	526	54,027	1,219	22,929	492,906
G 89 Hus F-J, Konradsberg	Ornbäraren 3	Rålambsvägen 30	2002 Stockholm University	Stockholm	9,148	1,787	16,339	1,787	35,002	Disposal in progress
G 90 Hus K, Konradsberg	Ornbäraren 3	Konradsbergsgatan 7	2002 Stockholm University	Stockholm	7,211		13,927	1,932	0	-/-
G 91 Hus T, Konradsberg	Ornbäraren 3	Rålambsvägen 32 A-C	2002 National Agency for Special Needs Education and Schools	Stockholm	9,455		18,835	1,993	0	-/-
G 92 Vaktmästarbostad	Ornbäraren 3	Rålambsvägen 24	— Stockholm University	Stockholm	158		284	1,797	0	-/-
G 93 Hus A-E, Konradsberg	Ornbäraren 3	Rålambsvägen 22-24	— Stockholm University	Stockholm	5,651		11,234	1,989	0	-/-
G 94 Hus O, Konradsberg	Ornbäraren 3	Konradsbergsgatan 1	2001 Stockholm University	Stockholm	6,212		14,604	2,352	0	-/-
G 95 V1 & V2, Konradsberg	Ornbäraren 3	Konradsbergsg 3 A-B	— Stockholm University	Stockholm	1,111		1,922	1,732	0	-/-
G 96 Hus Q, Konradsberg	Centauren 1	Konradsbergsg 24	1861 Int. Montessori School	Stockholm	9,766		19,575	2,006	17,094	-/-
G 97 Professorsvillan	Taffelberget 7	Gjörwellsgatan 18	1900 Reggio Emilia Institute	Stockholm	495		732	1,479	1,162	-/-
Utbyggnadsreserv KI	Haga 4:35	—	—	Solna	0				0	50,139
Utbyggnadsreserv Flemingsberg	—	—	—	Flemingsberg	0				0	49,237
Utbyggnadsreserv Forskningsen	—	—	—	Stockholm	0				0	
Swartlings	Svea Artilleri 12	—	—	Stockholm	1,657		0	0	9,515	28,879
Dramatiska Inst.	Tre Vapen 7	Valhallavägen 185-189	2004 University College of Film, Radio, Television and Theatre	Stockholm	13,957	1,095	28,675	2,056	6,968	392,532
Askölaboratoriet	Askö 1:4	Trosa skärgård	— Stockholm University	Stockholm	2,403		2,994	1,246	324,270	14,604
Trosa mätstation	Nynäs 5:1	—	— Stockholm University	Nyköping	52		43	826	0	261
Properties under construction										1,407,137
<b>TOTAL</b>					<b>932,863</b>	<b>16,317</b>	<b>1,952,378</b>	<b>2,093</b>	<b>1,573,292</b>	<b>23,632,979</b>
Rent reductions and vacant space							-59,940			
Rent supplements and non-recurring rent payments							2,152			
Extra rental revenue for previously terminated leases							25,612			
Revenue, disposed properties							8,660			
Rental revenue, net							1,928,862			



