

HUFVUDSTADEN

Half-year Report January – June 2009

- The gross profit from property management for comparable holdings increased by 6 per cent to SEK 461 million (435). The improvement in profit can be attributed mainly to higher rents and lower maintenance costs.
- The result for the period after tax was SEK -502 million (-86), equivalent to SEK -2.43 per share (-0.42). The fall can be attributed to an unrealized decrease in the value of the property holdings during the period of SEK -1,058 million (-497).
- The equity ratio was 55 per cent, the net loan-to-value ratio was 17 per cent and the interest coverage ratio multiple was 6.9.
- The fair value of the property holdings was set at SEK 18.2 billion (19.1 at the turn of the year).
- The net asset value was SEK 61 per share (66 at the turn of the year).
- The consolidated net revenue for comparable holdings amounted to SEK 682 million (666), an increase of 2 per cent.
- The rental vacancy level at the period-end was 6.2 per cent (5.3 at the turn of the year) and excluding projects in progress 3.6 per cent (2.9 at the turn of the year).

GROUP

RESULTS

Property management

Gross profit for the period totalled SEK 461.3 million (434.7), an increase of 6 per cent. The increase can be attributed mainly to higher rents in conjunction with renegotiations and lower maintenance costs. Rents from property management during the period amounted to SEK 649.9 million (633.7).

The turnover-based rent supplement at the NK properties is reported in the fourth quarter. The turnover-based rent supplement the preceding year was SEK 10.1 million. Apart from this there are no material seasonal variations regarding rents.

The property management results for each business area for comparable holdings are reported on page 6.

Parking operations

Operations comprise parking operations in Parkaden AB in Stockholm. Net revenue amounted to SEK 32.0 million (32.3), expenses amounted to SEK 23.4 million (23.0) and gross profit amounted to SEK 8.6 million (9.3).

Other Income Statement items

Central administration totalled SEK -14.7 million (-14.4). Changes in the value of investment properties totalled SEK -1,057.8 million (-497.1) and changes in the value of interest derivatives totalled SEK -6.9 million (26.0).

Financial income and expense

Net financial income and expense amounted to SEK -67.0 million (-74.6). The decrease in the net cost can be explained by lower short-term market interest rates.

Tax

The Group's tax (actual and deferred) for the period was SEK 174.9 million (30.0), of which SEK -65.9 million was actual tax (-72.0) and SEK 240.8 million deferred tax (102.0). The positive tax figure can be explained by the dissolution of deferred tax on unrealized decrease in value.

Profit for the period

The consolidated profit after tax amounted to SEK -501.6 million (-86.1). The fall in profit can be attributed to an unrealized decrease in the value of the property holdings of SEK -1,057.8 million (-497.1).

ACQUISITIONS AND INVESTMENTS

Investments during the period in properties and equipment totalled SEK 135.8 million (98.8).

PROPERTY PORTFOLIO

The fair value of the Hufvudstaden property portfolio as of June 30, 2009 was estimated at SEK 18,160 million (19,083 at the turn of the year). The decrease can be attributed to the net of investments in the property holdings and unrealized changes in value. The rentable floor space was 354,055 square metres (354,245 at the turn of the year).

The total rental vacancy level as of June 30 was 6.2 per cent (5.3 at the turn of the year) and the total rental vacancy level was 7.1 per cent (5.9 at the turn of the year). The rental vacancy level excluding projects in progress was 3.6 per cent (2.9 at the turn of the year).

Property value and net asset value

Each quarter Hufvudstaden makes an internal valuation of the fair value of each individual property. The assessment is made on the basis of the property's earning capacity and the market's yield requirement. The assessment is made on the basis of a valuation according to the direct yield method.

There is a continuous update made during the year of the internal valuation of the properties in order to take into account purchases, sales and investments. Hufvudstaden also investigates on a continuous basis whether there are other indications of changes in the fair value of the properties. This could, for example, take the form of major lettings, terminations and material changes in the yield requirement. To assure the valuations, external valuations are obtained from two valuation companies, DTZ Sverige AB and Forum Fastighetsekonomi AB. The external valuations cover eight properties and correspond to 27 per cent of the internally assessed fair value. The external valuation companies have set a fair value of SEK 5.0 billion with a range of +/- 5-8 per cent. Hufvudstaden's internal valuation of the same properties was SEK 5.1 billion. A comparison between the internal and external valuations reveals that Hufvudstaden's valuations are within the valuation range stated by the external valuation companies. In the light of the above, the change in value of the property holdings during the period was estimated at SEK -1.1 billion. The total value of the property holdings as of June 30, 2009 was SEK 18.2 billion, including investments made during the year. The unrealized change in value can be attributed mainly to a slightly higher direct yield requirement as

a result of the downturn in the economy, continued uncertainty on the credit market and a slightly weaker rental market. The average direct yield requirement for property holdings in conjunction with the above valuation was 5.3 per cent (5.1 at the turn of the year).

