

HUFVUDSTADEN

Year-End Report 2006

- **Profit for the year after tax amounted to SEK 3,423.2 million (1,333.9), equivalent to SEK 16.60 per share (6.47).**
- **The sale of the World Trade Center Stockholm, including management profits, had an impact on profit after tax of SEK 1.1 billion.**
- **The Board proposes an increase in the ordinary dividend to SEK 1.60 per share (1.45) and in addition an extra dividend of SEK 10.00 per share (0). The total dividend proposed is thus SEK 11.60 per share (1.45).**
- **The fair value of the property holdings was SEK 17.4 billion at the turn of the year (14.6 for comparable holdings), which gives a net asset value per share of SEK 71 (53).**
- **Net sales for the Group amounted to SEK 1,152.5 million (1,152.4).**
- **The rental vacancy level at the period end was 6.5 per cent (7.1).**

CONSOLIDATED RESULTS

Property management

Gross profit for the year totalled SEK 734.1 million (711.0), an increase of 3.2 per cent. The increase can be explained mainly by lower maintenance costs. The total expenditure for maintenance, however, increased by SEK 88.7 million, which can be explained by the redevelopment of Röda Kvarn and Biblioteksgatan 12.

Net rents from property management during the year amounted to SEK 1,096.5 million (1,095.9).

The turnover-based rent supplement for the NK department stores amounted to SEK 10.3 million (6.7). Apart from this there were no seasonal variations in rents.

Reported discontinued operations

The sale in December of Vasaterminalen AB, including the subsidiaries World Trade Center Stockholm AB and WTC Parkering AB, were classified as discontinued operations during 2006. This means that the profit for 2005 and 2006 with regard to WTC was reported under the item Profit from discontinued operations. As WTC was sold as of December 31, 2006, a receivable from the purchaser regarding an

as yet unpaid purchase sum is reported in the Balance Sheet.

Other operations

Other operations include parking operations at Parkaden in Stockholm.

Net revenue amounted to SEK 56.0 million (56.5), expenses amounted to SEK 45.0 million (43.7) and gross profit amounted to SEK 11.0 million (12.8).

Other Income Statement items

Central administration totalled SEK -31.5 million (-30.6). Changes in the value of investment properties totalled SEK 2,647.5 million (995.6).

Financial income and expense

Net financial income and expense amounted to SEK -140.3 million (-139.5).

Tax

The Group's tax (actual and deferred) for the year totalled SEK -903.9 million (-435.4), of which SEK -98.2 million was actual tax and SEK -805.7 million deferred tax. The increase can be explained by the

deferred tax attributable to the unrealized change in value of the property holdings.

Profit for the year

Profit for the year after tax was SEK 3,423.2 million (1,333.9).

INVESTMENTS

The total investments in properties and equipment for the year was SEK 187.3 million (70.3).

PROPERTY PORTFOLIO

The fair value of the Hufvudstaden property portfolio as of December 31, 2006 was set at SEK 17,409 million (16,276 or 14,580 for comparable holdings). The rentable floor space was 350,895 square metres (407,694).

The total floor space vacancy level as of December 31 was 8.1 per cent (8.7) and the total rental vacancy level was 6.5 per cent (7.1).

At the beginning of the year a major tenant vacated 10,000 square metres in the property Orgelpipan 7, which increased the rental vacancy level in the Group during the first quarter by almost 3 percentage points to 9.8 per cent, excluding WTC. New leases subsequently developed positively and in the first quarter of 2007 Orgelpipan 7 is almost fully leased.

Property value and net asset value

Hufvudstaden has made an internal valuation of the Company's properties. The aim of the valuation is to assess the fair value of the property holdings as of December 31, 2006. The valuation was made using the earning capacity of the properties and the market's yield requirement as a starting point.

To ensure the values, external valuations are obtained for part of the property holdings. The internal valuation of the properties is updated continuously during the year with purchases, sales and investments. Hufvudstaden also examines on a continuous basis if 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, the fair value as of December 31, 2006 was set at SEK 17.4 billion.

