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The Board of Directors in Kefren Properties IX AB has today held a Board meeting at which the Group's annual report for the financial year 2010 was discussed. The report is enclosed.

Summary

Kefren Properties IX AB's financial performance 2010

The consolidated statement of comprehensive income shows a profit before tax of TSEK 143,223 (2009: negative TSEK 432,830) and the consolidated statement of financial position shows equity at 31 December 2010 of negative TSEK 262,791 (2009: negative TSEK 430,159). The positive development in 2010 compared to 2009 is mainly caused by gains on bond debt and no further writedowns on goodwill.

Revenue for the period amounts to TSEK 602,673 (2009: TSEK 656,195). The difference between 2010 and 2009 is primarily caused by higher vacancy in the portfolio.

Profit before value adjustments, write-down of goodwill and tax amounts to TSEK 203,364 (2009: TSEK 328,020).

The profit for the period is mainly due to positive value adjustments on bond debt and derivatives of net TSEK 146,152 (2009: negative TSEK 231,572), which results from the negative development of the market rate on bond debt.

The development in 2010 is attributable to:

- Vacancy on rental income increased during 2010 and ended at 13.5% for the last quarter (13% for the same period 2009).
- Very high administration costs due to change of asset manager and cost for various investigations initiated by the senior lender.
- Leases amounting to 12 % of the portfolio's rental value were terminated during 2010 (14 % in 2009) while new lettings amounted to 11.5% of the portfolio's rental value.
- The re-letting situation has been the main focus throughout 2010 and most of the major contracts have been renegotiated into new and better conditions for the Company, with renewal options of five years. New leases have been signed even for the larger units and we see that this trend has continued during the second half of 2010. At the end of the year, the Company has a well-filled pipeline of requests of large and medium-sized objects (500 - 2000 sqm).
- Interest to bond holders has not been paid due to the loan-to-value breach.

The Board of Directors find the results acceptable since the decreased revenue compared to 2009 was already anticipated in the Annual Report for 2009.

The value of the investment properties as at 31 December 2010 amounts to MSEK 4,982, representing an increase of 3% compared to 31 December 2009. The value represents the value as of 31 December 2009 plus investments made during 2010. The valuation as at 31 December 2009 was influenced by the financial crisis and the uncertainty that arose from the market for investment properties with very few transactions. At the end of 2010 the Swedish market for investment properties have picked up and are among the strongest in Europe at the moment which supports the value adding investments made during 2010.



The Board of Directors expects the vacancy rate to decrease in 2011. The Company will still encounter high project and maintenance costs which along with the lower rental income will result in a lower NOI compared to 2010. The low Swedish interest rates are expected to increase during 2011 affecting cash flow negatively. The three month's STIBOR is currently well below the cap rate of 3.75%.

Since Q4 2009 the senior financing of the five year loan which was issued when purchasing the properties in the Kefren IX portfolio has been in Loan-to-Value breach and the Company had since then on an on-going basis received standstill letters. However, when the latest standstill letter matured on 25 February the Company did not receive a prolongation. The loan is not terminated but it will anyhow mature in November 2011. The Board of Directors has negotiated with senior lenders to extend the loan, however the lenders have as of today not agreed to this and the board of Directors does not expect that it will be possible to extend the financing in its current form.

This significant uncertainty about the financing of the Group's properties has led the Board of Directors to change its view on the holding and valuation of properties for Swedish statutory reporting purposes, from a long-term to a short-term view. This has led to properties being tested for impairment in all group companies, resulting in properties in all companies having been written down to market value as of 31 December 2010. As of that date valuation of properties is the same for Swedish statutory reporting purposes applied by group companies, and for IFRS reporting purposes applied by the Group.

The write-downs have for Swedish statutory reporting purposes meant that net equity has been lost for several group companies. Thus the board of directors has initiated the preparation of Special balance sheets (Sw: kontrollbalansräkning) for all group companies. The Board of Directors should according to the Swedish Companies Act, chapter 25, restore a company's share capital within 8 months after a shareholders' meeting deciding that the company's operations should continue. If share capital is not restored within this period, the company should be liquidated.

The Group's financial statements have been prepared under the assumption that the financing of the Group's properties will be arranged since negotiations with senior lenders are on-going, or that the negotiations will lead to a controlled sale of properties or group companies, or some other arrangement where the companies within the Group will be able to continue its operations. If the financing and the negotiations are not successful, there are uncertainty factors regarding the Group's ability to continue its operations. The Board of Directors however regards the possibilities that the alternatives will be successful as likely, and the Group's financial statements for the year ended 31 December 2010 have therefore been prepared based on the going concern principle.

The Board of Directors has decided not to give an estimate of the result for the coming financial year, since this will be highly dependent upon market values of the investment properties, bond debt and the hereto connected uncertainty.

The Board of Directors

Please address questions relating to Notice to Chairman Ole Vagner on telephone +45 40 25 41 13 or via e-mail ole@vagner.dk.

Further information about Kefren Properties IX AB is available on the company's website, www.kefren.se

Notice to OMX Nordic Exchange Copenhagen no. 85

Kefren Properties IX AB

c/o ISS Facility Services, Westmansgatan 23

582 16 Linköping, Sweden

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Management's review

The Board of Directors of Kefren Properties IX AB, business registration number 556691-4031, hereby presents their 2010 report for the group and Parent Company.

Business concept

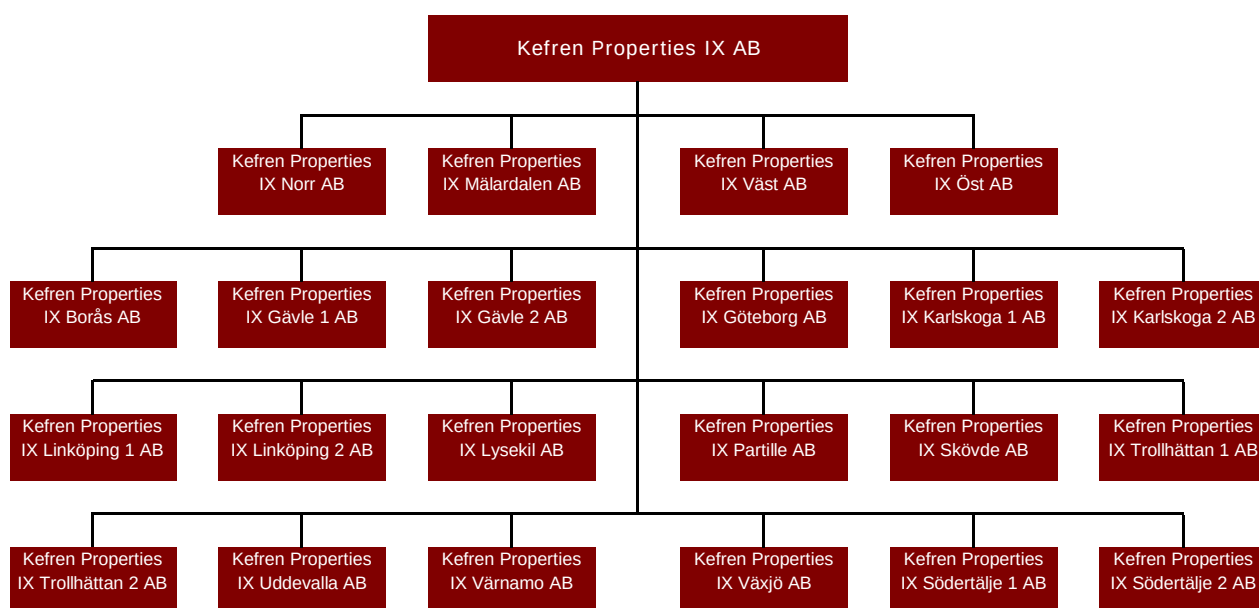
The Group's purpose is, via investments in other companies, to own and operate a property letting business, with properties located in Sweden, as well as to raise the necessary financing for the Group's activities.

Financial objective

Due to the current default of the senior loan, caused by the breach of loan terms, the objective is to optimize the portfolio by bringing down vacancy and reducing costs of operations. Thereby making the portfolio attractive and achieving the highest possible proceeds to the bond holders given the current situation and with respect to demands and requirements from the senior lenders.

Group structure

At 31 December 2010, the Group consists of the following companies (100 % ownership):



Activities

Kefren Properties IX AB owns, and works as Parent of, 22 subsidiaries of which 1 has divested its properties during the period.

Financing

Kefren Properties IX AB has issued property bonds of a total of DKK 740 million (SEK 895 million). Furthermore, Kefren Properties IX AB has taken out a bank loan with Barclay's Capital, who has syndicated part of the loan, of approx. SEK 5,026 million exclusive accrued interest and has taken out a loan through a seller note of SEK 100 million (Nominal value).

The bond loan and the loan with Barclay's Capital are secured by mortgage deeds in the properties.

Management's review

Generally about the year

The Swedish commercial rental market has stabilized significantly during 2010 and confidence in the market seems to be solid. The strong economy has contributed to stabilizing the vacancy rate in the portfolio. There is now a positive trend in the occupier market and demand from tenants is increasing. Despite this, we have unfortunately not seen decreasing vacancy rates during 2010. Due to this the financial year 2010 has been a low income year and rental income is expected to increase every year going forward.

On 23 July 2010 a new asset management agreement was signed with VALAD Property Group. 1 May 2010 VALAD Property Group took over the asset management of the portfolio from DTZ for a period of 5 years.

