

HUFVUDSTADEN

Year-End Report 2010

- **Profit after tax for the year was SEK 1,733 million (-357), equivalent to SEK 8.40 per share (-1.73). The increase can be attributed mainly to the net of the unrealized change in value of the property holdings for the year and deferred tax compared with the preceding year.**
- **Gross profit from the total business operations totalled SEK 944 million (944). The unchanged profit level is due mainly to the effect of higher rents being counteracted by increased operating costs as a result of the severe winter months.**
- **The Board proposes an increase in the dividend to SEK 2.30 per share (2.10).**
- **The fair value of the property holdings was set at SEK 20.1 billion (18.1), giving a net asset value of SEK 70 per share (62).**
- **The equity ratio was 56 per cent (55), the net loan-to-value ratio was 16 per cent (16) and the interest coverage ratio multiple was 7.7 (7.0).**
- **Consolidated net revenue amounted to SEK 1,392 million (1,372).**
- **The rental vacancy level at the period-end was 5.1 per cent (6.2).**

GROUP

RESULTS

Property management¹

Net rents from property management during the year amounted to SEK 1,321.0 million (1,304.8). The increase can be attributed to higher gross rents in conjunction with renegotiations and new leases as well as higher property tax and turnover-based rent supplement. The gross rents have also been affected by an index reduction.

The turnover-based rent supplement at the NK properties amounted to SEK 10.7 million (5.6). Apart from this there were no material seasonal variations in rents.

Gross profit for the year totalled SEK 920.3 million (924.0). The fall can be attributed mainly to the net of increased operating costs and higher rents. The higher operating costs can be explained by a cold, snowy beginning and end of the year and also an increase in staff within the property management organization.

¹ The properties Inom Vallgraven 12:1 and 12:9 in Gothenburg are included with effect from March 30, 2010. Otherwise the property holdings remained unchanged compared with the same period the previous year.

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

Parking operations

Operations comprise parking operations at Parkaden AB in Stockholm. Net revenue amounted to SEK 71.1 million (66.9), expenses amounted to SEK 47.5 million (47.0) and gross profit amounted to SEK 23.6 million (19.9).

Other Income Statement items

Central administration totalled SEK -31.0 million (-29.2). Changes in the value of investment properties totalled SEK 1,490.3 million (-1,239.1) and changes in the value of interest derivatives totalled SEK 51.4 million (-25.6).

Financial income and expense

Net financial income and expense amounted to SEK -102.7 million (-128.1). The net cost has reduced despite an increase in borrowing, which can be explained by low interest rates for loans with a short-term fixed interest period. The net cost also includes financial income of SEK 16.0 million in the form of an additional purchase sum from an earlier sale of a subsidiary.

Tax

The Group's tax was SEK -618.6 million (120.6), of which SEK -165.8 million (-159.4) was actual tax and SEK -452.8 million (280.0) was deferred tax. The positive tax for the previous year can be attributed to dissolution of deferred tax as a result of unrealized changes in value.

Profit for the year

The consolidated profit after tax amounted to SEK 1,733.3 million (-357.5). The improvement in the result is due mainly to the net of the unrealized increase for the year in the value of the property holdings and deferred tax compared with the preceding year.

ACQUISITIONS AND INVESTMENTS

In March, two properties were acquired in Gothenburg at a total purchase sum of SEK 175.0 million. Investment during the period in properties and equipment totalled SEK 534.4 million (285.4). An extension project has commenced at Femmanhuset, Nordstan in Gothenburg involving the addition of approximately 5,100 square metres of office space.

PROPERTY PORTFOLIO

The fair value of the Hufvudstaden property holdings as of December 31, 2010 is estimated at SEK 20,148 million (18,125). The increase can be attributed to the purchase of the properties in Gothenburg, investments in the property holdings and unrealized changes in value. The rentable floor space was 358,000 square metres (354,000).

The total rental vacancy level as of December 31, 2010 was 5.1 per cent (6.2) and the total floor space vacancy level was 6.8 per cent (7.4).

Property value and net asset value

Each quarter Hufvudstaden makes an internal valuation of each individual property. The purpose of the valuation is to assess the fair value of the property holdings. To assure the valuations, external valuations for part of the property holdings are obtained at least once a year.

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 examines 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.

