

Focus on  
collaboration,  
sustainability and  
good business  
practice

Working in collaboration with our customers, we develop, build and manage knowledge environments that further Sweden's success as a nation of knowledge. With our experience, expertise and size, we contribute to effective, sustainable environments for education, research and innovation.

#### JANUARY-SEPTEMBER

- Rental revenue amounted to SEK 4,109 million (4,005). The increase can be attributed mainly to commissionings, reduced by the effects of property divestment.
- Net operating income totalled SEK 2,859 million (2,721), an improvement of SEK 138 million. The increase can be attributed to higher rental revenue and lower operating costs.
- Profit-impacting net changes in property values amounted to SEK 3,043 million (491). The majority of these changes are unrealised.
- Net financial income and expense for the period totalled SEK -725 million (-274). The figure includes changes in the value of financial instruments totalling SEK -415 million (44). The majority of these changes are unrealised.
- Profit before tax for the period was SEK 5,138 million (2,891) and profit for the period was SEK 4,065 million (2,257). The rise can be attributed mainly to unrealised changes in property values.
- Investment in redevelopment, new construction and acquisitions during the period totalled SEK 2,301 million (2,070).
- The yield (excluding properties under construction) was 6.7 per cent (6.9), calculated on a full-year basis.

#### THIRD QUARTER

- Rental revenue amounted to SEK 1,364 million (1,319).
- Net operating income increased by SEK 33 million to SEK 990 million.
- Changes in property values amounted to SEK 1,813 million (48), equivalent to 3.0 per cent (0.0) of the value of the properties.



Segerstedt Building in Uppsala. Sketch: Arkitektkontor 3XN



# Continued high level of ambition in promoting Sweden as a nation of knowledge

STATEMENT BY THE PRESIDENT KERSTIN LINDBERG GÖRANSSON

Sweden as a nation of knowledge is continuing to grow. In September, one of our bigger projects VHC – the Centre for Veterinary Medicine and Animal Science on the Ultuna Campus in southern Uppsala – was officially opened. VHC is a 53,000 square metre meeting point for world-class research, education and animal care and is the most modern animal hospital in northern Europe. The creation of a veterinary medicine and animal science centre on the Ultuna Campus is part of the aim of the Swedish University of Agricultural Sciences that related activities should be brought together. The building has been nominated by the trade journal *Byggindustrin* for the prestigious Building of the Year 2015 award.

One of our most important driving forces is the fact that we will contribute to the long-term development of centres of education. A good example of this is the fact that Vice Chancellor Eva Åkesson and I conducted the groundbreaking ceremony for a new building at Uppsala University – the Segerstedt Building in the Blåsenhus area. This is the result of lengthy collaboration. The building will act as a meeting point for the entire Uppsala University and will house offices for the University management and administration. The building, which is due to be completed in 2017, is approximately 20,000 square metres in size and will be certified according to *Miljöbyggnad*.

Student accommodation is also an area that is of significance to the long-term development of centres of learning. We are continuing to promote further construction, both within the framework of collaborative projects such as Stockholm 6000+ and through our own property development programme. We incorporate accommodation on or near a campus into the planning process and we assign or lease land to facilitate construction.

We have a substantial investment portfolio – to date this year we have invested SEK 2,301 million in redevelopment, new construction and acquisitions.



VHC – the Centre for Veterinary Medicine and Animal Science on the Ultuna Campus in Uppsala. Photo: Åke E:son Lindman

Sustainability issues continue to be in focus. A series of investments commenced during the summer and autumn, including a large, energy efficiency enhancement project in the Södra Building at Stockholm University. Investments include solar cells and work on the cooling and heating system and are expected to generate energy savings of around 3,700 MWh per year, representing a reduction in energy use of 30-35 per cent. I also had the pleasure of cutting the ribbon to mark the opening of the largest solar cell facility of its kind in Europe. The facility at Lund University comprises 850 square metres with highly efficient solar panels mounted on the roof of the Mechanical Engineering Building. This investment was the product of close collaboration with several other bodies.

Our sale of the Konradsberg Campus in Stockholm, comprising 62,000 square metres has now been finalised and the

completion date is October 9.

Property management revenue continues to be good and is developing according to plan. Rental revenue has increased by just over SEK 100 million to SEK 4,109 million. The increase can be attributed largely to commissioned buildings although it has been held back slightly due to the divestment of the property holdings in Sundsvall. Net operating income increased by SEK 138 million to SEK 2,859 million due to higher rental revenue and lower operating costs. The profit for the period after tax rose from SEK 2,257 million to SEK 4,065 million, mainly as a result of the significant increase in our assessment of the fair value of the properties.

Kerstin Lindberg Göransson  
 President

AKADEMISKA HUS - SUMMARY

	2014 July-Sept	2013 July-Sept	2014 Jan-Sept	2013 Jan-Sept	Rolling 12-month period Oct 2013-Sept 2014	2013 Full year	2012 Full year
Rental revenue, SEK m	1,364	1,319	4,109	4,005	5,463	5,359	5,265
Net operating income, SEK m	990	957	2,859	2,721	3,644	3,506	3,588
Changes in value, investment properties, SEK m	1,813	48	3,043	491	2,784	232	-291
Profit before tax, SEK m	2,596	860	5,138	2,891	5,522	3,275	2,549
Vacant space, rent, %	1.4	1.0	1.2	1.0	1.1	0.9	1.0
Vacant space, area, %	2.7	2.4	2.7	2.4	2.3	2.1	2.6
Fair value, properties, SEK m	62,196	57,105	62,196	57,105	62,196	57,557	54,677
of which properties under construction, SEK m	6,192	4,674	6,192	4,674	6,192	4,491	4,007
Yield, % (excluding properties under construction)	—	—	—	—	6.7	6.8	7.1
Yield, % (including properties under construction)	—	—	—	—	6.1	6.2	6.8
Net operating income, SEK/m <sup>2</sup>	—	—	—	—	1,134	1,089	1,120
Return on operating capital, %	—	—	—	—	6.9	7.2	7.8
Return on equity after standard tax, %	—	—	—	—	14.0	8.8	6.9
Equity ratio, %	47.8	46.4	47.8	46.4	47.8	46.8	46.0
Interest coverage ratio, % *	664	659	660	648	657	647	558
Internal financing ratio, %	121	210	106	124	113	124	93
Loan-to-value ratio, %	33.9	33.8	33.9	33.8	33.9	33.5	33.9

\* Excluding changes in the value of investment properties and financial derivatives.