Net asset value

Based on this valuation of the property holdings, the net asset value was SEK 12.7 billion or SEK 61 per share after tax. When calculating the net asset value, calculated deferred tax has been used. This has been set at 10 per cent of the difference between the assessed fair value of the properties and the residual value for tax purposes and has been assessed in the light of current tax legislation, which means that properties can be sold by a limited company without tax implications. The purchaser, however, loses the basis for depreciation, which could justify some compensation, which has been set at 10 per cent. If the tax rate according to the Statement of Financial Position (26.3 per cent) had been used in the calculation, the net asset value would have been SEK 10.1 billion or SEK 49 per share. If the tax rate is assumed to be 0 per cent, the net asset value would be SEK 14.2 billion or SEK 69 per share.

RENTAL MARKET

Interest in modern, flexible office space in prime locations in central Stockholm was stable during the period, despite the financial crisis and the gradual weakening in the rate of economic growth. Vacant space in this category has continued to remain low. Rents, however, have been subject to certain downward pressure. Despite this, rents in conjunction with renegotiations and new leases for office space in Stockholm's most attractive locations in the Golden Triangle, at Norrmalmstorg/Hamngatan and in the Hötorg area, rents were noted of SEK 3,500-4,800 per square metre per year, excluding the property tax supplement. Interest in well-situated retail premises in the same sub-markets has also been high. Rents for prime-location retailing space are in the range SEK 12,000-17,000 per square metre per year, excluding the property tax supplement.

Demand for modern office premises in the central sub-markets of Gothenburg has also been stable. There was, however, a continued low level of interest in properties of a low standard requiring modernization and this is also the case in Stockholm. Market rents for modern, well-planned office premises in prime locations were between SEK 1,600 and SEK 2,300 per square metre per year, excluding the property tax supplement. For retail premises the market rent remained on the same level, SEK 5,000-10,000 per square metre per year, excluding the property tax supplement.

The Group's current renegotiations for both office and retail premises have proceeded in accordance with our expectations. A total of 29,452 square metres were renegotiated during the period at a value of SEK 117 million. On average, these renegotiations resulted in a rent increase of approximately 10 per cent.

FINANCING STRUCTURE

Hufvudstaden's borrowing as of June 30, 2009 amounted to SEK 3,400.0 million (3,400.0 at the turn of the year). The average fixed interest period was 38 months (43 at the turn of the year), the average capital tie-up period was 45 months (51 at the turn of the year) and the average interest rate cost was 3.6 per cent (4.0 at the turn of the year). Interest-bearing net liabilities amounted to SEK 3,160.0 million (2,975.0 at the turn of the year).

The fair value of interest swaps as of June 30, 2009 was SEK -134.4 million (-144.8 at the turn of the year).

Capital tie-up structure, June 30, 2009

Maturity date	Volume, SEK m	Share, %
2010	500.0	15
2011	950.0	28
2012	250.0	7
2013	950.0	28
2017	750.0	22
Total	3,400.0	100

Fixed interest structure, June 30, 2009

Maturity date	Volume, SEK m	Share, %	Average AER, %
2009	700.0	20	1.3
2010	500.0	15	4.1
2011	600.0	18	3.6
2012	250.0	7	4.9
2013	600.0	18	3.9
2017	750.0	22	4.8
Total	3 400.0	100	3.6

SHARES AND SHAREHOLDERS

Hufvudstaden, whose shares are listed on NASDAQ OMX Stockholm, had 19,243 shareholders at the turn of the year. The proportion of foreign ownership as of June 30, 2009 was 21 per cent of the total number of outstanding shares (21). The A-share price as of June 30, 2009 was SEK 47.90 and the stock exchange value was SEK 10.5 billion.