At 28 October 2009, Kefren Properties IX AB received a notification of non-compliance with the loan-to-value covenant under the Senior Loan Facility Agreement, in that the principal amount of the loans outstanding exceeded 88% of the market value of the properties securing the loan. During 2010 stand-still notifications were received from the senior lender stating that during the period the Senior Loan cannot be terminated due to non-compliance of the loan-to-value condition.

At 25 February 2011 the Company failed, to obtain an extension of the standstill period. The loan has not been terminated but according to the original contract it is due for payment in November 2011, and the Company remains in dialogue with the senior banks in regard to finding a solution to the loan-to-value breach.

Since Q4 2009 the senior financing of the five year loan which was issued when purchasing the properties in the Kefren IX portfolio has been in Loan-to-Value breach and the Company had since then on an on-going basis received standstill letters. However, when the latest standstill letter matured on 25 February the Company did not receive a prolongation. The loan is not terminated but it will anyhow mature in November 2011. The Board of Directors has negotiated with senior lenders to extend the loan, however the lenders have as of today not agreed to this and the board of Directors does not expect that it will be possible to extend the financing in its current form.

This significant uncertainty about the financing of the Group's properties has led the Board of Directors to change its view on the holding and valuation of properties for Swedish statutory reporting purposes, from a long-term to a short-term view. This has led to properties being tested for impairment in all group companies, resulting in properties in all companies having been written down to market value as of 31 December 2010. As of that date valuation of properties is the same for Swedish statutory reporting purposes applied by group companies, and for IFRS reporting purposes applied by the Group.

The write-downs have for Swedish statutory reporting purposes meant that net equity has been lost for several group companies. Thus the board of directors has initiated the preparation of Special balance sheets (Sw: kontrollbalansräkning) for all group companies. The Board of Directors should according to the Swedish Companies Act, chapter 25, restore a company's share capital within 8 months after a shareholders' meeting deciding that the company's operations should continue. If share capital is not restored within this period, the company should be liquidated.

The Group's financial statements have been prepared under the assumption that the financing of the Group's properties will be arranged since negotiations with senior lenders are on-going, or that the negotiations will lead to a controlled sale of properties or group companies, or some other arrangement where the companies within the Group will be able to continue its operations. If the financing and the negotiations are not successful, there are uncertainty factors regarding the Group's ability to continue its operations. The Board of Directors however regards the possibilities that the alternatives will be successful as likely, and the Group's financial statements for the year ended 31 December 2010 have therefore been prepared based on the going concern principle.

Per Johansson-Perrault resigned from the Board of Directors on 21 December 2010.

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Management's review

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Management's review

Capital loss

In accordance with Swedish GAAP, 14 of the statutory legal entities have lost their capital and are therefore subject to the Swedish rules regarding capital loss. The Board of Directors have therefore initiated the procedure regarding Special Balance Sheet (kontrollbalansräkning) for all of the Group companies.

Risk factors

The Company's Board of Directors are currently monitoring the risks facing the Group and attempt to ensure hedging of them, in consideration of the Company's overall objective of return on operations. Below, a number of the risk factors which the Company's Board of Directors point out to have specific influence and the Board of Directors' actual assessment of the actual risks are outlined:

External risk factors

Investment properties and property bonds: The transaction market has significantly improved in 2010, but is still far from the level before the financial crisis. Compared to 2009 transactions are picking up and interest from domestic and international investors is increasing. Transactions are still at a low level, but compared with 2009 there is more evidence to support the value of the Company's investment properties and bond debt in this annual report. However there is still uncertainty of the macro economic performance and its influence on the investment property market. Please refer to note 2, in which the valuation of investment properties and property bonds has been described in further detail. As a result of the uncertain market the recognized values of investment properties and property bonds are to be considered subject to higher uncertainty than normal.

Rental income: Two uncertainties have been identified which may influence rental income significantly. Firstly, vacancy in the property portfolio, and secondly the development in the rental income level. There is a risk that the letting and re-letting market is lower than budgeted for 2011 due to the uncertainty in the financial outlook.

Interest level: The Group's mortgage debt is linked to a floating interest rate. The Company has entered into an interest cap agreement which limits the interest rate to 3,75% until the expiry of the loan, and accordingly, the uncertainty as to increasing interest rates is expected to be low until the time of refinancing.

Exchange rate: As the Group's income is in SEK, the current strengthening of SEK in relation to DKK will result in lower interest costs on the bond debt taken out in DKK. The financial statements are positively affected by this factor.

Internal risk factors

Revaluation: Any unperformed current maintenance may impair the Group's investment properties as the rental level may drop in a possible re-letting situation. In line with the long-term budget of the Group, the Board of Directors is focused on providing funds for current maintenance estimated by the Management to be necessary for maintaining the budgeted rent level.

See further in note 24.

Environment

To contribute to a long-term sustainable development, the Group's strategy is to develop its properties in a resource-effective way and with least possible impact on the environment.

Management's review

Events after the balance sheet date

As stated in the Announcement no. 83 of 13 January 2011, the Company has previously received a standstill letter from the senior banks, wherein the senior banks state that they shall restrain themselves from taking any action in relation to the loan-to-value breach until 25 February 2011.

Besides this in the board of Directors' estimate, no events have occurred after the balance sheet date to this date which would materially influence the Company's operations and financial position.

Expectations of 2011

The Board of Directors expects the vacancy rate to decrease in 2011. The Company will still encounter high project and maintenance costs which along with the lower rental income will result in a lower NOI compared to 2010. The low Swedish interest rates are expected to increase during 2011 affecting cash flow negatively. The three month's STIBOR is currently well below the cap rate of 3.75%.

Due to the establishment of the Special Balance Sheet (Kontrollbalansräkning) as of 31st of March, the equity for the Group will need to be restored before 8 month from this date, otherwise the company will go into liquidation. It is thus very important that the company solve the refinance situation before November 2011 to prevent this.

The Board of Directors has decided not to give an estimate of the result for the coming financial year, since this will be highly dependent upon market values of the investment properties, bond debt and the hereto connected uncertainty.

Proposed allocation of profits

The following amounts are at the disposal of the Annual General Meeting:

Retained earnings	-40.160.345
Loss for the year	<u>-210.143.953</u>
Total	-250.304.298

The Board of Directors proposes that the amount be allocated as follows:

Carried forward	<u>-250.304.298</u>
Total	-250.304.298

Company details

Kefren Properties IX AB
c/o ISS Property Services
Westmansgatan 23
582 16 Linköping, Sweden

www.kefren.se

Central Business Registration no.:	556691-4031
Established on:	24 November 2005
Registered office:	Stockholms Län, Municipality of Stockholm

Board of Directors

Ole Vagner (Chairman)
Helle M. Breinholt

Company auditor

Jan Hugo Nihlén
Deloitte AB
113 79 Stockholm

The Annual General Meeting will be held on 27 April 2011.

Consolidated financial highlights

	2010 12 months SEK 1,000	2009 12 months SEK 1,000	2007/08 15 months SEK 1,000	2006/07 12 months SEK 1,000	2005/06 11 months SEK 1,000
Revenue	602.673	656.195	818.318	582.080	0
Value adjustment of investment properties, debt and derivatives, net	146.152	-231.572	-703.306	14.589	0
Operating profit before write-down of goodwill	349.516	96.448	-71.561	371.697	0
Write-down of goodwill	0	-215.104	-142.901	-331.686	0
Operating profit/loss	349.516	-118.656	-214.462	40.011	0
Financial income and expenses, net	-206.293	-314.174	-150.627	-400.681	0
Result for the period before tax	143.223	-432.830	-523.658	-362.805	0
Result for the period	167.366	-403.346	-427.976	-354.255	0
Fixed assets	5.151.675	5.022.650	6.130.236	7.089.970	311.945
Current assets	292.858	283.921	188.585	151.100	0
Total assets	5.444.533	5.306.571	6.318.821	7.241.070	311.945
Share capital	300	300	300	300	100
Retained earnings	-263.091	-430.459	-27.113	400.863	100
Liabilities	5.707.324	5.736.730	6.345.634	6.839.907	311.845
Total equity and liabilities	5.444.533	5.306.571	6.318.821	7.241.070	311.945
Cash flows from operating activities	94.431	257.087	-64.463	221.705	302.000
Cash flows from investment activities, net	-133.699	126.470	145.690	-6.571.931	-302.000
Cash flows from financing activities	25.217	-304.733	-43.981	6.479.429	100
Total cash flows	-14.051	78.824	37.246	129.203	100
Ratios					
Return on equity (after tax)	N/A	N/A	N/A	6,0%	N/A
Solvency	neg.	neg.	neg.	neg.	0,0%
Net asset value	neg.	neg.	neg.	5,5%	0,0%
Share dividends	0%	0%	0%	0%	0%
Number of employees at year-end	0	0	0	0	0

Please refer to definitions and concepts of ratios under accounting policies.

Comments on amount in:

2005/06: Kefren Properties IX AB was established on 24 November 2005. No profit was earned the first year. The operating year 2005/06 included 11 months as the portfolio was purchased in November.

2007/08: The operating year included 15 months due to change in financial year.

Shareholder information

Share capital

Kefren Properties IX AB has a share capital of a total of TSEK 300 allocated into 3,000 shares of a nominally SEK 100.

Kefren Properties IX A/S, Copenhagen owns 100 % of the equity in Kefren IX Properties AB.

Dividends

No dividends are proposed. The full-year profit is to be transferred for the consolidation of the company.

