

KLÖVERN

August 21, 2003

Interim Report January – June 2003

- **Profit after taxes amounted to MSEK 42**
- **Earnings per share amounted to SEK 1.03**
- **Rental revenues amounted to MSEK 133**
- **Thirteen properties in twelve localities have been sold for MSEK 159 for a gain of MSEK 17**
- **During the third quarter properties with an aggregate market value of MSEK 1,126 were acquired from Akelius Kontor and Mandamus**

Profits

For the period January – June, profit after taxes amounted to MSEK 42. This result includes gains on sales of properties in the amount of MSEK 17. Rental revenue amounted to MSEK 133 and the operating surplus was MSEK 77. Net financial items were MSEK - 44.

Cash flow and financial position

The cash flow amounted to MSEK 40 and the equity ratio at the end of the period stood at 25.2 percent, equivalent to 27.4 percent after full conversion. Shareholders' equity was MSEK 564 as of June 30, 2003, liquid funds were MSEK 103 and interest-bearing liabilities at the same point in time was MSEK 1,558. The average interest on borrowings was 5.7 percent at the end of the period, with an average interest-fixing period of 2.3 years.

Revenue and property costs

Rental revenue amounted to MSEK 133 for the period January – June 2003 and property costs amounted to MSEK 56, making the operating surplus MSEK 77. As of June 30 the occupancy rate for the property holdings was 89 percent of rental values, which is unchanged compared to the situation at the end of the first quarter 2003.

Operations

Klövern is a real estate company focused on acquiring, developing and selling high-yielding properties in large and medium-sized towns outside major city regions. Klövern seeks to expand by acquiring properties with the intention of achieving sufficient size to lay the foundations for

effective management and a leading position. Klöver will also achieve sufficient operational size and stock market capitalization to create the right prospects for its share to become an attractive investment alternative for players in the stock market.

Market and property holdings

In markets where Klöver is active demand for commercial space was unchanged during the year so far compared to the situation during 2002. Rent levels for new leases have displayed a weak upward trend. The downward trend with weaker demand and lower market rents so prevalent in parts of the major metropolitan areas has thus not impacted the markets where Klöver is active.

Klöver's property holdings as of June 30, 2003 are summarized below:

Type of property	Number of properties	Floor-space, sq.m.¹⁾	Rental value, MSEK	Economic occupancy rate, %
Offices	27	138,604	122.1	89
Industry/warehouse	27	157,635	87.3	90
Retail	9	29,971	25.1	95
Education	3	17,624	14.2	76
Residential	1	9,037	7.8	90
Other ²⁾	-	4,409	9.1	94
Total	67	357,280	265.6	89

- 1) Reclassification of space within the properties has resulted in a net change in rentable space of - 900 square meters compared to the situation December 31, 2002.
- 2) This category includes parking and garage space with an aggregate rental value of MSEK 3.4.

Financing

As of June 30, 2003, interest-bearing liabilities stood at MSEK 1,558 with an average annual borrowing rate of 5.7 percent and an average period of fixed interest of 2.3 years, with capital tied-up for an average of 3.6 years. As of June 30, 2003, loans maturing during 2003 had an average period fixed interest of 57 days.

Loan structure as of June 30, 2003

Maturity	MSEK	Average interest rate, %	Percentage of total
2003	446	5.1	29
2004	63	6.1	4
2005	410	5.8	26
2006	129	5.6	8
2007	404	6.2	26
2008	55	5.8	4
Subordinated loan	50	6.3	3
Total	1,558	5.7	100

Capital expenditures

A total of MSEK 49 was invested during the period in renovations of properties, primarily in Norrköping, Nyköping, Uppsala and Karlstad. The amounts have been capitalized in their entirety.

Property sales

A total of thirteen properties were sold for a total of MSEK 159, resulting in capital gains of MSEK 17. These disposals mean that Klöverns has left eleven communities where property holdings were limited.

Annual General Meeting held April 23, 2003

At Klöverns regularly scheduled Annual General Meeting held April 23, 2003 Stefan Dahlbo and Erik Paulsson were re-elected. The Meeting decided to elect the following as new members of the Board of Directors: Gustaf Hermelin, President & CEO of Klöverns AB, Anna-Greta Lundh, President of Länsförsäkringar Södermanland, Bo Pettersson, President of Catella Capital AB, Johan Piehl, President of Förvaltnings AB Charrow and Anders Swensson, President of Nect Management AB. Directors Lars Evander and Ole Oftedal had requested not to be considered for re-election. At the subsequent statutory Board of Directors meeting Stefan Dahlbo was re-elected as Chairman.