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A	1	Humanistpaviljong	Stadsliden 6:6	Humanioragränd 4	1992	Umeå University	Umeå	595	0	568	955	0	4,953
A	2	Norra BVH	Stadsliden 6:6	Humanioragränd 5	2003	Umeå University	Umeå	4,751	0	5,773	1,215	0	52,898
A	3	Humanisthuset	Stadsliden 6:6	Biblioteksgränd 3	1972	Umeå University	Umeå	13,548	0	14,147	1,044	0	134,606
A	4	BVH	Stadsliden 6:6	Mediagränd 14	1992	Umeå University	Umeå	7,249	0	8,422	1,162	0	83,025
A	5	Bibliotek	Stadsliden 6:6	Biblioteksgränd 12	1968	Umeå University	Umeå	19,708	0	18,058	916	0	202,825
A	6	Samhällsvetarhuset	Stadsliden 6:6	Hörsalstorget 4	1968	Umeå University	Umeå	20,978	0	22,115	1,054	0	195,055
A	7	Läroarbildningshuset	Stadsliden 6:6	Universitetstorget 30	1996	Umeå University	Umeå	8,899	0	10,031	1,127	0	91,997
A	8	Förvaltningshuset	Stadsliden 6:6	Universitetstorget 18	1983	Umeå University	Umeå	7,896	0	8,633	1,093	0	73,804
A	9	Hus för samverkan	Stadsliden 6:6	Universitetstorget 14	2004	Umeå University	Umeå	2,841	0	5,416	1,906	0	41,207
A	10	UCCB	Stadsliden 6:6	Johan Bures väg 5	1980	Umeå University	Umeå	6,802	0	21,841	3,211	0	233,785
A	11	Aula Nordica	Stadsliden 6:6	Universums gränd 4	1987	Umeå University	Umeå	2,696	0	2,326	863	0	17,606
A	12	Universum	Stadsliden 6:6	Universums gränd 8-10	1970	Umeå University	Umeå	8,953	724	8,269	924	0	52,706
A	13	MIT	Stadsliden 6:6	Campustorget 5	1992	Umeå University	Umeå	12,846	0	22,178	1,726	0	163,780
A	14	Naturvetarhuset	Stadsliden 6:6	Johan Bures väg 14	1970	Umeå University	Umeå	23,354	0	26,806	1,148	0	256,273
A	15	Biologihuset	Stadsliden 6:6	Johan Bures väg 12	1963	Umeå University	Umeå	9,819	0	9,101	927	0	46,151
A	16	Fysiologihuset	Stadsliden 6:6	Artedigränd 7	1969	Umeå University	Umeå	10,891	1,051	14,376	1,320	0	83,196
A	17	KBC	Stadsliden 6:6	Linnaeus väg 6	1999	Umeå University	Umeå	11,369	0	18,594	1,636	0	141,113
A	18	Kemihuset	Stadsliden 6:6	Linnaeus väg 10	1963	Umeå University	Umeå	11,417	0	12,850	1,126	0	104,612
A	19	Teknikhuset	Stadsliden 6:6	Håken Gulleasons väg 20	1992	Umeå University	Umeå	6,446	0	8,679	1,346	0	71,496
A	20	Fysikhuset	Stadsliden 6:6	Linnaeus väg 20	1980	Umeå University	Umeå	3,200	0	6,962	2,176	0	45,590
A	21	Kemiskt säkerhetshus	Stadsliden 6:6	Håkan Gulleasons väg 11	1985	Umeå University	Umeå	462	0	589	1,275	0	4,656
A	22	Akademiska Hus kontor	Stadsliden 6:6	Artedigränd 2	1977	Akademiska Hus	Umeå	1,682	0	1,810	1,076	0	15,952
A	23	Wallenberglab	Stadsliden 6:6	Artedigränd 14	1973	Swedish University of Agricultural Sciences	Umeå	1,000	89	1,741	1,741	0	8,269
A	24	Sveriges lantbruksuniversitet	Stadsliden 6:6	Skogsmarksgränd 17	1978	Swedish University of Agricultural Sciences	Umeå	23,709	324	38,594	1,628	0	339,162
A	25	NTK Kårhus	Stadsliden 6:6	Gösta Skoglunds väg 25	2007	Luleå University	Umeå	440	0	684	1,555	0	5,408
A	26	Iksu Sportcenter	Stadsliden 6:6	Sportgränd 5	2006	Universitetshallen Foundation	Umeå	5,307	0	6,854	1,292	0	71,277
A	27	Umeå Campus Friidrottsarena	Stadsliden 6:6	Petrus Lestadius väg 15	2010	Umeå Municipal Authority	Umeå	393		3,150	n/a		34,780
A		Parkeringsytor och mark	Stadsliden 6:6	P-områden & vägar	—	Umeå University	Umeå	0	0	420		899,625	58,804
B	29	D-Huset	Porsön 1:405	Laboratorievägen D2	1971	Luleå University	Luleå	15,292	0	20,642	1,350	0	73,367
B	29	Centekhuset	Porsön 1:405	Tekniktorget 3	1987	Luleå University	Luleå	1,576	0	1,827	1,159	0	15,584
B	30	E-Huset	Porsön 1:405	Laboratorievägen E12	1974	Luleå University	Luleå	18,166	0	27,871	1,534	0	192,392
B	31	K-Huset	Porsön 1:405	Laboratorievägen 14	1976	Luleå University	Luleå	1,014	0	874	862	0	5,518
B	31	F-Huset	Porsön 1:405	Laboratorievägen	1976	Luleå University	Luleå	25,689	0	30,922	1,204	0	289,913
B	32	A-Huset	Porsön 1:405	Regnbågsallén 2	1977	Luleå University	Luleå	13,613	831	14,134	1,038	0	104,001