Policy for treasury shares

The Company's Articles of Association do not provide the possibility to acquire treasury shares.

Shares and dividend ratios

See financial highlights.

Announcements to the Stock Exchange in the period 1 October 2007 – 31 March 2011:

No.	Date	Subject
83	25 February 2011	End of the standstill period
82	13 January 2011	Extension of stand-still period
81	23 December 2010	Financial Calender 2011
80	21 December 2010	Extraordinary general meeting 21st December 2010
79	20 December 2010	Notice of extaordinary general meeting 21st December 2010
78	19 November 2010	Summary of Bondholders´meeting
77	17 November 2010	Presentation to be used at the Bondholders´ Meeting
76	15 November 2010	Further information to notification of Bondholders´meeting
75	8 November 2010	Notification of bondholders meeting
74	5 November 2010	Request for extension of stand-still period
73	5 November 2010	Extension of stand-still period
72	28 October 2010	Non-payment of Interest
71	13 October 2010	Extension of stand-still period
70	27 September 2010	Expected non-payment of interest
69	8 September 2010	Extension of stand-still period
68	31 August 2010	Condensed consolidated interim report for the period 1 Januari 2010 to 30 June 2010
67	26 July 2010	New Asset Manager
66	7 July 2010	Extension of stand-still period
65	26 May 2010	Extension of stand-still period
64	28 April 2010	Extension of stand-still period
63	27 April 2010	Annual General Meeting the 27th April 2010
62	27 April 2010	Statement from Special Servicer
61	23 April 2010	Notice of Annual General Meeting the 27th April 2010
60	31 March 2010	Preliminary announcement of annual report for the financial year of 2009
59	17 March 2010	Extension of stand-still period
58	17 February 2010	Resignation from the Board
57	17 February 2010	Extension of stand-still period
56	28 January 2010	Financial calendar 2010
55	6 January 2010	Extension of stand-still period
54	6 January 2010	Request for extension of stand-still period

Continued on the next page

Shareholder information

53	15 December 2009	Summary of bond holder's meeting
52	14 December 2009	New valuation of the property portfolio
51	12 December 2009	Presentation to be used at the bond holder's meeting
50	07 December 2009	Addendum to notification of bond holder's meeting
49	19 November 2009	Notification of bond holders meeting
48	02 November 2009	Sale back of properties
47	27 October 2009	Non-payment of interest
46	20 October 2009	Loan-to-Value breach expected
45	30 September 2009	Condensed consolidated interim report 1 January 2009 to 30 June 2009, Danish translation
44	29 September 2009	Extraordinary general meeting
43	29 September 2009	Notice of extraordinary general meeting
42	31 August 2009	Condensed consolidated interim report 1 January 2009 to 30 June 2009
41	31 August 2009	Prolongation of lease agreement in Gothenburg
40	28 August 2009	New asset manager
39	1 June 2009	Annual general meeting
38	27 May 2009	Notice of annual general meeting
37	11 May 2009	Statement from Special Servicer
36	30 April 2009	Changes to the financial calendar
35	27 April 2009	Prolongation of lease agreement in Mölndal
34	27 April 2009	Extraordinary general meeting
33	24 April 2009	Notice of extraordinary general meeting
32	16 April 2009	Sale of shares in Kefren Properties IX A/S (formerly Landic Property Bonds IX A/S)
31	03 April 2009	Annual report for 1 October 2007 – 31 December 2008
30	02 April 2009	Preliminary announcement of annual report. Delayed.
29	31 April 2009	Preliminary announcement of annual report. Delayed.
28	6 February 2009	Recent Developments
27	31 January 2009	Financial Calendar

Financial calendar for 2011:

Date	Subject
31 March 2011	Preliminary announcement of annual report for the financial year 2010 is published.
27 April 2011	Ordinary General Meeting for the financial year 2010.
31 August 2011	Interim report announcement for the financial year 2010.

Information about bonds issued

The Company has issued the following bonds listed on NASDAQ OMX Copenhagen:

7.5% Bond Loan, DKK 740,000,000, maturity 31 October 2016, ISIN code DK0030039300

Accruing of yield and interest is made quarterly, first time 31 October 2007. The loan amounts, yield and interest rates are fixed during the term to maturity.

Contacts

Further information about Kefren Properties IX AB is available on the Company's website www.kefren.se.

Please address questions relating to the annual report to Chairman Ole Vagner on telephone +45 40 25 41 13 or via email to ole@vagner.dk.

Consolidated statement of comprehensive income

	<u>Note</u>	<u>2010</u> <u>SEK 1,000</u> <u>12 months</u>	<u>2009</u> <u>SEK 1,000</u> <u>12 months</u>
Revenue	3	602.673	656.195
Operating expenses	4	-286.144	-251.012
Value adjustment of investment properties, debt and derivatives, net	5	146.152	-231.572
Realised loss/gain on sale of investment properties		<u>781</u>	<u>-14.320</u>
Gross profit		463.462	159.291
Administrative expenses	6	<u>-113.946</u>	<u>-62.843</u>
Operating profit before write-down of goodwill		349.516	96.448
Write-down of goodwill	10	<u>0</u>	<u>-215.104</u>
Operating profit/loss		349.516	-118.656
Financial income	7	601	253
Financial expenses	8	<u>-206.894</u>	<u>-314.427</u>
Result before tax		143.223	-432.830
Tax on result for the year	9	<u>24.143</u>	<u>29.484</u>
Result for the year		<u>167.366</u>	<u>-403.346</u>
Other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive income		<u>167.366</u>	<u>-403.346</u>

Consolidated statement of financial position

	<u>Note</u>	<u>2010-12-31</u> <u>SEK 1,000</u>	<u>2009-12-31</u> <u>SEK 1,000</u>
Assets			
Goodwill	10	170.110	170.110
Intangible assets		<u>170.110</u>	<u>170.110</u>
Investment properties	11	4.981.546	4.846.668
Property, plant and equipment		<u>4.981.546</u>	<u>4.846.668</u>
Derivatives	14	19	5.872
Financial fixed assets		<u>19</u>	<u>5.872</u>
Fixed assets		<u>5.151.675</u>	<u>5.022.650</u>
Current assets			
Receivables from tenants	17	8.922	9.546
Other receivables	18	38.153	17.992
Prepayments		14.461	11.010
Receivables		<u>61.536</u>	<u>38.548</u>
Cash funds	15	<u>231.322</u>	<u>245.373</u>
Current assets		<u>292.858</u>	<u>283.921</u>
Assets		<u>5.444.533</u>	<u>5.306.571</u>

Consolidated statement of financial position,

	<u>Note</u>	<u>2010</u> <u>SEK 1,000</u>	<u>2009</u> <u>SEK 1,000</u>
Equity and liabilities			
Share capital		300	300
Retained earnings		-263.091	-430.459
Equity		<u>-262.791</u>	<u>-430.159</u>
Long-term liabilities			
Debt secured by mortgage deeds	19	0	0
Bond debt	19	49.391	168.925
Seller notes	19	0	91.381
Deferred tax	16	375.448	402.888
Long-term liabilities		<u>424.839</u>	<u>663.194</u>
Short-term liabilities			
Debt secured by mortgage deeds	19	4.688.439	4.810.422
Seller notes	19	95.951	0
Trade payables		56.676	33.282
Debt to group enterprises		0	0
Tax payables		0	5.181
Deferred income	20	73.848	90.699
Other payables		367.571	133.952
Short-term liabilities		<u>5.282.485</u>	<u>5.073.536</u>
Liabilities		<u>5.707.324</u>	<u>5.736.730</u>
Equity and liabilities		<u>5.444.533</u>	<u>5.306.571</u>
Pledged assets	21	6.386.602	6.403.603
Contingent liabilities	22	-	-

Statement of comprehensive income for the Parent company

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		<u>SEK 1,000</u>	<u>SEK 1,000</u>
		<u>12 months</u>	<u>12 months</u>
Revenue	3	62.185	24.437
Value adjustment of debt, net		<u>154.035</u>	<u>63.803</u>
Gross profit		216.220	88.240
Administrative expenses	6	-63.618	-11.046
Operating profit/loss		152.602	77.194
Writedown of shares in subsidiaries	12	-301.618	-35.665
Financial income	7	181.835	202.367
Financial expenses	8	<u>-210.326</u>	<u>-311.892</u>
Result before tax		-177.507	-67.996
Tax for the year	9	<u>-32.637</u>	<u>8.465</u>
Result for the year		<u>-210.144</u>	<u>-59.531</u>
Other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive income		<u>-210.144</u>	<u>-59.531</u>

Statement of financial position for the Parent company

	<u>Note</u>	<u>2010-12-31</u> <u>SEK 1,000</u>	<u>2009-12-31</u> <u>SEK 1,000</u>
Assets			
Investments in subsidiaries	12	0	301.423
Receivables from group enterprises	13	5.986.174	5.987.642
Deferred tax assets	16	217.616	233.610
Other long-term receivables		20.609	24.194
Financial fixed assets		<u>6.224.399</u>	<u>6.546.869</u>
Fixed assets		<u>6.224.399</u>	<u>6.546.869</u>
Current assets			
Receivables from group enterprises		0	3.587
Tax receivables		0	0
Other receivables	18	23.241	5.755
Prepayments		0	3.938
Receivables		<u>23.241</u>	<u>13.280</u>
Cash funds	15	<u>231.322</u>	<u>245.373</u>
Current assets		<u>254.563</u>	<u>258.653</u>
Assets		<u>6.478.962</u>	<u>6.805.522</u>

Statement of financial position for the Parent company, continued

	<u>Note</u>	<u>2010-12-31</u> <u>SEK 1,000</u>	<u>2009-12-31</u> <u>SEK 1,000</u>
Equity and liabilities			
Share capital		300	300
Retained earnings		-250.304	6.518
Equity		<u>-250.004</u>	<u>6.818</u>
Long-term liabilities			
Debt secured by mortgage deeds	19	0	0
Bond debt	19	987.813	1.104.807
Long-term liabilities		<u>987.813</u>	<u>1.104.807</u>
Short-term liabilities			
Debt secured by mortgage deeds	19	4.688.439	4.810.423
Trade payables		2.331	1.473
Debt to group enterprises		702.870	763.562
Other payables		347.513	118.439
Short-term liabilities		<u>5.741.153</u>	<u>5.693.897</u>
Liabilities		<u>6.728.966</u>	<u>6.798.704</u>
Equity and liabilities		<u>6.478.962</u>	<u>6.805.522</u>
Pledged assets	21	6.217.496	6.534.438
Contingent liabilities	22	-	-

Statements of changes in equity

Attributable to the shareholders of the parent company.