Klöverns shares again on the regular O-list

After completing the required process of examination during the spring of 2003, the Stockholm Stock Exchange ruled that the Company satisfies the requirements for listing of its shares on the O-list of the Exchange. The Stockholm Stock Exchange therefore decided that the Company's shares again should be traded on the O-list from April 30, 2003.

Parent Company

The role of the Parent Company is to handle overall Group functions and to act as owner of the Group's subsidiaries. The loss after financial items for the first six months of the year amounted to MSEK -5.0. Net investments in shares and equipment amounted to MSEK 1.1.

Personnel

The total number of employees as of June 30 was 22, compared to 17 at the beginning of 2003.

Reporting and accounting principles

Owing to Klöverns change of direction, from consulting operations to real estate during the second half of 2002, changes and complementary adjustments were made in the financial reporting. The same accounting principles and calculation methods were used as in Klöverns Annual Report 2002. All historical comparative data in this interim report for the first six months of 2002 are in their entirety attributable to the then Adcore's consulting business. Additional explanatory comments will be found in conjunction with the income statements, balance sheets, cash flow statements and key financial indicator reporting

Events after the end of the reporting period

Extra general meeting of shareholders held August 6, 2003

An extra general meeting of shareholders held August 6, 2003 resolved that the Board of Directors shall consist of eight directors and to elect Lars Holmgren to serve as new director. The current composition of the Board of Directors is as follows: Stefan Dahlbo, Gustaf Hermelin, Anna-Greta Lundh, Erik Paulsson, Bo Pettersson, Johan Piehl, Anders Swensson and Lars Holmgren. The extra general meeting resolved to authorize the Board of Directors to issue – on one or more occasions, and with or without departure from preferential rights for

shareholders – up to 18.000.000 class B shares, each share in a nominal amount of SEK 5. Payment for the new shares may be made in kind, through offset or in cash.

Acquisition from Akelius Kontor and Mandamus

On July 1, 2003 it was announced that Klöver AB had agreed to purchase 29 properties from Akelius Kontor and Mandamus, with possession taken August 1, 2003, and that an option agreement had been concluded with Akelius regarding the future acquisition of companies containing properties with possession to be taken October 1, 2003. Possession of the properties covered by acquisition agreements between Klöver and Akelius, and between Klöver and Mandamus was taken on August 1, 2003 as planned. The option will be exercised, which means that Klöver on October 1, 2003 will acquire companies containing a total of nine properties from Akelius.

As of October 1, 2003 Klöver's portfolio of properties will consist of 107 properties with total rentable space of about 603,000 square meters and a book value of about 3 billion Swedish kronor. Annual rental income, pro forma, will amount to about MSEK 393, with an annual operating surplus of about MSEK 259 on a pro forma basis.

A total of 19.5 million newly issued Klöver class B shares will be conveyed as partial payment for the acquired properties. After the acquisitions scheduled for August 1, 2003, the number of shares outstanding in Klöver will be 60.9 million. The acquisition from Akelius Kontor October 1 means that another 6.4 million shares will be added. Akelius Kontor has previously announced its intention of selling a major portion of the Klöver shares received to the Federation of Swedish Farmers (LRF), which will then be the single largest owner in Klöver.

Schedule of financial reporting

Interim report January – September 2003
Year-end Report 2003

November 5, 2003
February 12, 2004

This interim report has not been subject to examination by the Company's auditors.

Nyköping, August 21, 2003
Klöver AB (publ)

Gustaf Hermelin
President & CEO

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Klöver is a listed real estate company active in the Swedish real estate market by acquiring, developing and disposing of properties with a focus on high return on equity. After acquisitions completed as of August 1, 2003 the book value of the properties amounts to about 2.7 billion Swedish kronor and rental revenue on an annual basis is about MSEK 360.