COMMENTS ON ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME AND THE STATEMENT OF FINANCIAL POSITION

Third quarter 2014

Rental revenue for the third quarter of the year amounted to SEK 1,364 million (1,319). The change is mainly the result of commissionings, reduced by the impact of divested properties. Property management costs have remained on the same level and totalled SEK 413 million (413). Net operating income increased by SEK 33 million to SEK 990 million.

Changes in the value of properties totalled SEK 1,813 million (48) and net financial income and expense rose to SEK -199 million (-136), mainly due to changes in the value of financial instruments. Profit for the third quarter was SEK 2,070 million (684).

Rental revenue

Rental revenue amounted to SEK 4,109 million (4,005). Revenue as a whole increased as a result of commissionings and retroactive rent. At the same time, it has also fallen, mainly due to property sales. These sales will have a negative effect on rental revenue of just over SEK 100 million, calculated on an annual basis. Rental revenue per square metre has increased mainly as a result of a higher proportion of specialised premises in new commissionings.

Rental and vacancy levels

Property holdings as at September 30, 2014 amounted to just over 3.2 million (3.2) square metres of rentable space, of which 86,000 square metres (77,000) were vacant, resulting in a vacancy level of 2.7 per cent (2.4). Vacant space has a distinctly lower rental value

than the average for the holdings. In terms of value, vacant space accounted for only 1.2 per cent (1.0).

Leases

A characteristic feature of Akademiska Hus is long leases with universities and colleges. The average term of a new lease is ten years. At the period-end, the average remaining lease term was 5.8 years (5.3 at the turn of the year). In the case of larger, complex specialist buildings for laboratory and research work, a lease is normally required where a large proportion of the investment is repaid during the term of the lease, which means a lease of ten years or longer.

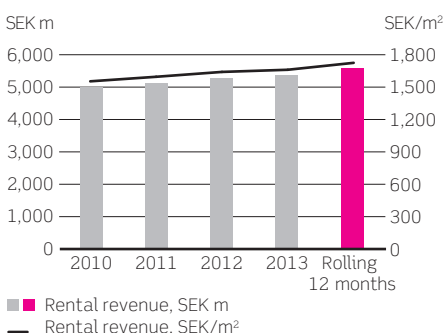
The dominant customer group, universities and colleges, are stable, creditworthy customers that generate approximately 90 per cent of revenue. All customers that are centres of education, apart from Chalmers University of Technology, have the Swedish government as principal and thus have the highest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

Operating and maintenance costs

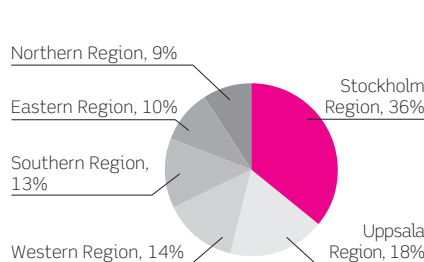
Operating costs for the period amounted to SEK 593 million (643), of which utility provision amounted to SEK 414 million (450). The decrease can be attributed mainly to lower costs for snow clearance and heating due to a mild winter.

Maintenance costs amounted to SEK 398 million (462) and are thus slightly lower than the figures for 2013. Preventive maintenance and tenant adaptation costs have increased slightly whilst project maintenance costs have fallen to SEK 93 million (143). We will continue to implement maintenance measures to gradually raise the standard of our property holdings.

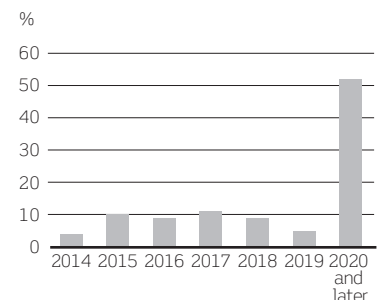
RENTAL REVENUE



RENTAL REVENUE PER REGION



LEASE RENEWAL STRUCTURE



### Property market development for Akademiska Hus

Continued low interest rates and increased availability of capital on the market have led to a rise in demand for properties and a higher transaction volume during the year compared with 2013. The focus of the property market during 2014 has been displaced slightly and risk propensity among investors has grown to the extent that investments are also being considered in properties in secondary locations.

The geographically diverse Akademiska Hus portfolio offers a good risk spread that could benefit from the growth in strong regional markets, such as university and college towns and cities. There is a strong demand for these high-quality properties and they are regarded as a relatively safe form of investment, offering a stable yield in both good times and bad. The majority of Akademiska Hus tenants are only affected to a limited extent by temporary fluctuations in the economy.

The number of young people of university age will fall in the next few years even if the level of applications will continue to be high. Through to 2016, the higher education sector will receive increased research funding, which will benefit the larger centres of education, which is where the majority of research is conducted. At the same time, funding for education has fallen, which has meant that universities and colleges have been forced to adapt the volume of programmes and courses. During 2013, available programmes and courses fell by two per cent. This fall will also lead to greater uncertainty regarding the long-term need for premises.

The centres of education are upgrading their use of premises to achieve a higher level of efficiency and at the same time increase their attractiveness, which is reflected in the very extensive Akademiska Hus project portfolio. Continuous investment by Akademiska Hus in new construction, and in particular maintenance and modernisation of existing properties, is taking place to ensure the property portfolio continues to remain attractive to tenants and suited to

purpose. At the same time, campuses will become more attractive as we broaden their use by planning and opening facilities where we are not the prime mover, such as student accommodation. The majority of Akademiska Hus campuses are in prime locations in attractive towns and cities and the risk to Akademiska Hus in these locations is limited by access to an active, highly efficient rental market.