Group:	Number of outstanding shares	Share capital	Retained earnings	Total
		SEK 1,000	SEK 1,000	SEK 1,000
Equity at 31 December 2008	3.000	300	-27.113	-26.813
Loss for 2009	0	0	-403.346	-403.346
Equity at 31 December 2009	3.000	300	-430.459	-430.159
Profit for 2010	0	0	167.366	167.366
Equity at 31 December 2010	3.000	300	-263.091	-262.791

Parent:	Number of outstanding shares	Share capital	Retained earnings	Total
		SEK 1,000	SEK 1,000	SEK 1,000
Equity at 31 December 2008	3.000	300	238.718	239.018
Group contribution	0	0	-234.285	-234.285
Tax on group contribution	0	0	61.616	61.616
Loss for 2009	0	0	-59.531	-59.531
Equity at 31 December 2009	3.000	300	6.518	6.818
Group contribution	0	0	-63.335	-63.335
Tax on group contribution	0	0	16.657	16.657
Loss for 2010	0	0	-210.144	-210.144
Equity at 31 December 2010	3.000	300	-250.304	-250.004

Consolidated cash flow statement

	<u>Note</u>	<u>2010</u> <u>SEK 1,000</u> <u>12 months</u>	<u>2009</u> <u>SEK 1,000</u> <u>12 months</u>
Loss before tax for the year		143.223	-432.830
Adjustments to cash flows	23	-23.518	775.170
Change in working capital	24	<u>57.604</u>	<u>70.212</u>
Cash flows before financial income and expenses		177.309	412.552
Financial income, received		575	986
Financial expenses, paid		<u>-83.453</u>	<u>-156.451</u>
Cash flows from operating activities		94.431	257.087
Investment in properties		-140.349	-14.724
Sales of investment properties		<u>6.650</u>	<u>141.194</u>
Cash flows from investing activities		-133.699	126.470
Proceeds from borrowings		147.200	0
Repayments of borrowings		<u>-121.983</u>	<u>-304.733</u>
Cash flows from financing		25.217	-304.733
Cash flows for the year		-14.051	78.824
Cash and cash equivalents at the beginning of the year		<u>245.373</u>	<u>166.549</u>
Cash and cash equivalents at year-end		<u>231.322</u>	<u>245.373</u>

Cash flow statement for the parent company

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		<u>SEK 1,000</u>	<u>SEK 1,000</u>
		<u>12 months</u>	<u>12 months</u>
Profit before tax for the year		-177.507	-67.996
Adjustments to cash flows	23	247.018	81.387
Change in working capital	24	<u>-25.688</u>	<u>177.405</u>
Cash flows before financial income and expenses		43.823	190.796
Financial income, received		201	210.825
Financial expenses, paid		<u>-83.292</u>	<u>-143.973</u>
Cash flows from operating activities		-39.268	257.648
Change in receivables		<u>0</u>	<u>125.907</u>
Cash flows from investing activities		0	125.907
Proceeds from borrowings		147.200	0
Repayments of borrowings		<u>-121.983</u>	<u>-304.733</u>
Cash flows from financing		25.217	-304.733
Cash flows for the year		-14.051	78.822
Cash and cash equivalents at the beginning of the year		<u>245.373</u>	<u>166.551</u>
Cash and cash equivalents at year-end		<u>231.322</u>	<u>245.373</u>

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1. Accounting policies

Grounds for the accounting

This annual report was prepared in accordance with the Annual Accounts Act and the International Financial Reporting Standards (IFRS) as adopted by the EU and the interpretations of them (IFRIC). The parent company applies the same accounting principles as the Group with the exceptions and supplements stipulated in recommendation RFR 2 "Accounting for legal entities" from the Swedish Financial Reporting Board.

The annual report is presented in whole SEK thousands, which is the reporting currency for the Group's activities and the functional currency for Parent Company.

Due to rounding in the annual report, there may be differences between individual items in the report and the totals.

The annual report is prepared on the basis of historical cost, apart from investment properties, derivatives and bond debt which are measured at fair value.

New IFRS and interpretations

Standards that have become effective during 2010:

- Amendments in IFRS 1 First time adoption of IFRS
- Amendment in IFRS 2 Share-based Payments
- Revised IFRS 3 Business Combinations
- Revised IAS 27 Consolidated and Separate Financial Statements
- Amendments to IAS 39 Financial Instruments: Recognition
- Improvements to IFRS 2009

Interpretations that have become effective during 2010:

- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers

The revised IAS 27 and IFRS 3 apply to acquisitions (business combinations) as of the 2010 financial year. In the revised standard, the definition of business combination has changed, which could affect the classification of indirect acquisition of properties as asset acquisitions or business combinations. Acquisition-related costs may no longer be included in the cost, but should instead be recognised as an expense in profit and loss. The revised standard will affect future Business Combinations.

Other new IFRS and interpretations had no impact on the Group's financial statements in 2010.

Notes

New and amended standards and interpretations that have not become effective

<i>Published standards not yet effective:</i>	<i>Applicable for annual periods beginning:</i>
• Amendment in IFRS 1 First time adoption of IFRS • Amendment in IFRS 7 Financial instruments: Disclosures • IFRS 9 Financial instruments (New standard)* • Amendment in IAS 24 Related Party Disclosures • Amendment in IAS 32 Financial instrument: Presentations • Improvements to IFRS 2010 • Amendment in IAS 12 Income Taxes	- On or after 1 July 2010 - On or after 1 July 2011 - On or after 1 January 2013 - On or after 1 January 2011 - On or after 1 February 2010 - On or after 1 July 2010 (earliest) - On or after 1 January 2012

**Not yet adopted by EU*

<i>Published interpretations not yet effective:</i>	<i>Applicable for annual periods beginning:</i>
• Amendment in IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction • IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments*	- On or after 1 January 2011 - On or after 1 July 2010

**Not yet adopted by EU*

New and amended standards and interpretations that have not become effective has not yet been applied. The potential effect of the implementation of these standards on the annual report has not yet been estimated.

Parent Company accounting policies

The amendments in RFR 2 Accounting for Legal Entities that has come into force and apply to the fiscal year 2010 have resulted in a revised presentation for the Parent Company. The Parent Company's revenues and expenses that were previously reported under shareholders' equity that did not refer to transactions between the owners, is now presented in other comprehensive income directly following the Parent Company's statement of income. The Parent Company's report of changes in shareholders' equity contains items reported in the overall result, separate from transactions with the owners.

Notes

Critical Assessment

In order for the accounts to be completed in accordance with the IFRS and generally accepted accounting principles assessments and assumptions must be made that affect the recorded assets, liabilities, income and costs as well as other information in the accounts. These assessments and assumptions are based upon historical experiences and other factors which are considered fair under the current conditions.

Classification

Fixed assets and long-term liabilities consist of amounts that are expected to be regained or settled more than twelve months from the balance sheet day. Current assets and short-term liabilities consist of amounts that are expected to be regained or settled in less than twelve months from the balance sheet day.

Consolidated financial statements

The consolidated financial statements comprise the Parent, Kefren Properties IX AB and subsidiaries in which Kefren Properties IX AB directly or indirectly possess more than 50% of the votes or otherwise has controlling influence.

Subsidiaries

Subsidiaries are those companies in which the Group directly or indirectly holds more than 50 % of the votes or in other ways exercises a controlling influence. Controlling influence means that the Group has the right to draw up financial and operational strategies. Subsidiaries are included in the consolidated financial statements as of the time when the controlling influence is transferred to the Group and are excluded from the consolidated financial statements as of the time when the controlling influence ceases. Subsidiaries are reported in accordance with the acquisition method. Acquired identifiable assets, liabilities and contingent liabilities are valued at fair value on the date of acquisition. The surplus, which is defined as the difference between cost and fair value of the acquired interests and the sum of fair value of acquired identifiable assets and liabilities, is recognised as goodwill. If the historical cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the profit and loss account. All inter-company transactions and balances within the Group have been eliminated in preparing the consolidated financial statements. In case of the acquisition of a group of assets or net assets that do not constitute an operation, the costs for the Group are instead allocated to the individually identifiable assets and liabilities in the group based on their relative fair values at the time of acquisition.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Kefren Properties IX AB and its subsidiaries. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Notes

Income statement

Revenue

Rental revenue

Rental income, which from an accounting perspective is also called income from operating leases, is debited in advance and allocated linear in the income statement, based on the terms in the lease. Rental income includes supplementary charges for the tenant, such as debited real estate tax and heating costs. Rents debited in advance are recorded as deferred rental income. In cases where a lease during a certain period of time offers a reduced rent, corresponding to a higher rent at another point in time, this lower/higher rent is spread out over the period of the lease. Pure discounts, such as reduction for successive moving in, are recorded in the income statement in the period when they are given.