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Consolidated Statements of Income MSEK	2003	2002	2003	2002	2002 ^{3) 4)}	2002-2003 Rolling ⁵⁾
	3 months ¹⁾	3 months ²⁾	6 months ¹⁾	6 months ²⁾	12 months	12 months
	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jan.-Dec.	Jul.-Jun.
Net revenues	68.1	101.5	132.8	213.7	96.5	229.1
Property costs	-26.8	-	-55.6	-	-35.5	-90.9
Other operating expenses	-	-110.2	-	-221.4	-	-
Operating surplus	41.3	-8.7	77.2	-7.7	61.0	138.2
Depreciation of equipment	-0.5	-2.4	-0.8	-6.1	-0.5	-1.3
Gross result	40.8	-11.1	76.4	-13.8	60.5	136.9
Central administration	-3.2	-	-6.5	-	-4.1	-10.6
Result from property sales	13.2	-	16.6	-	-	16.6
Items affecting comparability	-	-13.4	-	26.6	143.4	-5.6
Amortization of goodwill	-	-1.8	-	-3.7	-	-
Operating result	50.8	-26.3	86.5	9.1	199.8	137.3
Interest income	0.6	-	1.2	-	2.6	3.3
Interest expense	-22.2	-4.0	-45.3	-5.3	-36.3	-79.8
Profit after financial items	29.2	-30.3	42.4	3.8	166.1	60.8
Current taxes ⁵⁾	-	-	-	-	4.3	4.3
Deferred taxes	-	-	-	-	39.2	39.2
Net profit for the period	29.2	-30.3	42.4	3.8	209.6	104.3
Earnings per share before items affecting comparability and taxes before dilution and conversion, SEK	0.71	-0.03	1.03	-0.04	1.71	2.06
Earnings per share before items affecting comparability and taxes after dilution and conversion, SEK	0.65	-0.03	0.96	-0.04	1.61	1.83
Earnings per share before dilution and conversion, SEK	0.71	-0.05	1.03	0.01	15.76	3.23
Earnings per share after dilution and conversion, SEK	0.65	-0.05	0.96	0.01	13.98	2.87
Number of shares outstanding at end of period before dilution and conversion, million	41.3	2.3	41.3	2.3	41.3	41.3
Number of shares outstanding at end of period after dilution and conversion, million	45.9	2.5	45.9	2.5	45.9	45.9
Average number of shares outstanding before dilution and conversion, million	41.3	556.6	41.3	556.6	13.3	32.3
Average number of shares outstanding after dilution and conversion, million	45.9	600.7	45.9	600.7	15.1	36.3

1) Values in columns for Q1 and Q2 2003 contain real estate operations in Klöver AB.

2) Values in column for Q1 and Q2 2002 contain the then Adcore Group's IT consulting operations.

3) Values for the full year 2002 contain real estate operations in Klöver AB for Q3 and Q4 and Q1-2 relating to operations in the then Adcore AB's IT consulting operations.

4) Operating expenses attributable to the restructuring of the operations during 2002 are reported as items affecting comparability.

5) Values in column for 12-month rolling 2002-2003 contain real estate operations in Klöver AB.

6) Amounts during 2002 refer to effects in connection with the acquisition of StrandFastigheter i Nyköping AB and StrömFastigheter i Norrköping AB.

Consolidated Balance Sheets			
MSEK	Jun. 30, 2003	Jun. 30, 2002	Dec. 31, 2002
Fixed assets			
Deferred tax claim	200.0	198.4	200.0
Equipment	6.0	25.4	5.4
Intangible fixed assets	-	35.4	-
Total fixed assets	206.0	259.2	205.4
Current assets			
Properties	1,782.5	-	1,875.9
Short-term receivables	147.2	114.2	89.2
Liquid funds ¹⁾	102.6	8.8	62.9
Total current assets	2,032.3	123.0	2,028.0
TOTAL ASSETS	2,238.3	382.2	2,233.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	564.3	127.2	522.2
Provisions	16.7	41.6	18.7
Subordinated convertible debenture loan	50.0	-	50.0
Interest-bearing liabilities	1,507.6	52.5	1,502.0
Accrued expenses and prepaid income	68.8	54.4	84.9
Accounts payable	19.4	51.9	36.2
Other liabilities	11.5	54.6	19.4
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,238.3	382.2	2,233.4

1) This includes MSEK 58 in funds earmarked for repayment of loans.