### Investment properties (property valuation)

The fair value of investment properties is SEK 62,196 million compared with SEK 57,557 million at the turn of the year. The fair value also includes investment properties under construction amounting to SEK 6,192 million (4,491). All property assets are reported at fair value. The fair value has been set by means of an internal valuation of all properties. The method used is described in detail in the 2013 Annual Report. The unrealised change in value totalled SEK 3,039 million (639). The fair value per square metre is SEK 16,992 (16,188), excluding properties under construction and expansion reserves.

The yield target and cost of capital were reduced further during the third quarter by between 0.05 and 1.1 percentage points as a result of general price-driving factors on the community property market. Changes have been made in all value indexes, resulting in an unrealised positive change in value of SEK 1,730 million. The positive change in value attributable to a change in the yield targets and cost of capital during 2014 totalled SEK 2,803 million.

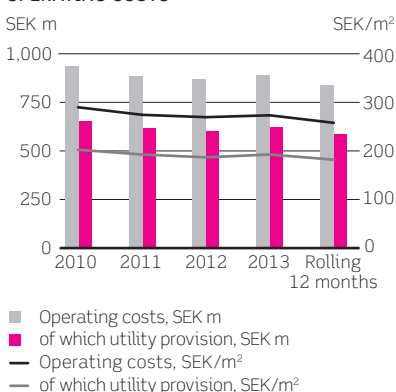
The average yield target was 6.0 per cent (6.4) and the average cost of capital was 8.2 per cent (8.5). An external valuation of yield targets, cost of capital and other valuation variables has been made by DTZ, NAI Svefa and Leimdörfer. Apart from financial parameters, property values are affected by factors such as rent levels, net operating income, lease term, property category and type of customer.

### INVESTMENT PROPERTIES (SEK M)

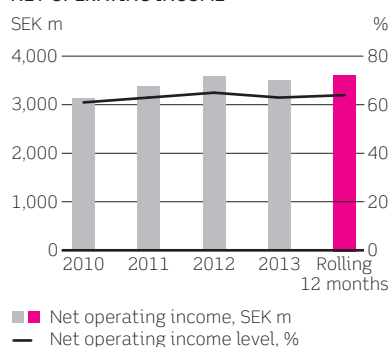
	01-01-2014 - 30-09-2014	01-01-2013 - 31-12-2013
Fair value at the beginning of the period	57,557	54,677
+ Investment in new construction and redevelopment	2,202	2,750
+ Acquisitions	99	4
+ Capitalised interest expense	98	136
- Sales	-799	-375
+ Change in value (unrealised)	3,039	365
of which change in value due to a change in the cost of capital and yield target	2,803	105
of which change in value as a result of the change in the value index (Valuation location, average remaining lease term, type of premises)	-165	162
of which capitalised interest expense	-98	-136
of which start-up of projects, revaluation of cash flow etc.	499	234
<b>FAIR VALUE AT THE PERIOD-END</b>	<b>62,196</b>	<b>57,557</b>

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

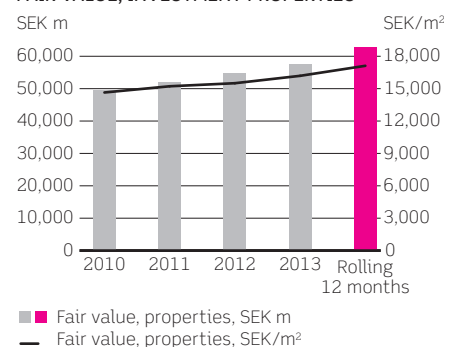
### OPERATING COSTS



### NET OPERATING INCOME



### FAIR VALUE, INVESTMENT PROPERTIES



The profit-impacting realised and unrealised change in fair value for the period is positive, amounting to SEK 3,043 million (491). The sale of the property holdings in Kiruna and Sundsvall and the Forum property in Kista during the first half of the year have only resulted in a small positive realised net change in value.

#### PROJECTS, INVESTMENTS AND SALES

The project portfolio, comprising decided and planned projects, totals SEK 22,734 million, of which SEK 6,192 million has already been generated. We also have a series of concept projects totalling just over SEK 3 billion. 'Concept projects' are projects that are considered likely but which remain uncertain in terms of time and scope. The project portfolio covers future investments over several years and the emphasis is on Stockholm and Uppsala, where there are several major new construction projects. For further information about major projects, reference can be made to the 2013 Annual Report.

PROJECT PORTFOLIO (SEK M)	30-09-2014	31-12-2013
Decided projects	12,212	12,377
of which already generated in current projects	-6,192	-4,491
<b>REMAINING TO BE INVESTED IN DECIDED PROJECTS</b>	<b>6,020</b>	<b>7,886</b>
Planned projects	10,522	8,821
<b>REMAINDER OF DECIDED AND PLANNED PROJECTS</b>	<b>16,542</b>	<b>16,707</b>
Concept projects	3,579	4,365
<b>TOTAL REMAINING PROJECTS</b>	<b>20,121</b>	<b>21,072</b>

Net investment in properties during the period amounted to SEK 1,502 million (1,695). The Forum property in Kista and the entire property holdings in Sundsvall were divested during the second quarter. The total sales sum was SEK 747 million. The Konradsberg Campus in Stockholm was sold for SEK 2 billion with completion during the fourth quarter.

#### FINANCING

The prospects of growth in the world economy are showing a tendency to be increasingly divergent. We have noted a significantly stronger rate of development in the USA, the UK and China compared with the Eurozone. Financial developments are still marked

by repercussions from the financial crisis. Previously, the national economies demonstrated quite a well-defined cyclical pattern but now the trend is becoming considerably more diffuse. In order to support growth, global monetary policy has been an exceptional source of stimulation for almost six years. Apart from maintaining low interest rates, the central banks have expanded their balance sheets, injecting liquidity into the financial systems. Current low interest rates have generated an increase in the proclivity to take financial risks, which has had an impact on both the stock market and the property market. Despite current interest levels, the willingness to invest has still not reverted to previous levels, which can probably be ascribed to uncertainty regarding the future, over-capacity and yield targets that have yet to adapt to the low interest environment.