In the light of the above, a change in the value of the property holdings was considered to have taken place during 2010 amounting to SEK 1,490.3 million (-1,239.1). The total value of the property holdings as of December 31, 2010 was SEK 20.1 billion, including investments made during the year. The unrealized increase in value can be explained by rising rents and a lower direct yield requirement. The average direct yield requirement in conjunction with the above valuation was 5.0 per cent (5.3).

Valuation method

Valuation of the property holdings was done by assessing each individual property's fair value. The valuation took place on the basis of a valuation using a variation on the location price method, known as the net capitalization method. The method means

that the market's yield requirement is put in relation to the net operating income of the properties.

The yield requirement is based on information compiled about the market's yield requirement for actual purchases and sales of comparable properties in similar locations. The yield requirement can vary between different regions and different sub-areas within the regions. The net operating income of the properties is based on market rental income, long-term rental vacancy level and normalized operating and maintenance costs. Account has also taken of the type of property, the technical standard, the building construction and major investment needs. For leasehold properties, the calculation was based on a yield requirement that was 0.25 percentage points higher than for properties where the land is freehold.

In making the valuation, the following direct yield requirement figures for office and retailing properties have been applied:

Stockholm	4.65-5.0 per cent
Gothenburg	5.25-6.0 per cent
Property holdings, average	5.0 per cent

Sensitivity analysis

Fair value is an assessment of the probable sales price on the market at the time of the valuation. The price can, however, only be set when a transaction has been completed. In conjunction with a property valuation, a range is often given to indicate the degree of uncertainty surrounding the estimates of fair value. The value range is usually +/- 5 per cent but can vary depending, among other things, on the market situation, the technical standard of the property and investment requirements. Hufvudstaden's property holdings are valued at SEK 20.1 billion with a degree of uncertainty of +/- 5 per cent and consequently this means that the assessed fair value varies by +/- SEK 1 billion. Below are the key factors that influence the valuation and the consequent impact on profit.

Sensitivity analysis, property valuation

	Change +/-	Impact on profit before tax, +/-
Rental revenue	SEK 100/m ²	SEK 700 m
Property costs	SEK 50/m ²	SEK 350 m
Rental vacancy level	1.0 percentage points	SEK 300 m
Yield requirement	0.5 percentage points	SEK 2,000 m

External valuation

To guarantee the valuation, external valuations were obtained from two valuation companies, DTZ Sverige AB and Forum Fastighetsekonomi AB. The external valuations cover eight properties and are equivalent to 42 per cent of the internally assessed fair value. For the full year 2010, external valuations equivalent to 73 per cent were made. The starting point for the selection of the properties was that the objects selected should represent different property categories, towns, locations, technical standard and construction standard. The properties that underwent an external valuation were Pumpstocken 10 (part of), Skären 9, Kvasten 2, Grönlandet Södra 11, Hästhuvudet 13, Orgelpipan 7, Hästen 19 and 20 in Stockholm and Inom Vallgraven 10:9 in Gothenburg.

The external valuation companies have set a market value for these properties of SEK 8.5 billion

with an uncertainty range of approximately +/- 5 per cent. Hufvudstaden's internal valuation of the same properties was SEK 8.5 billion. The internal valuations thus concur with the external valuations.

Net asset value

Based on the valuation of the property holdings, the net asset value was SEK 14.4 billion or SEK 70 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 for the properties. The assessment is made in the light of current tax legislation, which means that properties can be sold via 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 Balance Sheet (26.3 per cent) had been used in the calculation, the net asset value would have been SEK 11.5 billion or SEK 56 per share. If the tax rate is assumed to be 0 per cent, the net asset value would be SEK 16.1 billion or SEK 78 per share.

RENTAL MARKET

Interest in modern, flexible office space in prime locations in central Stockholm increased during the period. Vacant space in this category has continued to remain low and rents are rising. In conjunction with renegotiations and new leases for office space in Stockholm's most attractive locations in Bibliotekstan, at Norrmalmstorg/Hamngatan and in the Hötor area, rents at the end of the period were noted of between SEK 4,000 and SEK 5,000 per square metre per year, excluding the property tax supplement. Interest in prime-location retail premises in the same sub-markets has also been high with rents ranging from SEK 12,000 to SEK 18,000 per square metre per year, excluding the property tax supplement.