In the years 2007/08 and 2009 the level of reduced rent was insignificant and warranted no adjustment. Due to the market situation during 2010, however, rent reduction in the amount of TSEK 13,428 were recorded. These were treated according to IFRS by spreading rent reductions out over the lease period, and the total negative impact on revenue for 2010 was reduced to TSEK 7,898.

Income from property sales

Income from property sales is entered as of the contract date, unless there exist special conditions in the purchasing agreement. On sale of a property through a company, the transaction is recorded using gross accounting regarding the underlying property price and the calculated deduction for deferred tax. The result from a property sale is accounted for as a realized change in value and refers to the difference between the received sales price after deduction of sales costs, and the recorded value in the latest interim report with adjustment for capitalized investments after the latest interim report.

Other income

Income from other group operations, such as income from business support services is reported in the income statement when significant risks and benefits have been transferred to the counterparty. The income is reported at the fair value of that which was received or is expected to be received with deductions for discounts provided.

Expenses

Operating expenses

Operating expenses comprise costs and expenses incurred to earn revenue for the year, including costs and expenses in connection with operation of the properties. The operating expenses i.e. comprise taxes and duties, insurance, repairs and current maintenance as well as large maintenance work.

Value adjustments of investment properties and debt, net

Changes in the fair value of investment properties and related debt and derivative financial instruments are recognised in the income statement in the financial statement item "Value adjustments of investment properties, debt and derivatives, net".

Administrative expenses

Administrative expenses include costs and expenses incurred during the year for management and administration of the Group.

Notes

Loan expenses

In the consolidated financial statements loan expenses have been charged to earnings in the year to which they refer, except to the extent that they have been included in the historical cost of a building project (qualifying asset). The interest rate used to calculate the capitalised borrowing cost is the average interest rate of the loan portfolio. In the accounts of individual companies the main principle, i.e. all loan expenses should be charged to expense in the year to which they refer, has been applied.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, transaction costs incurred on borrowing as well as amortisation of financial assets and liabilities, realised and unrealised exchange gains and losses on liabilities other than provisions, apart from fair value adjustment of debt and derivative financial instruments relating to the investment properties.

Dividends from equity investments are recognised when the final right to such dividends has been acquired. This typically means at the time of the General Meeting's adoption of the distribution from the relevant company.

Tax on profit or loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, also as a result of change in tax rate, is recognised in the income statement by the portion attributable to the profit/loss for the year and classified directly as equity by the portion attributable to entries directly in equity.

Deferred tax is measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Current tax and deferred tax

Deferred tax is measured by applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. However, deferred tax on temporary differences regarding non-amortisable goodwill and other items for which temporary differences - apart from enterprise acquisitions - have occurred at the time of acquisition without affecting the results or taxable income is not recognised. Where statement of the tax-based value can be made according to alternative tax rules, deferred tax is measured on the basis of the by Management planned use of the asset or settlement of the liability.

Deferred tax on temporary differences related to investments in subsidiaries is recognised unless the Parent is able to control when the deferred tax is realised. It is probable that the deferred tax will not be triggered as current tax in a foreseeable future.

Deferred tax assets, including the tax base of tax loss carry-forward, are recognised by the value at which they are expected to be utilised, either by setting off tax on future earnings or by a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustment of deferred tax is made relating to eliminations of unrealised intra-group profits and losses.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect according to law at the balance sheet date when the deferred tax is estimated to be triggered as current tax.

Notes

Balance sheet

Goodwill

Goodwill is recognised and measured on initial recognition in the balance sheet at cost. Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the time of acquisition. Determination of cash-generating units complies with management structure and internal financial management.

The carrying amount of goodwill is tested at least once a year for impairment together with the other non-current assets in the cash-generating unit, to which goodwill is allocated, and is written down to recoverable amount over the income statement, if the carrying amount is higher. The recoverable amount is mainly stated as the current value of future cash flows from the enterprise or activity (cash-generating unit) to which the goodwill relates.

Investment properties

Investment properties are properties owned to earn rental income and/or capital gains. On initial recognition, investment properties are measured at cost which comprises the properties' acquisition price and any directly related costs.

Works that increases the property value by enhancing the qualities of an investment property, and which thereby improve the yield of the property, are capitalised in the balance sheet. Works which do not add new or improved qualities to an investment property are expensed in the income statement under maintenance.

Valuation

Investment properties are subsequently measured at fair value. Measurement is made by application of a discounted cash flow model, by which future cash flows from the ownership of the investment properties are discounted.

The valuation model is based on a value determined on an earnings basis by calculating the net present value of future cash flows with a differentiated required yield for each property depending on such factors as location, intended use, condition and standard.

Value adjustments are recognised in the income statement under the item "Value adjustments of investment properties, debt and derivatives, net".

Properties under construction, additional constructions and refurbishment projects for the purpose of future use as investment properties are measured at fair value.

Properties which are expected to be sold are reclassified to "Investment properties for sale".

Investments in subsidiaries in the financial statements of the Parent

Investments in subsidiaries are measured at cost in the financial statements of the Parent.

If cost exceeds the recoverable amount of the investments, they are written down to such lower amount. Cost is also reduced if higher dividends are distributed than have been earned in total in the enterprise since the Parent's acquisition of the equity investments.

Notes

Financial instruments

Financial instruments which are recorded in the balance sheet includes assets such as interest rate derivatives, cash and bank, lease receivables, other receivables and long-term receivables and liabilities such as accounts payable, other liabilities, and loans. Financial instruments are initially recognised at acquisition cost equivalent to fair value, with addition of transaction costs, except for the category financial instruments which are recorded at fair value through income statement, without transaction costs.

Following the initial recognition the accounting is based on the classification made to the following categories in accordance with IAS 39:

- Financial asset or liability at fair value through profit and loss (classified as held for trading or upon initial recognition it is designated as at fair value through profit and loss - fair value option)
- Held to maturity investments
- Loans and receivables
- Available for sale financial assets
- Other financial liabilities.

The Group has not classified any financial assets as “Held to maturity investments” or “Available for sale financial assets”.

Financial transactions such as cash received or paid on interests and loans are recorded on the settlement day of the bank holding the account, while other payments are recorded on the accounting date of the bank holding the account.

Cash and bank

Cash and bank consist of the bank balance at the end of the accounting period and are recorded at nominal value.

Loans and receivables

Financial assets which are not derivatives, that has fixed or determinable payments and that are not quoted on an active market, are classified as loans and receivables. Loans and receivables are measured at amortized cost. Amortized cost is calculated using the effective interest method, which means that any premiums or discounts and directly attributable costs or benefits are accrued over the expected term using the estimated effective rate. The effective interest rate is the rate that gives the instrument's cost as a result of discounted future cash flows.

In the Group loans and receivables consists of rent receivables and other receivables. Receivables have, after individual valuation, been recorded at the amount at which they are expected to be received, which means that they are recorded at acquisition value, with addition of transaction costs, with provision for receivables which are uncertain. Provisions for uncertain receivables are made when an objective risk assessment gives at hand that the Group will not receive the entire receivable. As the expected duration of the receivables is less than one year they are recorded at nominal value without discounting. There are no receivables in foreign currency. Receivables in the parent company consist only of receivables for the subsidiaries, which are recorded at acquisition value.

Notes

Financial liabilities at fair value through profit and loss

Debt to mortgage credit institutions, bond debt, seller note and other credit institutions relating to investment properties is recognised at the time of borrowing at fair value, using fair value option. Subsequently, these debt items are measured at fair value. The change in fair value is recognised in the income statement under the item "Value adjustment of investment properties, debt and derivatives, net". Deferred unpaid interest is recorded in accrued expenses.

Other financial liabilities

Other financial liabilities include borrowings, trade payables and other payables to Authorities, etc.

Other financial liabilities are initially recognised at fair value less any transaction costs. Subsequently, these debt items are measured at amortised cost accordance to the effective interest method as a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. As the expected duration of the liabilities is less than one year they are recorded at nominal value without discounting.

Interest derivatives

Derivatives are financial instruments that are measured at fair value through profit and loss. Derivatives are automatically classified as held for trading. In order to manage the exposure to fluctuations in the market interest rate according to the financial policy the Group has entered into interest rate derivative agreements. When using interest rate derivatives changes in value may occur partly due to changes in market interest rates and partly due to the time factor. Interest rate derivatives are initially recorded in the balance sheet on the settlement day at acquisition value, where the absolute majority refers to exchange of interest rates flows meaning an acquisition value of zero, and are thereafter valued at fair value with changes in value in the income statement. Interest rate derivatives are valued by calculating the net present value by discounting future cash flows, instruments containing some sort of option are valued at the current repurchase price which may be received from respective counterparty.