The extraordinarily lenient monetary policy in both Europe and Sweden is expected to continue as the central banks are looking to prevent the current absence of inflation becoming permanent. Financial markets are facing major challenges and a situation where traditional monetary policy has come to the end of the road.

The low interest rates are beneficial to Akademiska Hus as financing costs (excluding changes in the value of derivatives) can be limited, albeit with a certain time lag, attributable to the fixed interest framework of the debt portfolio. Cost savings have also been made due to the fact that only short-term refinancing has taken place during the year. This has been made possible by the property sales that have been materialised. During the fourth quarter, a further SEK 2.2 billion will be received following the sale of the Konradsberg Campus and Forum in Kista.

#### Net loan debt

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

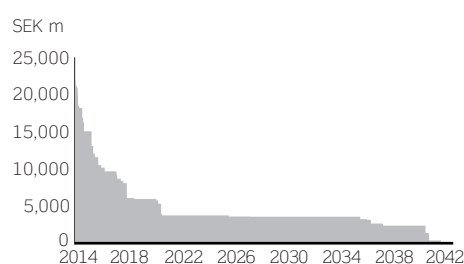
#### FIXED INTEREST AND MATURITY

	SEK m	Fixed interest, years, Sept 2014	Fixed interest, years, Dec 2013	Maturity, years, Sept 2014	Maturity, years, Dec 2013
Long-term portfolio	3,155	25.8	26.5	25.8	26.5
Basic portfolio	16,100	2.9	3.4	2.3	2.9
Total portfolio		7.1	7.5	6.1	6.8

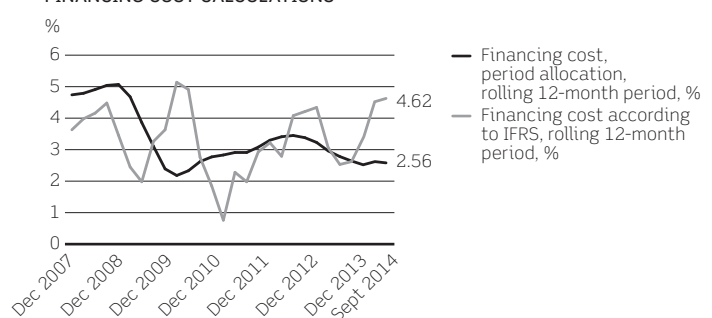
#### FINANCING COST, BREAKDOWN

	01-01-2014-30-09-2014	01-01-2013-30-09-2013	01-01-2013-31-12-2013
Loan financing cost, including charges, %	2.04	2.24	2.24
Interest swaps, net interest, %	0.39	0.42	0.39
<b>FINANCING COST, %</b>	<b>2.43</b>	<b>2.66</b>	<b>2.63</b>
Changes in value, financial derivatives, %	2.57	-0.30	-0.01
<b>TOTAL FINANCING COST, %</b>	<b>5.00</b>	<b>2.36</b>	<b>2.62</b>

#### LOAN MATURITY STRUCTURE



#### COMPARISONS BETWEEN DIFFERENT ANNUALISED FINANCING COST CALCULATIONS



**Net interest income and expense**

Net interest income and expense was SEK -725 million (-274), where SEK -415 million (44) is due to changes in the value of financial derivatives. The majority of these changes are unrealised. This is equivalent to a rate of interest of 5.0 per cent (2.4) during the period and is an effect of falling market interest rates. Changes in value correspond to an increase in the cost of capital of 2.6 percentage points (-0.3). The interest coverage ratio, calculated on the cash flow impact of net interest income and expense, amounted to 660 per cent (648).

**Effect of financial derivatives on profit**

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

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

The graph on the previous page shows a comparison between the financing cost that is reported according to the Statement of Comprehensive Income (IFRS) and a calculation where the effect of financial derivatives on profit is allocated to a specific period over the term of the underlying instrument. The comparison is calculated at annualised percentage rates of interest. This rate of interest concurs better with the cash flow impact of financial transactions.

**RISK MANAGEMENT**

The Akademiska Hus property portfolio has a strategic risk. Campuses have a specific purpose and are not general in the broad sense. Purchases and sales of properties take place to handle the strategic risk in the property portfolio.

Each year, the Board of Directors decides on long-term development, the strategic plan, the competitive situation and total risk exposure. The Board has routines and processes in place to check how the organisation handles the risks that can arise in business operations. This means that risks can be identified, analysed, assessed and handled effectively. Major disputes are reported on an ongoing basis to the Board of Directors.

An Audit Committee assists the Board of Directors in matters concerning financial risk, reporting, control and property valuation.

In addition, a Finance Committee follows and prepares in more detail the handling of the financial risks.

As regards changes in value, reporting according to IFRS means that the properties are recorded at fair value in the Statement of Financial Position and that changes in value affect the Statement of Comprehensive Income. The value of the properties is determined by general market factors, such as risk premiums, as well as availability and demand on the property market and specific changes in the properties.

Rental revenue is assured through leases that are long in comparison with the industry in general. The average term for a newly signed lease with Akademiska Hus is ten years and the average remaining lease term is 5.8. Rents from state customers account for approximately 90 per cent of the rental revenue and these do not represent a credit risk. Compared with other property companies, the level of vacant space is very low. Specialist buildings for research and development frequently have leases of 10 years or longer that repay the whole of the investment and there is very good potential for extending the lease. In other respects, the aim is to have general premises that can be easily readapted for alternative uses.

Around half of the cost of utility provision is passed on to tenants. The use of electricity is price-hedged and purchase takes place directly through Nord Pool. The property holdings are well maintained and maintenance planning takes place for each individual building.

Akademiska Hus carries on financing operations with well-adapted strategies, striking a balance between financial risk and a low financing cost. The Finance Policy lays down the long-term strategic orientation, allocation of responsibility, the Group's approach to financial risks and the mandates that are in place to handle these risks. The Financial Risk Management Plan includes authorisations and mandates as well as concrete financing plans. The handling of the interest risk in the liability portfolio takes place within a separate fixed interest mandate.