Changes in shareholders' equity	Share capital	Restricted reserves	Unrestricted reserves	Total share- holders' equity
Opening balance January 1, 2003	206.6	129.9	185.7	522.2
New issue				-
Other, net			-0.3	-0.3
Net result for the period			42.4	42.4
Closing balance, June 30, 2003	206.6	129.9	227.8	564.3

Consolidated Statements of Cash Flow MSEK	2003	2002	2002
	6 months	6 months ¹⁾	12 months ²⁾
	Jan.-Jun.	Jan.-Jun.	Jan.-Dec.
Current operations			
Profit after financial items	42.4	3.8	166.1
Adjustment for items not included in cash flow, etc.	-15.9	-16.7	-169.8
Paid income taxes	-	5.7	-
Cash flow from current operations before change in working capital	26.5	-7.2	-3.7
Change in working capital			
Change in operating receivables	-58.0	11.5	42.2
Change in operating liabilities	-40.8	-46.4	-86.3
Total change in working capital	-98.8	-34.9	-44.1
Cash flow from current operations	-72.3	-42.1	-47.8
Investment operations			
Investment in goodwill relating to additional purchase money	-	-9.9	-
Acquisition of subsidiaries and businesses	-	-	1.1
Acquisition of properties	-	-	-1,145.0
Acquisition of intangible fixed assets	-	1.6	-
Acquisition of tangible fixed assets	-50.4	-	-5.9
Sale of tangible fixed assets	158.8	-	-
Investment in financial assets	-	-	-2.2
Cash flow from investment operations	108.4	-8.3	-1,152.0
Financing operations			
New issue	-	-	253.3
Change in interest-bearing liabilities	5.6	-18.3	952.6
Expenses for new issues	-	-	-21.3
Change in long-term receivables	-	-0.6	-
Change in provisions	-2.0	-	-
Cash flow from financing operations	3.6	-18.9	1,184.6
Cash flow for the period	39.7	-69.3	-15.2
Liquid funds at beginning of period	62.9	78.1	78.1
Liquid funds at end of period	102.6	8.8	62.9

1) Values in column for Q1 and Q2 2002 contain the then Adcore Group's IT consulting operations.

2) Values for the full year 2002 contain real estate operations in Klöver AB for Q3 and Q4 and Q1-2 relating to operations in the then Adcore AB's IT consulting operations.

Key financial indicators	2003	2002	2002	Rolling
	6 months Jan.-Jun.	6 months ¹⁾ Jan.-Jun.	12 months ²⁾ Jan.-Dec.	12 months ³⁾ Jul.-Jun.
Return on equity before items affecting comparability and taxes before conversion, %	7.8	neg.	7.0	19.2
Return on equity before items affecting comparability and taxes after conversion, %	7.4	neg.	7.0	18.8
Return on equity before conversion, %	7.8	3.0	64.8	30.2
Return on equity after conversion, %	7.4	3.0	60.6	29.0
Equity ratio at end of period before conversion, %	25.2	33.3	23.4	25.2
Equity ratio at end of period after conversion, %	27.4	33.3	25.6	27.4
Visible equity per share at end period before dilution and conversion, SEK	13.66	55.30	12.64	13.66
Visible equity per share at end period after dilution and conversion, SEK	13.38	50.88	12.47	13.38
Interest coverage ratio	1.9	1.7	5.6	1.8

1) Values in column for Q1 and Q2 2002 contain the then Adcore Group's IT consulting operations.

2) Values for the full year 2002 contain real estate operations in Klöver AB for Q3 and Q4 and Q1–2 relating to operations in the then Adcore AB's IT consulting operations.

3) Values in column for 12-month rolling 2002-2003 contain real estate operations in Klöver AB.

Definitions

Calculation of ratios

Ratios are based on average number of shares outstanding and are computed based on weighted averages. In reported ratios after dilution, due consideration was given to the effect of issued warrants. In reported ratios after conversion, due consideration was given to effect of issued subordinated convertible debenture in the amount of MSEK 50.

Return on equity

Profit after taxes in relation to shareholders' equity.

Equity ratio

Reported shareholders' equity in relation to reported total assets at end of period.

Earnings per share

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

Visible equity per share

Reported equity in relation to the number of shares outstanding at end of period.

Interest coverage ratio

Profit after financial items, plus financial expenses, in relation to financial expenses.

Visible equity per share

Reported equity in relation to the number of shares outstanding at end of period.