Shares bought back

The total number of shares held by Hufvudstaden as of June 30, 2009 was 5,006,000 A-shares, equivalent to 2.4 per cent of the total number of issued shares. No buy-backs were made during the period or after the end of the reporting period. At the 2009 Annual General Meeting the Board was granted renewed authorization to acquire up to 10 per cent of all the issued shares and to assign company shares.

Buy-back of shares as of June 30, 2009, million shares

	Total number of shares	Company holdings	Held by other shareholders
As of January 1, 2009	211.3	5.0	206.3
Buy-back	-	-	-
As of June 30, 2009	211.3	5.0	206.3

SECOND QUARTER

The gross profit from Property Management amounted to SEK 231.3 million (209.3). The change can be attributed mainly to higher rents in conjunction with renegotiations and lower maintenance costs. The net rents amounted to SEK 324.2 million (316.1). Property management costs amounted to SEK 92.9 million (106.8).

The gross profit from parking operations amounted to SEK 4.2 million (4.8). Net revenue amounted to SEK 15.8 million (16.1) and costs amounted to SEK 11.6 million (11.3).

Changes in the value of investment properties amounted to SEK -495.1 million (-497.1) and for interest derivatives SEK 38.4 million (43.9). Financial income and expense amounted to SEK -32.2 million (-38.8). The improvement in net financial income and expense can be attributed to lower short-term market interest rates.

MATERIAL RISKS AND UNCERTAINTY FACTORS

The Group is mainly exposed to financing, interest and credit risks and changes in value in the property holdings. The Company has not identified any material risks and uncertainties other than those described in the 2008 Annual Report.

MATERIAL TRANSACTIONS WITH ASSOCIATED PARTIES

There were no material transactions with associated parties during the period.

ACCOUNTING PRINCIPLES

This Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. IFRS 8 Operating segments has been implemented. The follow-up that was made internally for each segment concurs with the specification on page 6. With effect from the beginning of this financial year, the Company ceased hedge reporting of interest derivatives. Otherwise the accounting principles and computation methods are the same as those applied in the 2008 Annual Report.

FORTHCOMING INFORMATION

Interim Report, January-September 2009	November 5, 2009
Year-end Report 2009	February 12, 2010
Annual Report 2009	March 2010
Annual General Meeting in Stockholm 2010	March 25, 2010

The information in this Half-year Report is information that Hufvudstaden AB (publ) is obliged to publish according to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on August 26, 2009 at 11.20 am.

This information is also published on Hufvudstaden's website, www.hufvudstaden.se

Any questions can be answered by Ivo Stopner, President, and Magnus Jacobson, Head of Finance, telephone +46-8-762 90 00.

INCOME STATEMENTS - SUMMARY

GROUP, SEK m	April- June 2009	April- June 2008	January- June 2009	January- June 2008	January- December 2008
Net revenue					
Property management	324.2	316.1	649.9	633.7	1,282.2
Parking operations	15.8	16.1	32.0	32.3	65.4
	340.0	332.2	681.9	666.0	1,347.6
Property management expenses					
Maintenance	-6.5	-20.4	-11.3	-25.3	-43.8
Operations and administration	-52.5	-52.6	-109.6	-106.1	-216.0
Ground rents	-4.1	-4.1	-8.1	-8.1	-16.1
Property tax	-29.8	-29.7	-59.6	-59.5	-119.0
Property operations expenses	-92.9	-106.8	-188.6	-199.0	-394.9
Parking operations	-11.6	-11.3	-23.4	-23.0	-45.8
Operating expenses	-104.5	-118.1	-212.0	-222.0	-440.7
Gross profit	235.5	214.1	469.9	444.0	906.9
- of which Property management	231.3	209.3	461.3	434.7	887.3
- of which Parking operations	4.2	4.8	8.6	9.3	19.6
Central administration	-7.6	-6.7	-14.7	-14.4	-32.0
Operating profit before changes in value	227.9	207.4	455.2	429.6	874.9
Changes in value					
Investment properties	-495.1	-497.1	-1,057.8	-497.1	-1,629.4
Interest derivatives	38.4	43.9	-6.9	26.0	-126.6
Operating profit	-228.8	-245.8	-609.5	-41.5	-881.1
Financial income and expense	-32.2	-38.8	-67.0	-74.6	-144.3
Result before tax	-261.0	-284.6	-676.5	-116.1	-1,025.4
Tax	67.1	78.5	174.9	30.0	576.2
Result after tax	-193.9	-206.1	-501.6	-86.1	-449.2
Other comprehensive income:					
Change in hedging reserve	6.4	19.9	12.8	11.9	-48.8
Total comprehensive income for the period	-187.5	-186.2	-488.8	-74.2	-498.0
Average number of outstanding shares after buy-backs during the period	206,265,933	206,265,933	206,265,933	206,265,933	206,265,933
Result after tax per share before and after dilution	-0.94	-1.00	-2.43	-0.42	-2.18