Demand for modern office premises in the central sub-markets of Gothenburg has been stable. Market rents for modern, well-planned office premises in prime locations were between SEK 1,800 and SEK 2,400 per square metre per year, excluding the property tax supplement. For retail premises the market rents were between SEK 6,000 and SEK 12,000 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 61,500 square metres were renegotiated during the period at a value of SEK 239 million. On average, these renegotiations have resulted in an increase in rent levels of 2 per cent (9).

FINANCING STRUCTURE

Hufvudstaden's borrowing as of December 31, 2010 amounted to SEK 3,600.0 million (3,400.0). The average fixed interest period was 31 months (36), the average capital tie-up period was 43 months (39) and the average equivalent rate was 3.6 per cent (3.7). Interest-bearing net liabilities amounted to SEK 3,252.1 million (2,975.1).

The fair value of interest swaps as of December 31, 2010 was SEK -84.4 million (-135.8).

Capital tie-up structure, December 31, 2010

Maturity Date	Volume, SEK m	Share, %
2011	950.0	26
2012	250.0	7
2013	950.0	26
2017	1,450.0	41
Total	3,600.0	100

Fixed interest structure, December 31, 2010

Maturity Date	Volume, SEK m	Share, %	Average AER, %
2011	1,500.0	42	2.7
2012	250.0	7	4.9
2013	600.0	17	3.9
2014	200.0	5	3.6
2015	300.0	8	3.6
2017	750.0	21	4.8
Total	3,600.0	100	3.6

SHARES AND SHAREHOLDERS

Hufvudstaden, whose shares are listed on NASDAQ OMX Stockholm, had 18,781 shareholders at the end of the period. The proportion of foreign ownership as of December 31, 2010 was 25 per cent of the total number of outstanding shares (20). The series A share price as of December 31, 2010 was SEK 78.55 and market capitalization was SEK 17.0 billion.

Largest shareholders as of December 31, 2010

	Number of shares, %	Number of votes, %
Lundbergs	44.2	87.6
State Street Bank and Trust	3.5	0.7
Mellon Fonder	2.5	0.5
SEB Investment Management	2.2	0.4
Nordea Investment Funds	2.0	0.4
Swedbank Robur fonder	1.7	0.4
JP Morgan fonder and Chase Bank	1.3	0.3
Handelsbanken fonder	1.2	0.3
Carnegie fonder	1.2	0.2
Other shareholders	37.8	8.7
Outstanding shares	97.6	99.5
Company holding	2.4	0.5
All issued shares	100.0	100.0

Shares bought back

The total number of shares held by Hufvudstaden as of December 31, 2010 was 5,006,000 series 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 2010 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. On March 24, 2011, the Board of Directors will propose that the Annual General Meeting renews authorization to acquire and assign company shares.

Buy-back of shares as of December 31, 2010, million shares

	Total number of shares	Company holdings	Held by other shareholders
As of January 1, 2010	211.3	5.0	206.3
Buy-back	-	-	-
As of December 31, 2010	211.3	5.0	206.3

FOURTH QUARTER

Gross profit from property management amounted to SEK 234.3 million (224.8), an increase of 4 per cent. The change can be attributed mainly to higher rents in conjunction with renegotiations and a higher turn-over-based rent supplement. Net rents amounted to SEK 345.1 million (332.4). Property management costs amounted to SEK 110.8 million (107.6).

Gross profit from parking operations amounted to SEK 7.9 million (7.9). Net revenue amounted to SEK 19.9 million (19.8) and costs amounted to SEK 12.0 million (11.9).

Changes in the value of investment properties amounted to SEK 938.3 million (-181.3) and for interest derivatives SEK 79.4 million (-12.1). Financial income and expense amounted to SEK -14.5 million (-30.5). The improvement in net financial income and expense can be attributed to an additional purchase sum from an earlier sale of a subsidiary.

MATERIAL RISKS AND UNCERTAINTY FACTORS

The Group is mainly exposed to financing, interest and credit risks and changes in the value of the property holdings. The Company has not identified any material risks and uncertainties other than those described in the 2009 Annual Report.

MATERIAL TRANSACTIONS WITH ASSOCIATED PARTIES

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

ACCOUNTING PRINCIPLES

Hufvudstaden applies the EU-adopted IFRS standards and interpretations thereof (IFRIC). This Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles and computation methods are

the same as those applied in the most recent Annual Report.