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 the valuation using the direct yield method.

The net operating income is based on market-adapted rental income with a deduction for a calculated long-term rental vacancy level of 5-7 per cent. A deduction has been made for standard operating and maintenance costs.

The yield requirements used in the valuation varied between regions and between sub-areas within the regions. The assessment of the yield requirements is based on information obtained about the market's yield requirements regarding the purchase and sale of comparable properties in similar loca-

tions. Consideration has also been given to different property types, the technical standard and the building design. 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 on leasehold.

In making the valuation, the following direct yield requirement figures have been applied:

Stockholm	4.25-5.5 per cent
Gothenburg	4.75-5.75 per cent
Property holdings, average	4.8 per cent

External valuation

To guarantee the valuation, external valuations have been made by two valuation companies, DTZ Värderingshuset AB and FS Fastighetsstrategi AB. The external valuations cover six properties and are equivalent to 35 per cent of the internally assessed fair value. The starting point for the selection of the properties was that the objects selected should represent different property categories, towns, locations, technical standards and construction standards. The properties that underwent an external valuation were Hästen 19 and 20 (NK Building), Järnplåten 28, Medusa 1, Skären 9 and Vildmannen 7 in Stockholm and Inom Vallgraven 10:9 (NK Building) in Gothenburg.

The external valuation companies have set a market value for these properties of SEK 6.1 billion with a range of +/- 3-6 per cent. Hufvudstaden's internal valuation of the same properties was SEK 6.0 billion. The internal valuations are thus SEK 0.1 billion below the external valuations. A comparison between the internal and external valuations reveals that Hufvudstaden's valuations are within the value range stated by the external valuation companies.

Sensitivity analysis, property valuation

	Change +/-	Impact on profit before tax, +/-
Rental revenue	SEK 100/m ²	SEK 730 m
Property costs	SEK 50/m ²	SEK 365 m
Rental vacancy level	1.0 percentage points	SEK 240 m
Yield requirement	0.5 percentage points	SEK 2 000 m

Net asset value

Based on this valuation, the net asset value is SEK 14.5 billion or SEK 71 per share after tax. When calculating the net asset value, calculated deferred tax has been used. This had been calculated at 10 per cent of the difference between the assessed fair value 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 Balance Sheet (28 per cent) is used in the calculation, the net asset value would have been SEK 11.8 billion or SEK 57 per share. If the tax rate is assumed to be 0 per cent, the net asset value would

have amounted to SEK 16.1 billion or SEK 78 per share.

DIVESTMENT OF THE WORLD TRADE CENTER

In the light of the prevailing market situation for high-quality office properties in Stockholm, Hufvudstaden decided to put the World Trade Center Stockholm up for sale. The WTC property is held on leasehold by Vasaterminalen AB, which owns and runs the WTC property (Terminalen 1) and the two subsidiaries World Trade Center Stockholm AB and WTC Parkering AB. The building has rentable floor space of almost 47,000 square metres, of which approximately 38,500 square metres is office space and approximately 8,500 square metres restaurant, hotel and conference premises. In addition, there is approximately 11,000 square metres of parking space.

Considerable interest was shown in the building by both Swedish and foreign investors. An agreement regarding the sale of shares in Vasaterminalen AB was signed on December 12, 2006 with the occupational pension company Alecta and with February 1, 2007 as the completion date. The purchase sum for the shares was SEK 3.0 billion, equivalent to a property value of SEK 2.6 billion. The sale, including the management profit, had an impact on profit after tax for the Group of SEK 1.1 billion.

Impact on profit, WTC, SEK billion

Property value according to the share transfer agreement	2.6	
Fair value according to the period-end accounts 30-9-2006	1.7	0.9
Dissolution deferred tax etc.		0.1
Management profit		0.1
Impact on profit after tax		1.1

The realized change in value, dissolution of deferred taxes and the management profit, including an unrealized change in value and net financial income/expense for Vasaterminalen AB, including the subsidiaries, are reported under the item Profit from discontinued operations.