BALANCE SHEETS - SUMMARY

GROUP, SEK m	June 30 2009	June 30 2008	December 31 2008
Investment properties	18,160.0	20,130.8	19,083.2
Other fixed assets	11.6	111.8	11.6
Total fixed assets	18,171.6	20,242.6	19,094.8
Current assets	283.9	218.4	489.2
Total assets	18,455.5	20,461.0	19,584.0
Equity	10,069.0	11,373.5	10,949.7
Non-current liabilities to credit institutes	2,900.0	3,400.0	3,400.0
Deferred tax liability	4,370.6	5,226.0	4,606.9
Other non-current liabilities	129.7	3.3	147.9
Pension provisions	5.7	5.3	5.0
Total non-current liabilities	7,406.0	8,634.6	8,159.8
Current, interest-bearing liabilities	500.0	-	-
Other liabilities	480.5	452.9	474.5
Total current liabilities	980.5	452.9	474.5
Total equity and liabilities	18,455.5	20,461.0	19,584.0

CHANGES IN EQUITY - SUMMARY

GROUP, SEK m	January- June 2009	January- June 2008	January- December 2008
Equity, opening balance	10,949.7	11,808.7	11,808.7
Total comprehensive income for the period	-488.8	-74.2	-498.0
Dividend	-391.9	-361.0	-361.0
Equity, closing balance	10,069.0	11,373.5	10,949.7

CASH FLOW STATEMENTS - SUMMARY

GROUP, SEK m	January- June 2009	January- June 2008	January- December 2008
Result after financial items	-676.5	-116.1	-1,025.4
Depreciation/impairments	4.2	2.1	4.4
Change in value, investment properties	1,057.8	497.1	1,629.4
Change in value, interest derivatives	6.9	-26.0	126.6
Other changes	0.7	-0.4	-0.6
Tax paid	-112.9	-49.2	-71.5
Cash flow from current operations before changes in working capital	280.2	307.5	662.9
Increase/decrease in operating receivables	27.0	32.4	11.5
Increase/decrease in operating liabilities	33.1	22.1	21.9
Cash flow from current operations	340.3	362.0	696.3
Investments in investment properties	-134.6	-97.4	-182.1
Investments in equipment	-1.2	-1.4	-2.7
Change in financial assets	-0.5	0.3	2.6
Cash flow from investments	-136.3	-98.5	-182.2
Dividend paid	-391.9	-361.0	-361.0
Cash flow from financing	-391.9	-361.0	-361.0
Cash flow for the period	-187.9	-97.5	153.1
Liquid funds at the beginning of the period	438.9	285.8	285.8
Liquid funds at the period-end	251.0	188.3	438.9

PLEGDED ASSETS AND CONTINGENT LIABILITIES

GROUP, SEK m	June 30 2009	June 30 2008	December 31 2008
Pledged asset			
Mortgages	1,706.2	1,706.4	1,706.4
Endowment insurance	4.2	3.8	3.6
Total pledged assets	1,710.4	1,710.2	1,710.0
Contingent liabilities	None	None	None

SEGMENT REPORT - SUMMARY

GROUP, SEK m	Stockholm City East Business Area		Stockholm City West Business Area		Gothenburg Business Area		Total	
	Jan- June 2009	Jan- June 2008	Jan- June 2009	Jan- June 2008	Jan- June 2009	Jan- June 2008	Jan- June 2009	Jan- June 2008
<i>Comparable holdings</i>								
Net revenue	290.4	289.2	272.8	261.5	86.7	83.0	649.9	633.7
Property costs	-70.7	-65.6	-94.0	-108.2	-23.9	-25.2	-188.6	-199.0
Gross profit, Property management	219.7	223.6	178.8	153.3	62.8	57.8	461.3	434.7
Parking operations			8.6	9.3			8.6	9.3
Central administration							-14.7	-14.4
Changes in value								
Investment properties							-1,057.8	-497.1
Interest derivatives							-6.9	26.0
Operating result							-609.5	-41.5
Financial income and expense							-67.0	-74.6
Result before tax							-676.5	-116.1