Realized changes in value refer to redeemed interest rate derivatives and is the difference between the price and the time of redemption and the recorded book value according to the latest interim report. Unrealized changes in value refer to the changes in value during the financial year for the interest rate derivatives that the Group held at the end of the financial year. Changes in value are calculated based on the valuation at the end of the financial year compared to the valuation previous year, or the acquisition value if the interest rate derivative agreements have been entered into during the year. For interest rate derivatives that have been redeemed an unrealized change in value is recorded and calculated based on the valuation at the latest interim report prior to the redemption, compared with the valuation at the end of previous year. Payments made under these agreements are accounted for in the period which they refer to.

Dividends

Proposed dividends are recognised as a liability at the time of adoption at the Annual General Meeting (time of declaration). Dividends expected distributed for the year are disclosed as a separate equity item.

Foreign currencies

Transactions in foreign currencies are translated, upon inclusion in the accounts, to the functional currency at the exchange rates applying on the transaction date. Monetary assets and liabilities in foreign currencies are translated on the balance sheet date at the exchange rates applying on the balance sheet date. Any resulting exchange rate differences are recognised in the profit and loss account for the period.

Notes

Deferred income

Deferred income comprises received income relating to subsequent financial years.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit or loss adjusted for non-cash operating items, working capital changes as well as paid financial income, financial expenses and corporation taxes.

Cash flows from investing activities comprise payments in connection with the acquisition, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the Parent's share capital and related costs as well as inception and repayment of loans and instalments on interest-bearing debt.

Cash and cash equivalents comprise cash funds and short-term securities with insignificant price risk less any overdraft facilities included as an integral part of the cash flow management.

Segment information

The operating segment of the Group is lease of commercial tenancies, and the Group's geographical segment is Sweden.

The Group's income statement and balance sheet reflect to a significant extent both segments, and accordingly, no further segment information is provided apart from what appears from the income statement and balance

Ratios

The ratios stated in the list of financial highlights are calculated as follows:

Return on equity (after tax)	$\frac{\text{Profit or loss after tax} \times 100}{\text{Average equity}}$
Solvency	$\frac{\text{Equity at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$
Equity value at year-end	$\frac{\text{Total equity at year-end}}{\text{Share capital at year-end}}$
Dividends	$\frac{\text{Dividends} \times 100}{\text{Parent's share capital}}$

Notes

Differences in accounting principles between the Group and the parent company

RFR 2.2 states that a legal entity shall apply the same IFRS/IAS that is applied in the consolidated financial statements, with exceptions for and additions of rules and laws mainly according to the Annual Accounts Act, and with consideration to the relation between accounting and taxation. The difference in accounting principles between the Group and the Parent Company is mentioned below:

Bond debt is valued at fair value in the Group whereas in the Parent Company, Bond debt is valued at acquisition cost with addition of discounted increase to meet agreed exercise price upon maturity.

2. Significant judgements and accounting estimates

The preparation of annual reports requires the Board of Directors to make accounting judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated annual report, the significant judgements made by the Board of Directors in applying the Group's accounting policies and the significant related uncertainties in terms of estimates were the same as those applied for the preparation of the consolidated annual report at 31 December 2009.

Valuation of properties

In accordance with the Group's accounting policies, that remain unchanged from the publication of the consolidated financial statements of 2009, the Group measures its investment properties at fair value using a discounted cash flow model based on future cash flows from the ownership of the investment properties.

The return requirement (discount factor) is determined for each property or for portfolios of properties with identical characteristics, if possible.

The determination of the return requirement is made based on assessments from independent broker and valuation firms in the countries in which the properties are located. External assessment is made once a year.

Based on the above, the Board of Directors has estimated the effect on the fair value of the investment properties.

Valuation of bonds

In order to apply the official rate on the market for property bonds, the prices are to represent actual market transactions which regularly take place between qualified, willing, mutually independent parties. Per 31 December 2010 the official rate of 5% and the exchange rate of 0,827 DKK/SEK have been used to calculate fair value.

Notes

	2010	2009
	SEK 1,000	SEK 1,000
	12 months	12 months
3 Revenue		
Group:		
Rental income, investment properties	534.984	554.764
Discounts	-7.898	-9.991
Chargeable costs and Reimbursements	72.801	93.368
Other income	2.787	18.054
	602.674	656.195
Parent:		
Other income	62.185	24.437
	62.185	24.437
4 Operating expenses		
Group:		
Property caretaking	-54.573	-39.819
Repairs	-23.531	-20.667
Maintenance	-30.231	-30.634
Tenant Improvements	-16.921	-14.811
Taximeter restricted expenses and heating	-112.203	-107.734
Property tax	-28.295	-22.777
Property insurance	-7.236	-4.635
VAT costs	-13.154	-9.935
	-286.144	-251.012

Neither the Group nor the Parent company had any employees in the financial year (2009: 0).

No remuneration has been paid to the members of the Board in the financial year (2009: 0).

Notes

	2010	2009
	SEK 1,000	SEK 1,000
	12 months	12 months

5 Value adjustment of investment properties, debt and derivatives, net

Group:

Value adjustments of investment properties	0	-835.726
Value adjustments of bonds	156.575	631.853
Value adjustments of derivatives	-5.853	-23.348
Value adjustment of seller note	-4.570	-4.351
Total value adjustments of bonds and derivatives	146.152	604.154
	146.152	-231.572

6 Administrative expenses

Group:

Fees to auditor appointed at the General Meeting:

Deloitte, Audit Fees	1.076	754
Deloitte, Audit related Fees	0	518
Deloitte, Tax Services Fees	0	3
Deloitte, Other Fees	313	0
	1.389	1.275

Parent:

Fees to auditor appointed at the General Meeting:

Deloitte, Audit Fees	395	691
Deloitte, Audit related Fees	0	0
Deloitte, Tax Services Fees	0	0
Deloitte, Other Fees	0	24
	395	715

Notes

7 Financial income

	2010	2009
	SEK 1,000	SEK 1,000
Group:	12 months	12 months
Interest income, bank	201	253
Capital gains	400	0
	601	253

Parent:

Interest income, bank	201	253
Interest income, group enterprises	181.627	202.114
Capital gains	7	0
	181.835	202.367

8 Financial expenses

Group:

Interest expenses, mortgage credit*	-99.664	-133.708
Interest expenses, bonds*	-92.842	-157.004
Interest expenses, bank	-6.040	-6.782
Other financial expenses	-7.099	-16.933
Price and exchange rate adjustments, realised and unrealised	-1.249	0
	-206.894	-314.427

*Financial expenses concern financial liabilities measured at fair value and the value, adjustment is recognised in the income statement.

Parent:

Interest expenses, mortgage credit*	-99.664	-133.699
Interest expenses, bonds*	-92.842	-157.004
Interest expenses, bank	-6.046	-6.782
Other financial expenses	-10.525	-14.407
Price and exchange rate adjustments, realised and unrealised	-1.249	0
	-210.326	-311.892

*Financial expenses concern financial liabilities measured at fair value and the value adjustment is recognised in the income statement.

Notes

	2010	2009
	SEK 1,000	SEK 1,000
9 Tax on loss for the year	12 months	12 months
Group:		
Tax on loss for the year	0	0
Deferred tax on result for the year	-2.919	29.478
Adjustment to previous years	27.062	6
	24.143	29.484
<i>Tax on loss for the year is explicable as follows:</i>		
Calculated 26,3% on result for the year	-37.668	113.834
Tax-based value of permanent differences	34.749	-75.634
Other adjustments	27.062	-8.716
	24.143	29.484
Effective tax rate	17%	7%
Parent:		
Tax on loss for the year	0	-61.617
Deferred tax on loss for the year	-32.637	70.082
	-32.637	8.465
<i>Tax on profit/loss for the year is explicable as follows:</i>		
Calculated 26,3% tax on result for the year	46.684	17.883
Other adjustments	-79.321	-9.418
	-32.637	8.465
Effective tax rate	-18%	12%

Notes

	<u>2010</u>	<u>2009</u>
	<u>SEK 1,000</u>	<u>SEK 1,000</u>
10 Goodwill		
Group:		
Cost at 1 January	859.801	766.088
Transfer to/from another account	0	93.713
Additions	0	0
Disposals	0	0
Cost at 31 December	<u>859.801</u>	<u>859.801</u>
Write down at 1 January	-689.691	-474.587
Write down for the year	0	-215.104
Write-down at 31 December	<u>-689.691</u>	<u>-689.691</u>
Carrying amount at 31 December	<u>170.110</u>	<u>170.110</u>

Goodwill initially arose due to recognized deferred tax liabilities on investment properties acquired through business combinations. Due to fair value adjustment on the investment properties the temporary differences have declined and hence the deferred tax liability has been reduced. The corresponding adjustment has been made to goodwill which has been recorded as impairment (write down of goodwill).

Notes

11 Investment properties

All properties in the Group's portfolio are externally valued at least once a year by independent external valuers with recognised qualifications. The properties are valued at fair value, i.e. at their estimated market values. The property valuer in 2010 was Jones Lang LaSalle who provided an advisory desktop valuation. The Group provides information about operations, maintenance expenses and estimated investments based on maintenance plans, existing and future rental agreements and estimated future vacancies to the valuers.

The property valuation is based on cash flow statements, in which the present value of net operating incomes and the residual value of the property at the end of the period are calculated.