MAP	REFERENCE NO.	PROPERTY NAME	PROPERTY DESIGNATION	ADDRESS	YEAR OF CONSTRUCTION	PRINCIPAL CUSTOMER	LOCATION	RENTABLE FLOOR SPACE, TOTAL, M <sup>2</sup>	VACANT	RENTAL REVENUE, INCL. SUPPLEMENTS, KSEK	AVERAGE RENT, SEK/M <sup>2</sup>	LAND AREA, M <sup>2</sup> /REGISTER PROPERTY	FAIR VALUE, KSEK	
B	32	Ekonomihuset	Porsön 1:405	Universitetsvägen A1	1993	Luleå University	Luleå	4,631	0	5,434	1,173	0	43,114	
B	33	B-Huset	Porsön 1:405	Regnbågsallén B8, B10	1978	Luleå University	Luleå	6,152	0	7,845	1,275	0	61,302	
B	33	Bibliotek	Porsön 1:405	Vintergatan 2	1994	Luleå University	Luleå	6,355	0	7,892	1,242	0	66,267	
B	34	C-Huset	Porsön 1:405	Universitetsvägen C 1	1975	Luleå University	Luleå	12,596	0	18,356	1,457	0	126,504	
B	35	Idrottshall	Porsön 1:405	Universitetsvägen C 11	1976	Luleå University	Luleå	2,457	0	1,824	742	0	8,584	
B		Porsön	Porsön 1:405	Laboratorievägen D2	1998	Luleå University	Luleå	0	0	123	0	322,072	2,520	
		Utbyggnadsreserv Campus Luleå	Porsön 1:405	—	—	—	Luleå						9,653	
C	27	Västhagen	Västhagen 1	Fabriksgatan 26	1997	English School	Sundsvall	6,284	0	6,285	1,000	17,789	Disposal in progress	
C		Utbyggnadsreserv Västhagen	Västhagen 1	—	—	—	Sundsvall						—/—	
C	28	Ågården	Åkroken 1	Holmgatan 10	1999	Mid Sweden University	Sundsvall	622	0	671	1,079	32,900	—/—	
C	28	Stenhuset	Åkroken 1	Holmgatan 10	2005	Mid Sweden University	Sundsvall	2,225	0	3,523	1,583	0	—/—	
C	28	Holmgården	Åkroken 1	Holmgatan 10	1997	Åkroken Science Park	Sundsvall	882	0	645	731	0	—/—	
C	28	Hus R	Åkroken 1	Holmgatan 10	2009	Mid Sweden University	Sundsvall	2,073	0	3,955	1,908	0	—/—	
C	28	Åkroken	Åkroken 1	Holmgatan 10	1997	Mid Sweden University	Sundsvall	16,393	0	28,925	1,764	0	—/—	
C	28	FSCC	Åkroken 1	Holmgatan 10	2001	Mid Sweden University	Sundsvall	4,220	0	8,837	2,094	0	—/—	
C		Utbyggnadsreserv Åkroken	Åkroken 1	—	—	—	Sundsvall						—/—	
		Norrbyn fältstation	Norrbyn 2:122	Norrbyn	1984	Luleå University	Norrbyn	2,489	0	4,569	1,836	9,504	22,496	
		IRF	Kiruna 1:307, 1:308	Väg E10	1957	Swedish Institute of Space Physics	Kiruna	7,686	0	12,365	1,609	164,513	56,419	
		IRF mottag.station	Kiruna 1:308 m fl	Väg E10	1957	Swedish Institute of Space Physics	Kiruna	557	0	599	1,075	39,830	2,431	
		Properties under construction											30,657	
<b>TOTAL</b>								<b>378,223</b>	<b>3,019</b>	<b>507,105</b>	<b>1,341</b>	<b>1,486,233</b>	<b>4,176,759</b>	
Rent reductions and vacant space										-4,561				
Non-recurring rent payments										16,854				
Rental revenue, net										519,398				

# Definitions

## PROPERTY-RELATED KEY FIGURES

### Gross investments

Investments during the year in non-current assets.

### 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.

### Net investments

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

### Net operating income ratio

Net operating income in relation to management income.

### Yield

Operating surplus in relation to the average fair value, excluding buildings under construction.

## FINANCIAL KEY FIGURES

### Equity ratio

Reported equity (for the Parent Company, including the equity proportion of untaxed reserves) in relation to total assets carried forward.

### 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 in financial derivatives and including period allocation of realised profits from derivatives and including interest capitalised in projects.

### 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.

### Loan-to-value ratio

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

### Return on equity after standard tax

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

### Total yield

Yield on properties and their change in value, expressed in per cent.

### Yield on total capital

Operating income plus financial income in relation to average total assets.

## GLOSSARY

### 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.

### Maintenance costs

Costs for measures taken to reinstate worn or damaged parts of the building to their original standard and function.

### Operating expenses

Costs for measures taken at an expected interval of less than one year to maintain the function of a managed property. Operating expenses are divided into energy and water provision and other operating costs.

### 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 vacant space and rent reductions.

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#### INFORMATION SCHEDULE

April 28, 2014	Annual General Meeting
April 28, 2014	Interim Report, January-March 2014
July 15, 2014	Interim Report, April-June 2014
October 28, 2014	Interim Report, July-September 2014
February 2015	Year-End Report 2014
March 2015	Annual Report 2014

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