KEY RATIOS

GROUP, SEK m	June 30 2009	June 30 2008	Full-year 2008	Full-year 2007	Full-year 2006	Full-year 2005
Property-related						
Rentable floor space, sq. m.	354,055	353,675	354,245	353,685	350,895	407,694
Rental vacancy level, %	6.2	3.7	5.3	3.3	6.5	7.1
Floor space vacancy level, %	7.1	4.7	5.9	4.6	8.1	8.7
Fair value, SEK bn	18.2	20.1	19.1	20.5	17.4	16.3
Financial						
Return on equity, %	-2.1	1.4	-3.9	20.4	33.6	15.9
Return on capital employed, %	-1.1	2.6	-5.7	22.3	23.9	16.5
Equity ratio, %	54.6	55.6	55.9	56.4	57.4	52.2
Interest coverage ratio, times	6.9	5.5	5.5	6.2	5.1	5.7
Loan-to-value ratio, properties, %	18.7	16.9	17.8	16.6	19.3	21.7
Net loan-to-value ratio, properties, %	17.4	16.2	15.6	15.8	19.3	21.7
Data per share						
Profit for the period, SEK	-2.43	-0.42	-2.18	11.64	16.60	6.47
Equity, SEK	48.82	55.14	53.09	57.25	57.14	41.77
Properties, fair value, SEK	88.04	97.60	92.52	99.53	84.40	78.91
Net asset value, SEK	61.00	71.00	66.00	73.00	71.00	53.00
Number of outstanding shares, 1,000	206,266	206,266	206,266	206,266	206,266	206,266
Number of issued shares, 1,000	211,272	211,272	211,272	211,272	211,272	211,272

PARENT COMPANY

PROFIT AND POSITION

Net revenue amounted to SEK 397.6 million (393.3). Gross profit amounted to SEK 175.6 million (208.3). The decrease can be attributed primarily to higher maintenance costs.

Net financial income/expense was SEK 652.6 million (-74.7). This figure include dividend of SEK 718.0 million (0) from subsidiaries.

Liquid funds at the period-end amounted to SEK 250.8 million (188.1). Investments in properties and equipment during the period totalled SEK 23.6 million (30.3).

MATERIAL RISKS AND UNCERTAINTY FACTORS

The Company is mainly exposed to financing, interest and credit risks. The Company has not identified any material risks and uncertainties other than those described in the 2008 Annual Report.

MATERIAL TRANSACTIONS WITH ASSOCIATED PARTIES

There were no material transactions with associated parties during the period.

ACCOUNTING PRINCIPLES

The Parent Company applies the same accounting principles as in the most recent annual report.

INCOME STATEMENT - SUMMARY

PARENT COMPANY, SEK m	April-June 2009	April-June 2008	January-June 2009	January-June 2008	January-December 2008
Net revenue	198.4	196.4	397.6	393.3	789.1
Operating expenses	-111.6	-95.2	-222.0	-185.0	-387.6
Gross profit	86.8	101.2	175.6	208.3	401.5
Central administration	-7.6	-6.7	-14.7	-14.4	-32.0
Changes in value, interest derivatives	38.4	43.9	-6.9	26.0	-126.6
Operating profit	117.6	138.4	154.0	219.9	242.9
Financial income and expense	687.0	-38.9	652.6	-74.7	-144.3
Operating profit after net interest income/expense	804.6	99.5	806.6	145.2	98.6
Appropriations	-	-	-	-	-95.7
Profit before tax	804.6	99.5	806.6	145.2	2.9
Tax	-23.8	-29.2	-25.9	-43.5	66.2
Profit for the period	780.8	70.3	780.7	101.7	69.1

BALANCE SHEETS - SUMMARY

PARENT COMPANY, SEK m	June 30 2009	June 30 2008	December 31 2008
Investment properties	5,962.3	5,978.1	5,966.6
Other fixed assets	2,834.5	2,934.6	2,834.5
Total fixed assets	8,796.8	8,912.7	8,801.1
Current assets	652.0	228.1	472.8
Total assets	9,448.8	9,140.8	9,273.9
Restricted equity	1,978.7	1,971.8	1,978.7
Unrestricted equity	1,776.0	1,284.5	1,374.5
Total equity	3,754.7	3,256.3	3,353.2
Untaxed reserves	757.2	661.5	757.2
Appropriations	1,109.0	1,243.7	1,105.1
Non-current liabilities	3,030.3	3,404.0	3,548.5
Current liabilities	797.6	575.3	509.9
Total liabilities	5,694.1	5,884.5	5,920.7
Total equity and liabilities	9,448.8	9,140.8	9,273.9