PROPOSED DIVIDEND

The Board of Directors proposes an increase in the dividend to SEK 2.30 per share.

PROPOSAL FOR THE ELECTION OF A BOARD

The Company's main shareholders have notified the Company that they intend to propose at the Annual General Meeting that the present Board members be re-elected.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 4pm on Thursday, March 24, 2011 at the Grand Hôtel, Vinterträdgården, Stockholm. The Annual Report for 2010 will be available at the Company's office in week 10 and on the Company's website. It will also be distributed to those shareholders who have expressed an interest.

FORTHCOMING INFORMATION

Annual Report 2010	March 2011
Annual General Meeting in Stockholm 2011	March 24, 2011
Interim Report, January-March 2011	May 4, 2011
Interim Report, January-June 2011	August 24, 2011
Interim Report, January-September 2011	November 3, 2011

The information in this Interim 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 published on February 10, 2011.

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

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

INCOME STATEMENTS – SUMMARY

GROUP, SEK m	October- December 2010	October- December 2009	January- December 2010	January- December 2009
Net sales				
Property management	345.1	332.4	1,321.0	1,304.8
Parking operations	19.9	19.8	71.1	66.9
	365.0	352.2	1,392.1	1,371.7
Property management expenses				
Maintenance	-10.8	-13.6	-28.4	-28.5
Operation and administration	-66.3	-60.4	-234.9	-219.6
Ground rents	-3.9	-4.1	-13.3	-16.2
Property tax	-29.8	-29.5	-124.1	-116.5
Property management expenses	-110.8	-107.6	-400.7	-380.8
Parking operations, costs	-12.0	-11.9	-47.5	-47.0
Operating expenses	-122.8	-119.5	-448.2	-427.8
Gross profit	242.2	232.7	943.9	943.9
- of which Property management	234.3	224.8	920.3	924.0
- of which Parking operations	7.9	7.9	23.6	19.9
Central administration	-8.2	-9.3	-31.0	-29.2
Operating profit before changes in value	234.0	223.4	912.9	914.7
Changes in value				
Investment properties	938.3	-181.3	1,490.3	-1,239.1
Interest derivatives	79.4	-12.1	51.4	-25.6
Operating result	1,251.7	30.0	2,454.6	-350.0
Financial income and expense	-14.5	-30.5	-102.7	-128.1
Result before tax	1,237.2	-0.5	2,351.9	-478.1
Tax	-321.9	-0.9	-618.6	120.6
Result after tax	915.3	-1.4	1,733.3	-357.5
Other comprehensive income:				
Change in hedging reserve	-	6.4	-	25.5
Total comprehensive income for the period	915.3	5.0	1,733.3	-332.0
Average number of outstanding shares following buy-backs during the period	206,265,933	206,265,933	206,265,933	206,265,933
Result for the period after tax per share before and after dilution, SEK	4.44	-0.01	8.40	-1.73

BALANCE SHEETS – SUMMARY

GROUP, SEK m	December 31, 2010	December 31, 2009
Investment properties	20,148.3	18,125.3
Other fixed assets	12.3	13.5
Total fixed assets	20,160.6	18,138.8
Current assets	378.5	461.2
Total assets	20,539.1	18,600.0
Equity	11,526.0	10,225.9
Non-current liabilities to credit institutions	2,650.0	2,900.0
Deferred tax liability	4,788.8	4,335.9
Other non-current liabilities	87.2	138.0
Pension provisions	7.4	6.3
Total non-current liabilities	7,533.4	7,380.2
Current, interest-bearing liabilities	950.0	500.0
Other liabilities	529.7	493.9
Total current liabilities	1,479.7	993.9
Total equity and liabilities	20,539.1	18,600.0

CHANGES IN EQUITY – SUMMARY

GROUP, SEK m	January-December 2010	January-December 2009
Equity, opening balance	10,225.9	10,949.7
Total comprehensive income for the period	1,733.3	-332.0
Dividends	-433.2	-391.9
Equity, closing balance	11,526.0	10,225.9