RENTAL MARKET

Interest in flexible, high-quality office space in prime locations in sub-markets of central Stockholm gradually increased during the period, mainly as a result of improved economic growth in the Stockholm region. Vacant space in this category has fallen and rents have risen. For office leases in Stockholm's most attractive locations within the Golden Triangle, at Norrmalmstorg/Hamngatan and in the Hötorg area, rents were noted of SEK 3,500-4,000 per square metre per year, excluding the property tax supplement. Interest in well-situated retail premises in the same sub-markets remained high. Rents for prime location retailing space are in the range SEK 10,000-13,000 per square metre per year, excluding the property tax supplement.

Demand for modern, flexible office premises in the central parts of Gothenburg has been good with a positive growth in rents as a result. There was, however, a continued low level of interest in properties of low standard requiring modernization. The

amount of vacant space for this type of premises has therefore increased. Market rents for modern, well-arranged, high-quality office premises in prime locations were between SEK 1,600 and SEK 2,000 per square metre per year, excluding the property tax supplement. For prime site retail premises the market rent was SEK 5,000-9,000 per square metre per year, excluding the property tax supplement.

During the year, Hufvudstaden renegotiated approximately 20 per cent of its leases, equivalent to approximately SEK 114 million in annual rent revenue. Renegotiations of office premises on average resulted in slightly lower rents although this was compensated for by a rise in rents for retail premises. On average, the renegotiations resulted in an unchanged rent level. The reduction in office rents can be explained by the fact that the lease stock still contains a number of leases signed at the beginning of the century when market rents were at their peak.

FINANCING STRUCTURE

Hufvudstaden's borrowing as at December 31, 2006 amounted to SEK 3,365.0 million (3,525.0). The average fixed interest period was 23 months (30), the average capital tie-up period was 33 months (32) and the average interest-rate cost was 4.0 per cent (3.9). Net liabilities amounted to SEK 3,324.6 million (3,432.2).

The true value of interest swaps as of December 31 was SEK 17.5 million (-47.2). The change in value of financial instruments during the year affected the hedge reserve in equity by SEK 46.6 million.

Capital tie-up structure, December 31, 2006

Maturity date	Volume, SEK m	Share, %
2007	965	29
2008	600	18
2010	500	15
2011	950	28
2013	350	10
Total	3,365	100

Fixed infrastructure, December 31, 2006

Maturity date	Volume, SEK m	Share, %	Average APR, %
2007	1,565	47	3.6
2008	600	18	4.8
2010	500	15	4.1
2011	350	10	3.9
2013	350	10	4.1
Total	3,365	100	4.0

SHARES AND SHAREHOLDERS

Hufvudstaden, whose shares are listed on the OMX Nordic Stock Exchange, had 19,700 shareholders at the period end. The proportion of foreign ownership as of December 31 was 20.1 per cent of the total number of outstanding shares (15.6). The A-share price as of December 31, 2006 was SEK 77.50, equivalent to a market value of SEK 16.4 billion, calculated on the total number of outstanding shares.

The largest shareholders as of December 31, 2006

	Shares, %	Votes, %
Lundbergs	44.2	87.6
SEB Trygg Liv	11.2	2.3
Mellon	3.5	0.7
JP Morgan	2.9	0.6
Skandia Liv	2.4	0.5
Robur Fonder	2.2	0.5
Northern Trust	1.9	0.4
State Street Bank & Trust	1.8	0.4
KAS Depository Trust	1.4	0.3
Fortis Bank	1.3	0.3
FPG Pensionsgaranti	1.2	0.3
Citibank	1.0	0.2
KK-stiftelsen	0.9	0.2
Other shareholders	21.5	5.3
Outstanding shares	97.6	99.5
Hufvudstaden	2.4	0.5
Total number of issued shares	100.0	100.0

Shares bought back

The total number of shares held by Hufvudstaden as of December 31, 2006 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 2006 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 at December 31, 2006, million shares

	Total number of shares	Held by Hufvudstaden	Other share- holders
As of January 1, 2006	211.3	5.0	206.3
Buy-back	-	-	-
As of December 31, 2006	211.3	5.0	206.3

PARENT COMPANY

Net revenue amounted to SEK 666.0 million (709.5). The profit for the year after net financial income and expense was SEK 1,753.4 million (281.3). The fall in income can be explained by a major vacation of floor space at the beginning of the year. In addition, the profit was affected by increased maintenance costs.