BOARD CERTIFICATION

The Board of Directors and the President hereby confirm that this Interim Report provides a true and fair view of the Parent Company's and the Group's operations, financial position and results and describes material risks and uncertainties that face the Parent Company and the companies included in the Group.

Stockholm, August 26, 2009

Fredrik Lundberg
Chairman

Claes Boustedt
Board Member

Bengt Braun
Board Member

Peter Egardt
Board Member

Louise Lindh
Board Member

Hans Mertzig
Board Member

Sten Peterson
Board Member

Anna-Greta Sjöberg
Board Member

Ivo Stopner
*President and
Board Member*

REVIEW REPORT

Introduction

I have reviewed the summary of the financial interim information for Hufvudstaden AB (publ), registration number 556012-8240, as of June 30, 2009 and the six-month period ending as of this date. The Board of Directors and the President are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Swedish Annual Accounts Act. My responsibility is to express an opinion on this Interim Report based on my review.

Scope of review

I conducted my review in accordance with the Swedish Standard on Review Engagements (SÖG) 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 the Auditing Stan-

dards in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable me to obtain assurance that I 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 my review, nothing has come to my attention that causes me 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, August 26, 2009

George Pettersson
Authorized Public Accountant

DEFINITIONS

Annual rent. Gross rent calculated on an annual basis, excluding the turnover-based rent supplement. Vacant premises are reported at the market rent.

Capital employed. Total assets reduced by non-interest-bearing liabilities and deferred tax liabilities.

Central administration. Costs for Group management and Group staff functions, costs for maintaining the Company's stock exchange listing and other costs common to the Company.

Equity per share. Equity in relation to the number of outstanding shares at the period-end.

Equity ratio. Equity at the period-end in relation to total assets.

Fair value. The estimated market value of the properties, decided based on an evaluation according to the direct yield method.

Floor space vacancy level. Vacant floor space in square metres in relation to the total lettable floor space.

Golden Triangle. The central business district in Stockholm, between Stureplan, Normalmstorg and Nybroplan and bordered by Birger Jarlsgratan, Norrlandsgatan and Hamngatan.

Interest coverage ratio. Profit after financial income and expense excluding unrealized changes in value plus interest expense minus interest contributions in relation to the interest expense minus interest contributions.

Investments. Expenses related to value-enhancing improvements which entail future financial benefits are capi-

talized. Rebuilding costs of a maintenance nature are charged to profit.

Loan-to-value ratio, properties. Interest-bearing liabilities in relation to the properties' carrying values.

Net liabilities. Interest-bearing liabilities, including decided dividend less current investments.

Net loan-to-value ratio, properties. Net liabilities in relation to the fair value of properties.

Profit per share. Profit for the period in relation to the average number of outstanding shares during the period.

Property tax supplement. Property tax payments received from tenants.

Rental losses. Loss of revenue as a result of unlet space.

Rental vacancy level. Vacant floor space at an estimated market rent in relation to the total annual rent.

Return on capital employed. Profit before tax plus interest expense minus interest contributions in relation to the average capital employed. In the interim accounts the return has been recalculated on a full-year basis without consideration given to seasonal variations which normally arise in operations and with the exception of changes in value.

Return on equity. Profit after tax in relation to the average equity. In the interim accounts the return has been recalculated on a full-year basis without consideration given to seasonal variations that normally arise in operations and with the exception of changes in value.

Tax. Total tax for the Group comprises both actual tax and deferred tax.

In some cases there has been rounding off, which means the tables and calculations do not always tally.

This document is in all respects a translation of the Swedish original Interim Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

Hufvudstaden AB (publ)
NK 100, SE-111 77 Stockholm
Visiting address: Regeringsgatan 38
Telephone: +46 8-762 90 00 Fax: +46 8-762 90 01
E-mail: info@hufvudstaden.se Website: www.hufvudstaden.se
Company registration number: 556012-8240
Registered office: Stockholm