STATEMENTS OF CASH FLOWS – SUMMARY

GROUP, SEK m	January-December 2010	January-December 2009
Result before tax	2,351.9	-478.1
Depreciation/impairments	4.1	6.0
Change in value, investment properties	-1,490.3	1,239.1
Change in value, interest derivatives	-51.4	25.6
Other changes	1.1	1.2
Tax paid	-195.3	-165.1
Cash flow from current operations before changes in working capital	620.1	628.7
Increase/decrease in operating receivables	5.4	11.5
Increase/decrease in operating liabilities	65.9	24.3
Cash flow from current operations	691.4	664.5
Investments in investment properties	-532.7	-281.2
Investments in equipment	-1.7	-4.2
Change in non-current receivable	-0.8	-1.2
Cash flow from investments	-535.2	-286.6
Dividend paid	-433.2	-391.9
Loans raised	200.0	-
Cash flow from financing	-233.2	-391.9
Cash flow for the period	-77.0	-14.0
Liquid funds at the beginning of the period	424.9	438.9
Liquid funds at the period-end	347.9	424.9
Cash flow for the period per share, SEK	-0.37	-0.07

PLEGGED ASSETS AND CONTINGENT LIABILITIES

GROUP, SEK m	December 31, 2010	December 31, 2009
Pledged assets		
Mortgages	1,806.2	1,706.2
Endowment insurance	5.7	4.8
Total pledged assets	1,811.9	1,711.0
Contingent liabilities	None	None

SEGMENT REPORT – SUMMARY¹

GROUP, SEK m	Stockholm City East Business Area		Stockholm City West Business Area		Gothenburg Business Area		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Net revenue	569.5	579.7	571.8	552.3	179.7	172.8	1,321.0	1,304.8
Property costs	-153.4	-143.7	-191.8	-188.2	-55.5	-48.9	-400.7	-380.8
Gross profit, Property management	416.1	436.0	380.0	364.1	124.2	123.9	920.3	924.0
Parking operations			23.6	19.9			23.6	19.9
Central administration							-31.0	-29.2
Changes in value								
Investment properties							1,490.3	-1,239.1
Interest derivatives							51.4	-25.6
Operating result							2,454.6	-350.0
Financial income and expense							-102.7	-128.1
Result before tax							2,351.9	-478.1

¹ For comparable holdings, net revenue for the Gothenburg Business Area and for the Group for 2010 should be reduced by SEK 7.7 million and gross profit by SEK 5.5 million.

KEY RATIOS

GROUP	Full year 2010	Full year 2009	Full Year 2008	Full Year 2007	Full Year 2006
Property-related					
Rentable floor space, 1,000 m ²	358	354	354	354	351
Rental vacancy level, %	5.1	6.2	5.3	3.3	6.5
Floor space vacancy level, %	6.8	7.4	5.9	4.6	8.1
Fair value, SEK bn	20.1	18.1	19.1	20.5	17.4
Surplus ratio, %	67.8	68.8	67.3	67.8	64.7
Financial					
Return on equity, %	15.9	-3.4	-3.9	20.4	33.6
Return on capital employed, %	16.7	-2.4	-5.7	22.3	23.9
Equity ratio, %	56.1	55.0	55.9	56.4	57.4
Interest coverage ratio, multiple	7.7	7.0	5.5	6.2	5.1
Debt/equity ratio, multiple	0.3	0.3	0.3	0.3	0.3
Net loan-to-value ratio, properties, %	16.1	16.4	15.6	15.8	19.3
Loan-to-value ratio, properties, %	17.9	18.8	17.8	16.6	19.3
Data per share					
Result for the period, SEK	8.40	-1.73	-2.18	11.64	16.60
Equity, SEK	55.88	49.58	53.09	57.25	57.14
Properties, fair value, SEK	97.68	87.87	92.52	99.53	84.40
Net asset value, SEK	70.00	62.00	66.00	73.00	71.00
Number of outstanding shares, 1,000	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