For a more detailed description of Akademiska Hus's risk management, reference can be made to the 2013 Annual Report.

**FINANCIAL OBJECTIVES**

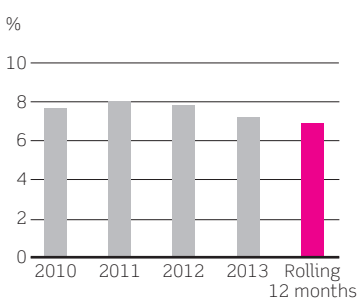
The owner's financial objectives, adopted at the Annual General Meeting on April 28, 2014, are as follows:

- The yield on operating capital, excluding changes in value, should be at least 6.5 per cent (see definition on page 15).
- The dividend should be between 40 and 60 per cent of the profit after tax for the year following a reversal of changes in value and deferred tax related thereto.
- The equity ratio should be between 30 and 40 per cent.

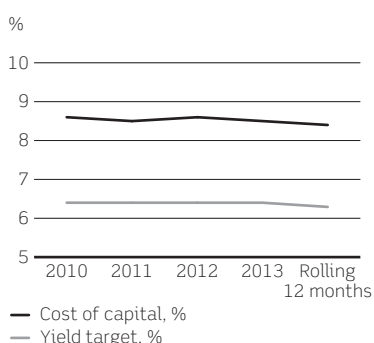
**EVENTS AFTER THE REPORTING PERIOD**

On October 9, 2014, the purchaser of the Konradsberg Campus in Stockholm took possession and paid the purchase sum of approximately SEK 2 billion.

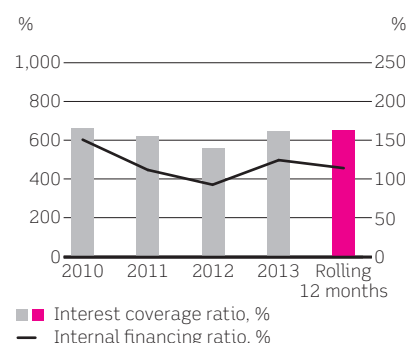
**RETURN ON OPERATING CAPITAL**



**YIELD TARGET AND COST OF CAPITAL**



**INTEREST COVERAGE RATIO AND INTERNAL FINANCING RATIO**



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY, SEK M	2014 July-Sept	2013 July-Sept	2014 Jan-Sept	2013 Jan-Sept	Rolling 12-month period, Oct 2013- Sept 2014	2013 Full year
Rental revenue	1,364	1,319	4,109	4,005	5,463	5,359
Other property management revenue	39	51	132	159	202	229
<b>Total property management revenue</b>	<b>1,403</b>	<b>1,370</b>	<b>4,241</b>	<b>4,164</b>	<b>5,665</b>	<b>5,588</b>
Operating costs	-161	-173	-593	-643	-839	-889
Maintenance costs	-141	-184	-398	-462	-604	-668
Property administration	-67	-57	-240	-204	-308	-272
Other property management expenses					-270	-253
<b>Total property management expenses</b>	<b>-413</b>	<b>-413</b>	<b>-1,382</b>	<b>-1,443</b>	<b>-2,021</b>	<b>-2,082</b>
<b>NET OPERATING INCOME</b>	<b>990</b>	<b>957</b>	<b>2,859</b>	<b>2,721</b>	<b>3,644</b>	<b>3,506</b>
Changes in property values, positive	1,600	434	3,525	1,879	3,538	1,892
Changes in property values, negative	213	-386	-482	-1,388	-754	-1,660
<b>Total changes in property values</b>	<b>1,813</b>	<b>48</b>	<b>3,043</b>	<b>491</b>	<b>2,784</b>	<b>232</b>
Central administration expenses	-8	-9	-39	-47	-65	-73
<b>PROFIT BEFORE FINANCIAL ITEMS</b>	<b>2,795</b>	<b>996</b>	<b>5,863</b>	<b>3,165</b>	<b>6,363</b>	<b>3,665</b>
Net financial income/expense	-199	-136	-725	-274	-841	-390
<b>PROFIT BEFORE TAX</b>	<b>2,596</b>	<b>860</b>	<b>5,138</b>	<b>2,891</b>	<b>5,522</b>	<b>3,275</b>
Tax	-526	-176	-1,073	-634	-1,146	-707
<b>PROFIT FOR THE PERIOD</b>	<b>2,070</b>	<b>684</b>	<b>4,065</b>	<b>2,257</b>	<b>4,376</b>	<b>2,568</b>
Attributable to the Parent Company's shareholder	2,070	684	4,065	2,257	4,376	2,568
<b>PROFIT PER SHARE</b>						
Profit per share, SEK	970	320	1,904	1,057	2,050	1,203
Profit per share following dilution, SEK	970	320	1,904	1,057	2,050	1,203
Number of shares, average and at the period-end	2,135,000	2,135,000	2,135,000	2,135,000	2,135,000	2,135,000

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME, SUMMARY (SEK M)	2014 July-Sept	2013 July-Sept	2014 Jan-Sept	2013 Jan-Sept	Rolling 12-month period, Oct 2013- Sept 2014	2013 Full year
Profit for the period	2,070	684	4,065	2,257	4,376	2,568
Reclassifiable items						
Result from cash flow hedges	14	60	45	48	4	7
Tax attributable to cash flow hedges	-3	-9	-10	-6	-1	3
Cash flow hedges, dissolved against profit or loss	—	-16	—	-21	—	-21
Non-reclassifiable items						
Revaluation of defined benefit pensions	—	—	—	—	97	97
Tax attributable to pensions	—	—	—	—	-21	-21
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>11</b>	<b>35</b>	<b>35</b>	<b>21</b>	<b>79</b>	<b>65</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,081</b>	<b>719</b>	<b>4,100</b>	<b>2,278</b>	<b>4,455</b>	<b>2,633</b>
Of which attributable to the Parent Company's shareholder	2,081	719	4,100	2,278	4,455	2,633