Liquid funds at the period-end amounted to SEK 39.7 million (92.3). Investments in property and equipment during the year amounted to SEK 59.3 million (27.7).

FOURTH QUARTER

The gross profit from property management was SEK 183.3 million (167.5). Net rents totalled SEK 286.3 million (278.1). Costs amounted to SEK 103.0 million (110.6).

The gross profit from Other operations was SEK 6.1 million (5.0). Net revenue was SEK 17.6 million (16.0) and operating costs SEK 11.5 million (11.0).

The changes in value of investment properties totalled SEK 2,077.6 million (700.0).

ACCOUNTING PRINCIPLES

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles remained unchanged compared with the most recent annual report.

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

PROPOSED DIVIDEND

The Board of Directors proposes an increase in the ordinary dividend to SEK 1.60 per share (1.45) and in addition an extra dividend of SEK 10.00 per share (0). The proposed total dividend for 2006 is thus SEK 11.60 per share.

PROPOSAL FOR THE ELECTION OF THE BOARD

Shareholders representing more than 50 per cent of the number of shares and votes in Hufvudstaden AB have notified the Board that they intend to propose at the Annual General Meeting that the present Board members be re-elected and that Louise Lindh be elected to the Board. It is proposed that Fredrik Lundberg be elected as Chairman of the Board.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 4pm on Thursday, March 22, 2007 at the Grand Hotel, Vinterträdgården, Stockholm. The Annual Report for 2006 will be available at the Company's office and on the Company's website at least two weeks prior to the meeting. It will also be distributed at the beginning of March to those shareholders who have requested this.

FORTHCOMING INFORMATION

Annual Report 2006	March 2007
Annual General Meeting in Stockholm 2007	March 22, 2007
Interim Report, January-March 2007	May 10, 2007
Interim Report, January-June 2007	August 20, 2007
Interim Report, January-September 2007	November 1, 2007
Year-End Report for 2007	February 14, 2008

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

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

CONSOLIDATED INCOME STATEMENTS – SUMMARY

SEK m	October- December 2006	October- December 2005	January- December 2006	January- December 2005
Net revenue				
Property management	286.3	278.1	1,096.5	1,095.9
Other operations	17.6	16.0	56.0	56.5
	303.9	294.1	1,152.5	1,152.4
Operating expenses				
Maintenance	-19.0	-35.0	-61.5	-86.1
Operations and administration	-57.3	-49.4	-192.3	-194.8
Ground rents	-4.0	-0.5	-16.1	-10.4
Property tax	-22.7	-25.7	-92.5	-93.3
Depreciation	-	-	-	-0.3
Property management expenses	-103.0	-110.6	-362.4	-384.9
Other operations	-11.5	-11.0	-45.0	-43.7
Operating expenses	-114.5	-121.6	-407.4	-428.6
Gross profit	189.4	172.5	745.1	723.8
- of which Property management	183.3	167.5	734.1	711.0
- of which Other operations	6.1	5.0	11.0	12.8
Central administration	-11.1	-11.8	-31.5	-30.6
Operating profit before changes in value	178.3	160.7	713.6	693.2
Changes in value, investment properties	2,077.6	700.0	2,647.5	995.6
Operating profit	2,255.9	860.7	3,361.1	1,688.8
Financial income and expense	-24.5	-35.2	-140.3	-139.5
Profit after financial income and expense	2,231.4	825.5	3,220.8	1,549.3
Tax	-586.1	-218.1	-903.9	-435.4
Profit for the period from continuing operations	1,645.3	607.4	2,316.9	1,113.9
Profit after tax from discontinued operations	986.2	10.3	1,106.3	220.0
Profit for the period	2,631.5	617.7	3,423.2	1,333.9
Average number of outstanding shares after buy-backs during the period	206,265,933	206,265,933	206,265,933	206,265,933
Net income per share from continuing operations for the period before and after dissolution, SEK	7.98	2.94	11.23	5.40
Profit per share for the period, SEK	12.76	2.99	16.60	6.47