	2010	2009
	SEK 1,000	SEK 1,000
Group:		
Cost at 1 January	6.192.776	6.319.246
Additions	140.349	56.867
Disposals	-5.471	-183.337
Cost at 31 December	<u>6.327.654</u>	<u>6.192.776</u>
Revaluation at 1 January	-1.346.108	-510.382
Revaluation for the year	-	-835.726
Revaluation at 31 December	<u>-1.346.108</u>	<u>-1.346.108</u>
Carrying amount at 31 December	<u>4.981.546</u>	<u>4.846.668</u>

	Operating return	Acquisition year	sqm.	Carrying amount at year end
Year 2010: 148 properties, Sweden	5,0%	2006	829.859	4.981.546
Year 2009: 150 properties, Sweden	6,3%	2006	830.714	4.846.668
Year 2007/08: 159 properties, Sweden	6,3%	2006	860.476	5.808.864
Year 2006/07: 170 properties, Sweden	5,9%	2006	891.699	6.383.528

The annual operating return has been calculated based on the gross profit/loss excl. value adjustments of investment properties and debt, net in relation to the acquisition price of investment properties.

The property portfolio consists of a total of 148 properties located in Sweden, which are let as 51% offices, 10% industrial, 12% storage, 14% shops, 3% residential and 2% parking/garage and 8% other.

Notes

	2010	2009
	SEK 1,000	SEK 1,000

12 Investments in subsidiaries

Parent:

Cost at 1 January	442.045	406.380
Additions	195	35.665
Cost at 31 December	442.240	442.045
Write-down at 1 January	-140.622	-104.957
Write-down for the year	-301.618	-35.665
Write-down at 31 December	-442.240	-140.622
Carrying amount at 31 December	0	301.423

	Ownership share	Profit/loss for the year	Equity	Carrying amount at 1 Jan/31 Dec
Kefren Properties IX Norr AB	100%	-21.865	-21.760	0
Kefren Properties IX Mälardalen AB	100%	-104.517	-79.779	0
Kefren Properties IX Väst AB	100%	-359.177	-349.599	0
Kefren Properties IX Öst AB	100%	-58.974	-53.620	0
Kefren Properties IX Borås AB	100%	-1.401	-1.300	0
Kefren Properties IX Gävle 1 AB	100%	-2.461	-2.132	0
Kefren Properties IX Gävle 2 AB	100%	-3.734	-3.633	0
Kefren Properties IX Göteborg AB	100%	2.074	2.184	0
Kefren Properties IX Karlskoga 1 AB	100%	-48	118	0
Kefren Properties IX Karlskoga 2 AB	100%	-34	96	0
Kefren Properties IX Linköping 1 AB	100%	16.593	14.760	0
Kefren Properties IX Linköping 2 AB	100%	-49	70	0
Kefren Properties IX Lysekil AB	100%	-3.345	-2.847	0
Kefren Properties IX Partille AB	100%	-12.887	-9.067	0
Kefren Properties IX Skövde AB	100%	-47	58	0
Kefren Properties IX Trollhättan 1 AB	100%	-273	-162	0
Kefren Properties IX Trollhättan 2 AB	100%	-1.760	-1.473	0
Kefren Properties IX Uddevalla AB	100%	3.386	1.720	0
Kefren Properties IX Värnamo AB	100%	-71	94	0
Kefren Properties IX Växjö AB	100%	-15.525	-17.179	0
Kefren Properties IX Södertälje 1 AB	100%	-9.815	-4.547	0
Kefren Properties IX Södertälje 2 AB	100%	-2.778	512	0
				0

All subsidiaries are registered in Stockholm, Sweden.

Notes

	2010	2009
	SEK 1,000	SEK 1,000

13 Receivables from group enterprises

Parent:

Cost at 1 January	5.987.642	6.113.548
Additions	0	0
Disposals	-1.468	-125.906
Cost at 31 December	<u>5.986.174</u>	<u>5.987.642</u>
Carrying amount at 31 December	<u>5.986.174</u>	<u>5.987.642</u>

	Fixed/ Floating	Effective interest	2010	2009
			SEK 1,000	SEK 1,000
<i>Receivables from subsidiaries</i>				
Matures between 1-5 years	Floating	N/A	5.074.436	5.075.689
Matures after 5 years	Fixed	7,5%	911.738	911.953
			<u>5.986.174</u>	<u>5.987.642</u>

14 Derivatives

	2010	2009
	SEK 1,000	SEK 1,000

Group:

Cost at 1 January	128.155	128.805
Additions	0	0
Disposal	0	-650
Cost at 31 December	<u>128.155</u>	<u>128.155</u>
Revaluation at 1 January	-122.283	-98.934
Revaluation for the year	-5.853	-23.349
Revaluation at 31 December	<u>-128.136</u>	<u>-122.283</u>
Carrying amount at 31 December	<u>19</u>	<u>5.872</u>

Derivatives are classified as financial assets valued at fair value in the income statement using fair value option.

Notes

15 Cash

Cash funds of TSEK 231,322 (2009: TSEK 245,373) have been provided as security for the Group's debt secured by mortgage deeds, which at 31 December 2010 amounts to TSEK 4,688,439 (2009: TSEK 4,810,422).

16 Deferred tax

	2010	2009
	SEK 1,000	SEK 1,000
Group:		
Deferred tax at 1 January	-402.888	-335.340
Transfer to/from another account	0	-93.713
Deferred tax for the year	-2.885	29.478
Properties sold	-34	0
Adjustment relating to previous years	30.359	-3.313
Carrying amount at 31 December	-375.448	-402.888
<i>Deferred tax at year-end is included in the financial statement items:</i>		
Financial fixed assets	0	0
Long-term liabilities	-375.448	-402.888
	-375.448	-402.888
<i>Deferred tax relates to:</i>		
Investment properties	-407.210	-489.634
Derivatives	5.595	10.798
Capitalized financial expenses	16.530	19.370
Promissory note	-1.065	-2.267
Bonds debts	-246.805	-209.530
Tax loss carry forward	257.507	268.375
	-375.448	-402.888

Total valued tax losses in the Group, which have been taken into account in calculating deferred tax are TSEK 979,244 (2009: TSEK 1,020,437).

Parent:

Deferred tax at 1 January	233.610	163.528
Deferred tax for the year	-15.994	70.082
Deferred tax at 31 December	217.616	233.610
<i>Deferred tax at year-end is included in the financial statement items:</i>		
Financial fixed assets	217.616	233.610
Long-term liabilities	0	0
	217.616	233.610
<i>Deferred tax relates to:</i>		
Tax loss carry forward	217.616	233.610
	217.616	233.610

Notes

17 Receivables from tenants

Group:

Receivables from tenants amounts to TSEK 18,834 (2009: TSEK 15,866). A provision for bad debt has been estimated to TSEK 9,912 (2009: TSEK 6,320) based on individual valuation of each receivable and a general provision for receivables exceeding 90 days.

The carrying amount of receivables from tenants is TSEK 8,922 (2009: TSEK 9,546).

18 Other receivables

Group:

	2010	2009
	SEK 1,000	SEK 1,000
VAT	11.316	9.576
Receivable from Kefren Properties IX A/S	120	0
Other receivables	26.717	8.416
Carrying amount at 31 December	38.153	17.992

Parent:

VAT	10	0
Receivable from Kefren Properties IX A/S	120	0
Other receivables	23.111	5.755
Carrying amount at 31 December	23.241	5.755

19 Long- and short-term liabilities

Group:

The Group's liabilities mature as follows:

	Payment / maturity	Effective interest		
Long-term liabilities				
Mortgage deeds	1-5 years	N/A	0	0
Seller note	1-5 years	N/A	0	91.381
Bonds, DKK	> 5 years	9,4%	49.391	168.925
			49.391	260.306
Short-term liabilities				
Debt secured by				
mortgage deeds	<1 year	N/A	4.688.439	4.810.422
Seller note	<1 year	N/A	95.951	0
			4.784.390	4.810.422

Notes

Parent:

The Parent company's long-term liabilities mature as follows:

	Payment / maturity	Effective interest	2010 SEK 1,000	2009 SEK 1,000
Debt secured by mortgage deeds	1-5 years	N/A	0	0
Bonds, DKK	> 5 years	9,4%	987.813	1.104.807
			987.813	1.104.807

Short-term liabilities

Debt secured by mortgage deeds	<1 year	N/A	4.688.439	4.810.422
			4.688.439	4.810.422

Debt secured by mortgage deeds has floating interest rate, while the bond debt has fixed interest rate.

The group has entered into an agreement of interest cap which fixes the interest rate for a total debt of TSEK 4,723,929 SEK (2009: TSEK 4,855,348) until repayment of the debt.

20 Deferred income

Deferred income consists of prepaid rent.

21 Pledged assets

Group:

	2010 SEK 1,000	2009 SEK 1,000
Mortgage deeds	6.155.280	6.158.230
Cash funds	231.322	245.373
	6.386.602	6.403.603

Parent:

Shares in subsidiaries	0	301.423
Receivables from group enterprises	5.986.174	5.987.642
Cash funds	231.322	245.373
	6.217.496	6.534.438

Notes

22 Contingent liabilities

The Group has no security, guarantees or other commitments, apart from what is customary for a property company and otherwise appears from financial statements and notes.