KEY RATIOS PER QUARTER

GROUP	Oct-Dec 2010	July-Sept 2010	Apr-June 2010	Jan-Mar 2010	Oct-Dec 2009	July-Sept 2009	April-June 2009	Jan-Mar 2009
Net revenue, SEK m	365	346	342	339	352	338	340	342
Return on equity, %	16.2	9.4	6.7	5.5	-3.6	-1.9	-2.1	1.1
Return on equity, adjusted, %	6.0	5.7	5.6	5.7	5.5	5.9	5.6	5.3
Equity ratio, %	56.1	54.7	54.0	52.4	55.0	54.9	54.6	53.5
Profit/share for the period, SEK	4.44	2.07	1.29	0.61	-0.01	0.70	-0.94	-1.49
Equity per share, SEK	55.88	51.44	49.37	48.09	49.58	49.55	48.82	49.72
Net asset value per share, SEK	70.00	65.00	62.00	61.00	62.00	62.00	61.00	63.00
Cash flow from current operations per share, SEK	0.92	0.94	0.88	0.62	0.82	0.75	0.81	0.84

PARENT COMPANY

RESULT AND POSITION

Gross profit amounted to SEK 336.0 million (332.6). The increase can be attributed primarily to lower maintenance costs. Net revenue amounted to SEK 790.7 million (796.0).

Net financial income and expense was SEK -103.1 million (591.4). The figure for the previous year included a dividend of SEK 718.0 million from subsidiaries.

Liquid funds at the period-end amounted to SEK 347.6 million (424.7). Investments in properties and equipment during the period totalled SEK 347.1 million (51.2).

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 2009 Annual Report.

MATERIAL TRANSACTIONS WITH ASSOCIATED PARTIES

Apart from the dividend to the shareholders, 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 STATEMENTS – SUMMARY

	October- December 2010	October- December 2009	January- December 2010	January- December 2009
PARENT COMPANY, SEK m				
Net revenue	203.0	200.7	790.7	796.0
Operating expenses	-124.7	-141.1	-454.7	-463.4
Gross profit	78.3	59.6	336.0	332.6
Central administration	-8.3	-9.3	-31.0	-29.2
Changes in value, interest derivatives	79.4	-12.1	51.4	-25.6
Operating profit	149.4	38.2	356.4	277.8
Dividend from subsidiaries	-	-	-	718.0
Other financial income and expense	-14.9	-30.6	-103.1	-126.6
Result after net interest income/expense	134.5	7.6	253.3	869.2
Appropriations	98.2	103.1	98.2	103.1
Profit before tax	232.7	110.7	351.5	972.3
Tax	-57.1	-29.5	-92.2	-71.4
Result for the period	175.6	81.2	259.3	900.9
Statement of comprehensive income, SEK m				
Profit for the period	175.6	81.2	259.3	900.9
<i>Other comprehensive income</i>				
Change, hedging reserve	-	6.4	-	25.5
Comprehensive income for the period	175.6	87.6	259.3	926.4

BALANCE SHEETS – SUMMARY

	December 31, 2010	December 31, 2009
PARENT COMPANY, SEK m		
Investment properties	6,240.6	5,959.2
Other fixed assets	2,835.1	2,835.3
Total fixed assets	9,075.7	8,794.5
Current assets	837.2	943.0
Total assets	9,912.9	9,737.5
Restricted equity	1,978.7	1,978.7
Non-restricted equity	2,206.5	2,133.6
Total equity	4,185.2	4,112.3
Untaxed reserves	556.0	654.1
Appropriations	1,125.5	1,109.6
Non-current liabilities	2,737.7	3,038.5
Current liabilities	1,308.5	823.0
Total liabilities	5,727.7	5,625.2
Total equity and liabilities	9,912.9	9,737.5

Stockholm, February 10, 2011

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
Board Member
and President

This Year-End Report has not been the subject of an examination by the Company's auditors.

DEFINITIONS AND GLOSSARY

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

Bibliotekstan. The area between Normalmstorg, Birger Jarlsgatan, Stureplan and Norrlandsgatan and which contains stores with high-class brands.

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.

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

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 capitalized. Rebuilding costs of an ongoing maintenance nature are charged to profit.

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

Market value, properties. The amount at which the properties could be transferred on condition that the transaction takes place between parties that are independent of each other and which have an interest in the transaction being completed. In accounting terms this is known as fair value.

Net liabilities. Interest-bearing liabilities, including decided dividend less current investments and cash and bank holdings.

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

Profit per share. Profit for the period after tax 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 being 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 being given to seasonal variations that normally arise in operations and with the exception of changes in value.

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

Surplus ratio. Gross profit in relation to net revenue.

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 original Interim Report in Swedish. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

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