CONSOLIDATED BALANCE SHEETS – SUMMARY

SEK m	December 31. 2006	December 31. 2005
Investment properties	17,408.8	16,276.0
Other fixed assets	14.7	69.1
Total fixed assets	17,423.5	16,345.1
Current assets	3,096.6	143.4
Total assets	20,520.1	16,488.5
Equity	11,785.3	8,614.7
Liabilities to credit institutions	2,400.0	2,590.0
Other non-current liabilities	3.3	2.0
Pension provisions	6.0	5.6
Deferred tax liabilities	4,493.6	3,838.1
Total non-current liabilities	6,902.9	6,435.7
Liabilities to credit institutions	965.0	935.0
Other liabilities	866.9	433.0
Provisions	-	70.1
Total current liabilities	1,831.9	1,438.1
Total equity and liabilities	20,520.1	16,488.5

PLEGGED ASSETS AND CONTINGENT LIABILITIES

SEK m	December 31, 2006	December 31, 2005
Pledged assets		
Mortgages	1,621.3	1,716.3
Endowment insurance	3.9	3.6
Total pledged assets	1,625.2	1,719.9
Contingent liabilities	None	None

CHANGES IN EQUITY – SUMMARY

SEK m	January- December 2006	January- December 2005
Equity, opening balance	8,614.7	8,139.8
Adjustment for a change in accounting principles, financial instruments	-	-41.0
Adjusted opening balance, equity	8,614.7	8,098.8
Changes in assets		
Changes in the hedge reserve for the period	64.7	9.8
Tax attributable to the hedge reserve	-18.1	-2.7
Total changes in assets, reported directly against equity, excluding dividends	46.6	7.1
Profit for the period	3,423.2	1,333.9
Total changes in assets	3,469.8	1,341.0
Dividend	-299.1	-825.1
Equity, closing balance	11,785.3	8,614.7

CONSOLIDATED CASH FLOW STATEMENTS – SUMMARY

SEK m	January- December 2006	January- December 2005
Profit after financial income and expense	4,371.0	1,852.2
Depreciation and impairment of assets	4.4	3.9
Capital gain, sale of fixed assets	-986.2	-
Change, other provisions	-46.8	-
Change in value, investment properties	-2,678.0	-1,200.0
Other changes	0.3	0.7
Tax paid	-113.9	-86.6
Cash flow from current operations before changes in working capital	550.8	570.2
Increase/decrease in operating receivables	-5.5	-6.1
Increase/decrease in operating liabilities	62.7	15.0
Cash flow from current operations	608.0	579.1
Additional purchase sum	-23.3	-
Investments in investment properties	-185.4	-76.0
Investments in equipment	-8.0	-3.4
Amortization, non-current receivables	15.4	13.9
Cash flow from investments	-201.3	-65.5
Loan raised	260.0	740.0
Amortization of loan liability	-420.0	-350.0
Dividend paid	-299.1	-825.1
Cash flow from financing	-459.1	-435.1
Cash flow for the period	-52.4	78.5
Liquid funds at the beginning of the year	92.8	14.3
Liquid funds at the period-end	40.4	92.8

PROPERTY MANAGEMENT – PROFIT PER BUSINESS AREA (EXCLUDING WTC)