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY (SEK M)	30-09-2014	30-09-2013	31-12-2013
<b>ASSETS</b>			
Non-current assets			
Tangible non-current assets			
Investment properties	62,196	57,105	57,557
Equipment and fittings	15	18	18
Total tangible non-current assets	62,211	57,123	57,575
Financial non-current assets			
Derivatives	1,194	1,162	1,293
Other non-current receivables	414	421	386
Total financial non-current assets	1,608	1,583	1,679
Total non-current assets	63,819	58,706	59,254
Current assets			
Current receivables			
Derivatives	609	280	331
Other current receivables	1,356	850	1,068
Total current receivables	1,965	1,130	1,399
Cash and cash equivalents	1,886	3,172	2,689
Total cash and cash equivalents	1,886	3,172	2,689
Total current assets	3,851	4,302	4,088
<b>TOTAL ASSETS</b>	<b>67,670</b>	<b>63,008</b>	<b>63,342</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	32,340	29,259	29,614
Liabilities			
Non-current liabilities			
Loans	16,129	17,217	17,503
Derivatives	566	223	323
Deferred tax	7,822	6,888	7,009
Other non-current liabilities	353	435	337
Total non-current liabilities	24,870	24,763	25,172
Current liabilities			
Loans	6,473	5,637	4,672
Derivatives	80	76	50
Other current liabilities	3,907	3,273	3,834
Total current liabilities	10,460	8,986	8,556
Total liabilities	35,330	33,749	33,728
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67,670</b>	<b>63,008</b>	<b>63,342</b>
<b>MEMORANDUM ITEMS</b>			
Pledged assets	245	102	133
Contingent liabilities	4	3	4



Attributable to the Parent Company's shareholder

CHANGES IN GROUP EQUITY, SUMMARY, (SEK M)	Share capital	Other contributed capital	Hedge reserve	Actuarial gains and losses	Retained earnings	Total equity
<b>EQUITY 01-01-2013</b>	2,135	2,135	-34	-4	24,104	28,336
Dividend	—	—	—	—	-1,355	-1,355
Total comprehensive income, Jan-Sept 2013	—	—	21	—	2,257	2,278
<b>EQUITY 30-09-2013</b>	2,135	2,135	-13	-4	25,006	29,259
Total comprehensive income, Oct-Dec 2013	—	—	-32	76	311	355
<b>EQUITY 31-12-2013</b>	2,135	2,135	-45	72	25,317	29,614
Dividend	—	—	—	—	-1,374	-1,374
Reduction in share capital <sup>1)</sup>	-1,000	—	—	—	1,000	0
Bonus issue <sup>1)</sup>	1,000	—	—	—	-1,000	0
Total comprehensive income, Jan-Sept 2014	—	—	35	—	4,065	4,100
<b>EQUITY 30-09-2014</b>	2,135	2,135	-10	72	28,008	32,340

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

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY (SEK M)	2014 Jan-Sept	2013 Jan-Sept	2013 Full year
<b>CURRENT OPERATIONS</b>			
Profit before tax	5,138	2,891	3,275
Adjustment for items not included in the cash flow	-2,955	-596	-400
Tax paid	-588	-184	115
<b>CASH FLOW FROM CURRENT OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>	<b>1,595</b>	<b>2,111</b>	<b>2,990</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>			
Increase (-)/decrease (+) in current receivables	-233	20	-209
Increase (+)/decrease (-) in current liabilities	339	277	279
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>1,701</b>	<b>2,408</b>	<b>3,060</b>
<b>INVESTMENT</b>			
Investment in properties	-2,301	-2,070	-2,754
Sale of investment properties	803	228	243
Investment in other non-current assets	-2	-2	-4
Decrease in non-current receivables	5	49	56
<b>CASH FLOW FROM INVESTMENT</b>	<b>-1,495</b>	<b>-1,795</b>	<b>-2,459</b>
<b>FINANCING</b>			
Raising of interest-bearing loans, excluding refinancing	365	667	196
Dividend paid	-1,374	-1,355	-1,355
<b>CASH FLOW FROM FINANCING</b>	<b>-1,009</b>	<b>-688</b>	<b>-1,159</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-803</b>	<b>-75</b>	<b>-558</b>
Cash and cash equivalents at the beginning of the year	2,689	3,247	3,247
Cash and cash equivalents at the period-end	1,886	3,172	2,689

GROUP'S GEOGRAPHICAL AREAS, SUMMARY

SEGMENT INFORMATION 01-01-2014 - 30-09-2014 (SEK M)	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other opera- tions	Group
Revenue, including other operating revenue	556	601	414	763	1,508	398	4,240	1	4,241
Property management expenses, including other operating costs	-191	-185	-116	-200	-412	-170	-1,274	-108	-1,382
<b>NET OPERATING INCOME</b>	<b>365</b>	<b>416</b>	<b>298</b>	<b>563</b>	<b>1,096</b>	<b>228</b>	<b>2,966</b>	<b>-107</b>	<b>2,859</b>
Changes in value, properties									3,043
Central administration costs									-39
<b>PROFIT BEFORE FINANCIAL ITEMS</b>									<b>5,863</b>
Profit/loss from financial items (net)									-725
<b>PROFIT BEFORE TAX ACCORDING TO THE STATE- MENT OF COMPREHENSIVE INCOME</b>									<b>5,138</b>
Total assets include:									
Investment properties	7,825	7,343	4,901	11,988	26,017	4,122	62,196	—	62,196
of which investments	446	114	7	476	1,180	78	2,301	—	2,301