SEK m	Stockholm City East Business area		Stockholm City West Business area		NK Business area		Gothenburg Business area		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Net revenue	397.3	385.6	257.5	307.0	297.2	262.2	144.5	141.1	1,096.5	1,095.9
- of which turn-over based supplement	(0.2)	(-)	(-)	(-)	(10.3)	(6.7)	(-)	(-)	(10.5)	(6.7)
Property costs	-112.6	-144.6	-93.4	-80.5	-114.3	-118.5	-42.1	-41.3	-362.4	-384.9
Gross profit	284.7	241.0	164.1	226.5	182.9	143.7	102.4	99.8	734.1	711.0

FINANCIAL RESULTS – SUMMARY

SEK m	Jan-Mar		Apr-Jun		Jul-Sep		Okt-Dec		Minus WTC		Jan-Dec	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Revenue	331.7	333.8	334.4	333.8	329.3	330.2	357.1	346.7	200.0	192.1	1,152.5	1,152.4
Costs	-136.2	-127.8	-102.5	-132.0	-112.7	-123.5	-140.5	-146.5	-84.5	-101.2	-407.4	-428.6
Gross profit	195.5	206.0	231.9	201.8	216.6	206.7	216.6	200.2	115.5	90.9	745.1	723.8
Central administration	-6.9	-6.4	-6.9	-7.3	-6.6	-5.1	-11.1	-11.8	-	-	-31.5	-30.6
Changes in value, properties	-	-	570.0	500.0	-	-	2,108.0	700.0	30.5	204.4	2,647.5	995.6
Financial income/expense	-32.4	-27.6	-23.7	-37.0	-34.3	-33.9	-31.9	-33.4	18.0	7.6	-140.3	-139.5
Tax	-46.5	-49.2	-217.0	-184.4	-54.4	-47.4	-629.9	-237.3	-43.9	-82.9	-903.9	-435.4
Profit from continuing operations	109.7	122.8	554.3	473.1	121.3	120.3	1,651.7	617.7	-120.1	-220.0	2,316.9	1,113.9
Profit from discontinued operations	-	-	-	-	-	-	986.2	-	120.1	220.0	1,106.3	220.0
Profit for the year	109.7	122.8	554.3	473.1	121.3	120.3	2,637.9	617.7	0.0	0.0	3,423.2	1,333.9

KEY RATIOS

	Full year 2006	Full year 2005	Full year 2004	Full year 2003 ¹⁾	Full year 2002 ¹⁾
Property-related²⁾					
Rentable floor space, sq m	350,895	407,694	407,375	437,994	436,261
Rental vacancy level, %	6.5	7.1	8.2	8.1	9.3
Floor space vacancy level, %	8.1	8.7	9.5	8.7	9.2
Fair value, SEK bn	17.4	16.3	15.0	15.1	-
Financial					
Return on equity, %	33.6	15.9	9.8	7.7	7.1
Return on equity employed, %	23.9	16.5	9.7	7.4	7.6
Equity ratio, %	57.4	52.2	53.8	43.8	43.7
Interest coverage ratio, times	5.1	5.7	3.5	3.2	3.2
Date per share					
Profit for the year, SEK	16.60	6.47	3.74	1.78	1.60
Equity, SEK	57.14	41.77	39.46	23.23	22.68
Properties, fair value, SEK	84.40	78.91	72.72	73.21	-
Net asset value, SEK	71.00	53.00	50.00	-	-
Number of outstanding shares, 1,000	206,266	206,266	206,266	206,266	211,272
Number of issued shares, 1,000	211,272	211,272	211,272	211,272	211,272

¹ The figures for 2002-2003 have not been recalculated according to IFRS. The valuations of properties and financial instruments for these years are based on the acquisition values.

² Excluding WTC 2006.

Stockholm, February 8, 2007

Hufvudstaden AB (publ)

Board of Directors

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 assessed 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 rentable floor space.

Golden Triangle. The central business district in Stockholm, between Stureplan, Norrmalmstorg and Nybroplan and bordered by Birger Jarlsgatan, 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 capitalized. Rebuilding costs of a maintenance nature are charged to profit.

Net liabilities. Interest-bearing liabilities less interest-bearing assets.

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

Return on capital employed. Profit after financial items 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 which 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.

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