SEGMENT INFORMATION 01-01-2013 - 30-09-2013 (SEK M)	South	West	East	Uppsala	Stockholm	North	Total, operating segments	Other opera- tions	Group
Revenue, including other operating revenue	565	615	403	700	1,483	399	4,165	-1	4,164
Property management expenses, including other operating costs	-235	-217	-110	-220	-431	-145	-1,358	-85	-1,443
<b>NET OPERATING INCOME</b>	<b>330</b>	<b>398</b>	<b>293</b>	<b>480</b>	<b>1,052</b>	<b>254</b>	<b>2,807</b>	<b>-86</b>	<b>2,721</b>
Changes in value, properties									491
Central administration costs									-47
<b>PROFIT BEFORE FINANCIAL ITEMS</b>									<b>3,165</b>
Profit/loss from financial items (net)									-274
<b>PROFIT BEFORE TAX ACCORDING TO THE STATE- MENT OF COMPREHENSIVE INCOME</b>									<b>2,891</b>
Total assets include:									
Investment properties	6,936	6,944	4,590	10,902	23,644	4,089	57,105	-	57,105
of which investments	296	76	59	824	792	23	2,070	2	2,072

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

PARENT COMPANY INCOME STATEMENT, SUMMARY (SEK M)	2014 July-Sept	2013 July-Sept	2014 Jan-Sept	2013 Jan-Sept	2013 Full year
Rental revenue	1,364	1,346	4,109	4,032	5,359
Other property management revenue	122	207	526	383	472
<b>Total property management revenue</b>	<b>1,486</b>	<b>1,553</b>	<b>4,635</b>	<b>4,415</b>	<b>5,831</b>
Operating expenses	-161	-190	-594	-658	-908
Maintenance costs	-142	-184	-401	-462	-668
Property administration	-64	-58	-232	-197	-260
Other property management expenses	-51	-320	-186	-439	-419
<b>Total property management expenses</b>	<b>-418</b>	<b>-752</b>	<b>-1,413</b>	<b>-1,756</b>	<b>-2,255</b>
<b>NET OPERATING INCOME</b>	<b>1,068</b>	<b>801</b>	<b>3,222</b>	<b>2,659</b>	<b>3,576</b>
Depreciation and write-downs as well as reversed write-downs in property management	-323	-279	-945	-914	-1,277
<b>NET OPERATING INCOME AFTER DEPRECIATION AND WRITE-DOWNS AS WELL AS REVERSED WRITE-DOWNS IN PROPERTY MANAGEMENT</b>	<b>745</b>	<b>522</b>	<b>2,277</b>	<b>1,745</b>	<b>2,299</b>
Central administration costs	-8	-9	-39	-47	-73
<b>PROFIT BEFORE FINANCIAL ITEMS</b>	<b>737</b>	<b>513</b>	<b>2,238</b>	<b>1,698</b>	<b>2,226</b>
Net financial income/expense	-235	-186	-822	-368	-527
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>502</b>	<b>327</b>	<b>1,416</b>	<b>1,330</b>	<b>1,699</b>
Appropriations	-	-	-	-	-203
<b>PROFIT BEFORE TAX</b>	<b>502</b>	<b>327</b>	<b>1,416</b>	<b>1,330</b>	<b>1,496</b>
Tax	-127	-81	-255	-311	-315
<b>PROFIT FOR THE PERIOD</b>	<b>375</b>	<b>246</b>	<b>1,161</b>	<b>1,019</b>	<b>1,181</b>
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, SUMMARY (SEK M)	2014 July-Sept	2013 July-Sept	2014 Jan-Sept	2013 Jan-Sept	2013 Full year
Profit for the period	375	246	1,161	1,019	1,181
Reclassifiable items					
Profit/loss from cash flow hedges	14	60	45	48	7
Tax attributable to cash flow hedges	-3	-9	-10	-6	3
Cash flow hedges, dissolved against profit and loss	-	-16	-	-21	-21
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>11</b>	<b>35</b>	<b>35</b>	<b>21</b>	<b>-11</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>386</b>	<b>281</b>	<b>1,196</b>	<b>1,040</b>	<b>1,170</b>
PROFIT PER SHARE					
Profit per share, SEK	181	132	560	487	548
Profit per share following dilution, SEK	181	132	560	487	548
Number of shares, average and at the period-end	2,135,000	2,135,000	2,135,000	2,135,000	2,135,000

PARENT COMPANY BALANCE SHEET, SUMMARY (SEK M)	30-09-2014	30-09-2013	31-12-2013
<b>ASSETS</b>			
Non-current assets			
Tangible non-current assets			
Investment properties	32,936	30,347	30,735
Equipment and fittings	15	18	18
Total tangible non-current assets	32,951	30,365	30,753
Financial non-current assets			
Shares in Group companies	1	1	1
Derivatives	1,194	1,726	1,293
Other non-current receivables	414	447	386
Total financial non-current assets	1,609	2,174	1,680
Total non-current assets	34,560	32,539	32,433
Current assets			
Current receivables			
Derivatives	609	—	331
Other current receivables	1,356	950	1,072
Total current receivables	1,965	950	1,403
Cash and bank holdings	1,886	3,172	2,689
Total cash and bank holdings	1,886	3,172	2,689
Total current assets	3,851	4,122	4,092
<b>TOTAL ASSETS</b>	<b>38,411</b>	<b>36,661</b>	<b>36,525</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>	<b>6,880</b>	<b>5,929</b>	<b>6,058</b>
Untaxed reserves	3,450	3,246	3,450
Non-current liabilities			
Loans	16,129	19,031	17,503
Derivatives	566	618	323
Deferred tax		376	363
Other non-current liabilities	283	271	272
Total non-current liabilities	17,619	20,296	18,461
Current liabilities			
Loans	6,473	4,600	4,672
Derivatives	80	—	50
Other current liabilities	3,909	2,590	3,834
Total current liabilities	10,462	7,190	8,556
Total liabilities	28,081	27,486	27,017
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,411</b>	<b>36,661</b>	<b>36,525</b>
<b>MEMORANDUM ITEMS</b>			
Pledged assets	245	102	133
Contingent liabilities	4	3	4

#### PARENT COMPANY

Akademiska Hus AB is the Parent Company in the Akademiska Hus Group, which is wholly owned by the Swedish state. Operations comprise mainly ownership and management of university and college properties.

#### Revenue and profit

The Company's revenue for the period totalled SEK 4,635 million (4,415). Of this figure, income from subsidiaries amounted to SEK 0 million (0). The profit before financial items was SEK 2,238 million (1,698) and net financial income and expense was SEK -822 million (-368). The profit after financial items was SEK 1,416 million (1,330).

#### Investments

Investment in machinery and equipment amounted to SEK 2 million (2) and in properties SEK 2,301 million (2,070).

#### Equity

Equity totalled SEK 6,880 million compared with SEK 6,058 million at the turn of the year.

#### ACCOUNTING PRINCIPLES

Akademiska Hus complies with the EU-endorsed International Financial Reporting Standards (IFRS) and the interpretations made by the International Financial Reporting Interpretations Committee (IFRIC). This Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and the recommendation of the Financial Reporting Board, RFR 2 Accounting for Legal Entities.

Unless stated otherwise below, the accounting principles and computation methods are the same as the accounting principles used in the most recent Annual Report.

#### IFRS 7 financial instruments: Disclosures

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

#### IFRS 13 Fair value measurement

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

#### New accounting principles 2014

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

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- Amendments to IAS 27 Separate Financial Statements
- Amendments to IAS 28 Investments in Associates and Joint Ventures
- Amendments to IAS 32 Financial Instruments: Presentation
- Amendments to IAS 36 Impairment of Assets
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 21 Levies

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

#### Other IFRS changes

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

The Board of Directors and the President hereby certify that this Interim Report provides a true and fair overview of the Company's and the Group's operations, financial position and results and describes material risks and uncertainties that face the Company and the companies that form part of the Group.

Gothenburg, October 28, 2014

Eva-Britt Gustafsson  
*Chair*

Britta Burreau  
*Board member*

Olof Ehrlén  
*Board member*

Thomas Jennlinger  
*Employee Representative*

Anders Larsson  
*Employee Representative*

Ingela Lindh  
*Board member*

Leif Ljungqvist  
*Board member*

Pia Sandvik  
*Board member*

Gunnar Svedberg  
*Board member*

Ingemar Ziegler  
*Board member*

Kerstin Lindberg Göransson  
*President*

**Auditor's review report on the summary of the financial interim information (interim report), prepared in accordance with IAS 34 and Section 9 of the Swedish Annual Accounts Act (1995:1554)**

To the Board of Directors of Akademiska Hus AB (publ)  
Registration number 556459-9156

**Introduction**

We have reviewed the summary of the financial interim information (interim report) for Akademiska Hus AB as at September 30, 2014 and for the nine-month period ending as at that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this Interim Report based on our review.

**Scope and orientation of the review**

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim

Report Performed by the Independent Auditor of the Company. A review consists of making inquiries, primarily involving persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different orientation and is substantially more limited in scope than an audit conducted in accordance with ISA and generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. An opinion based on a review therefore does not have the certainty of an opinion based on an audit.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report for the Group has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, October 28, 2014

KPMG AB

Björn Flink  
*Authorised Public Accountant*

**DEFINITIONS****Equity ratio**

Reported equity in relation to total assets carried forward.

**Financing cost according to IFRS**

Net financial income/expense in the form of the financing cost for loans, net interest in respect of financial derivatives and the change in fair value of financial derivatives, in relation to average interest-bearing capital.

**Floor space, m<sup>2</sup>, gross**

The gross floor space of the building. Comprises rentable floor space as well as common areas and the area surrounding the building.

**Floor space, m<sup>2</sup>**

Rentable floor space in square metres.

**Interest-bearing liabilities**

Interest-bearing loans, including pension provisions and similar items.

**Interest-bearing net loan liability**

Interest-bearing loans, financial derivatives and current interest-bearing investments. Pension provisions and similar items are not included.

**Interest coverage ratio**

Profit before financial items, excluding changes in the value of properties in relation to net financial income and expense, excluding changes in value, financial derivatives, including period allocation of realised profits from derivatives as well as capitalised interest within projects.

**Internal financing ratio**

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

**Leasing and vacant space levels**

Leased or vacant floor space in relation to the total floor space. Financial leasing or vacant space levels are rental revenue for space leased and estimated rental revenue for vacant space in relation to the total rental revenue.

**Loan-to-value ratio**

Interest-bearing net loan debt in relation to the closing value of investment properties.

**Maintenance costs**

Maintenance costs are all technical, administrative and managerial measures taken during the lifetime of the unit to maintain it or to reinstate it to a condition in which it can perform the required function. Maintenance costs are divided into remedial maintenance and preventive maintenance.

**Net investments**

Closing balance minus the opening balance for non-current assets plus depreciation and impairments minus revaluations.

**Net operating income ratio**

Net operating income in relation to property management revenue.

**Operating capital**

Equity plus interest-bearing net loan debt.

**Operating expenses**

Operating expenses for measures aimed at maintaining the function of a property, installation etc. Operating expenses are divided into utility provision and monitoring and service.

**Period-allocated financing cost**

Net interest income and expense in the form of the financing cost for loans, net interest for financial derivatives and period allocation of realised profits on financial derivatives over the remaining term of the underlying instrument, in relation to average, interest-bearing capital.

**Property administration**

Cost of property management, day-to-day accounting administration, leasing, contact with tenants, handling of registers, contracts and drawings, technical planning and follow-up and human resource administration.

**Rental revenue**

The basic rent, index-linked, and estimated rent for vacant rentable floor space and supplements, with a deduction for vacancies and rent reductions.

**Return on capital employed**

Profit before financial items plus financial income in relation to the average total assets.

**Return on equity after standard tax**

Earnings after financial items with a deduction for full tax in relation to average equity.

**Return on operating capital**

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

**Total yield**

Yield on investment properties and their change in value, expressed in per cent.

**Yield**

Net operating income in relation to the average fair value.

**CONTACT PERSONS**

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Jonas Ragnarsson, CFO  
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**REPORT CALENDAR**

February 11, 2015  
March 16, 2015  
April 28, 2015  
April 28, 2015

Year-End Report 2014  
Annual Report 2014  
Annual General Meeting  
Interim Report January-March 2015

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**AKADEMISKA HUS**