23 Adjustments to cash flow

Group:

Value adjustment, investment properties	0	835.726
Value adjustment, bonds	-156.575	-631.853
Value adjustment, other debt	4.570	4.351
Value adjustment, derivatives	5.853	23.348
Profit/loss from sale of properties	-781	14.320
Write-down, goodwill	0	215.104
Financial income	-26	-253
Financial expenses	123.441	314.427
	<u>-23.518</u>	<u>775.170</u>

Parent:

Write-down, shares in subsidiaries	301.618	35.665
Value adjustment other debt	0	0
Financial income	-181.634	-266.170
Financial expenses	127.034	311.892
	<u>247.018</u>	<u>81.387</u>

24 Changes in working capital

Group:

	2010	2009
	SEK 1,000	SEK 1,000
Change in receivables	-19.537	-12.015
Change in prepayments	-3.451	-4.497
Change in debts	97.443	72.209
Change in deferred income	-16.851	14.515
	<u>57.604</u>	<u>70.212</u>

Parent:

Change in receivables	13.899	-9.209
Change in prepayments	3.938	-1.736
Change in debts	-43.525	188.350
	<u>-25.688</u>	<u>177.405</u>

Notes

25 Financial risk management

The Group's activities are subject to different financial and market risks, hereby price and interest risk. The Parent Company's financial risks are limited to bond debts and receivables to subsidiaries.

Risk management is performed by the Board of Directors who identifies and evaluates the financial risks in close co-operation with the Group's management.

(a) Market risk

(i) Foreign exchange risk

The risk that changes in the exchange rate will effect income and cash flow. As a result of its investments and financing activities, the Group has an exposure related to the changes in the interest rate in Denmark as well as foreign countries. It is the Group's policy to hedge the interest risk on the Group's debts, when it is assessed that the interest payments can be hedged at a satisfactory level. The hedges are prepared with conclusion of interest rate cap, when the floating rate debts are replaced by fixed rate debts.

The main part of foreign exchange risk relates to financing of bonds on NASDAQ OMX Copenhagen in DKK. Exposures in DKK are not hedged.

With regards to the bond debt the Group has been influenced considerably by the changes in DKK/SEK exchange rate, since the bond debt is in DKK, while the income and other expenses primarily are settled in SEK.

The Group has the following foreign exchange exposures:

	SEK	DKK	Total
	SEK 1,000	SEK 1,000	SEK 1,000
31 December 2010			
Goodwill	170.110	0	170.110
Property, plant and equipment	4.981.546	0	4.981.546
Financial assets	19	0	19
Receivables	61.536	0	61.536
Cash	231.322	0	231.322
Total assets	5.444.533	0	5.444.533
Debt secured by mortgage deeds	0	0	0
Bonds	0	49.391	49.391
Seller notes	95.951	0	95.951
Deferred tax	375.448	0	375.448
Short-term liabilities	5.186.534	0	5.186.534
Total liabilities	5.657.933	49.391	5.707.324
Net assets	-213.400	-49.391	-262.791

Notes

	SEK	DKK	Total
31 December 2009	SEK 1,000	SEK 1,000	SEK 1,000
Goodwill	170.110	0	170.110
Property, plant and equipment	4.846.668	0	4.846.668
Financial assets	5.872	0	5.872
Receivables	38.548	0	38.548
Cash	245.373	0	245.373
Total assets	5.306.571	0	5.306.571
Debt secured by mortgage deeds	0	0	0
Bonds	0	168.925	168.925
Seller notes	91.381	0	91.381
Deferred tax	402.888	0	402.888
Short-term liabilities	5.073.536	0	5.073.536
Total liabilities	5.567.805	168.925	5.736.730
Net assets	-261.234	-168.925	-430.159

The Group manages foreign currency risk on an overall basis. The sensitivity analysis prepared by Management for foreign currency risk illustrates how changes in the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The sensitivity analyses below is based on a change in an assumption while keeping all other assumptions constant.

The tables above present financial assets and liabilities denominated in foreign currencies held by the Group in the years 2007-2010 used to monitor foreign currency risk at the reporting dates. If the DKK weakened/strengthened by 10% against the SEK, with all other variables kept constant, pre-tax profit for the year would have changed approx. TSEK 5,000.

(ii) Price risk

The Group is exposed to changes in property prices and property rental risk.

(iii) Interest risk

The Group's main exposure to changes in interest rates is related to debts taken for financing property investments. Provided there is a correlation between interests and return on investments (even if a certain delay exists), increased interest rates will result in a reduced market value for the liability and also reduce the market value of the property.

The Group's risks in connection with cash flows and effective interest rate are regularly monitored by management. The Group's policies for risks connected with cash flows and effective interest rates are evaluated each quarter by the Board of Directors.

Notes

31 December 2010	SEK SEK 1,000	DKK SEK 1,000	Total SEK 1,000
Fixed rate			
Bond debt	0	49.391	49.391
Seller notes	95.951	0	95.951
Non-derivative financial instruments	95.951	49.391	145.342
Floating rate			
Debt secured by mortgage deeds	4.688.439	0	4.688.439
Non-derivative financial instruments	4.688.439	0	4.688.439
Fixed	95.951	49.391	145.342
Floating	4.688.439	0	4.688.439
Total non-derivative financial instruments	4.784.390	49.391	4.833.781
31 December 2009	SEK SEK 1,000	DKK SEK 1,000	Total SEK 1,000
Fixed rate			
Bond debt	0	168.925	168.925
Seller notes	91.381	0	91.381
Non-derivative financial instruments	91.381	168.925	260.306
Floating rate			
Debt secured by mortgage deeds	4.810.422	0	4.810.422
Non-derivative financial instruments	4.810.422	0	4.810.422
Fixed	91.381	168.925	260.306
Floating	4.810.422	0	4.810.422
Total non-derivative financial instruments	4.901.803	168.925	5.070.728

Notes

In order to manage the exposure to fluctuations in the market interest rate the Group has entered into interest rate derivative agreements.

b Credit risk

Credit risk is the risk of loss as a result of the failure of a counterparty to fulfill its obligations. The risk is limited by the requirement, contained in the company's financial policy, that only creditworthy counterparties be accepted in financial transactions. As regards trade receivables the policy states that customary credit assessments must be made before a new tenant is accepted. The company also assesses creditworthiness in respect of all other receivables. The maximum credit exposure in respect of trade receivables and other receivables is the carrying amount.

Group:

	2010	2009
Receivables from tenants	8.922	9.546
Other receivables	38.153	17.992
Cash	231.322	245.373
Maximum credit exposure	278.397	272.911

Notes

c Financing and Liquidity risk

Debt to financial institutions with financial covenants, such as Loan-to-Value covenant. Incompliance with these covenants can result in a so called cash-sweep, whereas all payments, including interest to bond holders, are to be approved by the senior banks. This can also result in an accelerated loan.

Covenant risk

A number of financial contracts contain financial covenants, which are customary in nature. The financial loan covenants in the Group's loan agreements relate to e.g. equity ratio, interest coverage, debt service coverage ratio, loan-to-value, sale or other dispersion of assets, change of ownership and/or control of the Company, etc. Not fulfilling the covenants could mean accelerated repayment of bonds, loans, cross-defaults, and/or technical default requiring prohibition of dividend and re-negotiation with creditors under distress. Such an event would almost always be preceded by a significant adverse development in the Group's financial performance. In addition, events such as a drop in market prices could mean that loan-to-value covenants would trigger the need for more cash.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, bonds and debts secured by mortgages deeds.

The Group guideline is to raise longer-term loans to reduce this risk. Going forward, the aim is to create a smooth maturity profile in order to minimise the exposure to refinancing conditions at any given point in time.

Furthermore, in order to reduce refinancing risk, the Group's funding is mainly based on bank loans with reputable banks. Secondly, the Group has issued bonds on NASDAQ OMX Copenhagen.

The table below summarises the maturity profile of the Group's financial assets based on contractual undiscounted payments. For liabilities, please refer to note number 19.

As at 31 December 2010	Within 1	1-5 years	After 5	Total
	year		years	
	SEK 1,000	SEK 1,000	SEK 1,000	SEK 1,000
Derivatives	0	19	0	19
Receivables from tenants	8.922	0	0	8.922
Other receivables	38.153	0	0	38.153
Prepayments	14.461	0	0	14.461
	<u>61.536</u>	<u>19</u>	<u>0</u>	<u>61.555</u>

As at 31 December 2009	Within 1	1-5 years	After 5	Total
	year		years	
	SEK 1,000	SEK 1,000	SEK 1,000	SEK 1,000
Derivatives	0	5.872	0	5.872
Receivables from tenants	9.546	0	0	9.546
Other receivables	17.992	0	0	17.992
Prepayments	11.010	0	0	11.010
	<u>38.548</u>	<u>5.872</u>	<u>0</u>	<u>44.420</u>

Notes

Valuation of financial assets and liabilities

The following table shows fair value, carrying amount and information about the category to which the Kefren Group's financial instruments belong in accordance with IAS 39 Financial instruments: Recognition and measurement.

	Category according to IAS 39 1)	Group		Fair value 2010
		2010	2009	
Derivatives	FArIS	19	5.872	19
Receivables from tenants	L&R	8.922	9.546	8.922
Other receivables	L&R	38.153	17.992	38.153
Debt secured by mortgage deeds	FLAC	4.688.439	4.661.807	4.688.439
Bond debt	FLrIS	49.391	168.925	49.391
Seller notes	FLrIS	95.951	91.381	95.951
Other long-term liabilities	FLAC	0	0	0
Short-term portion of long-term liabilities	FLAC	0	148.615	0
Trade payables	L&R	56.676	33.282	56.676
Tax payables	L&R	0	5.181	0
Other payables	L&R	367.571	133.952	367.571

AFS	Available-for-sale financial assets
L&R	Loans and receivables
FArIS	Financial assets are recognised at fair value in the P&L
FLAC	Financial liabilities measured at amortised cost
FLrIS	Financial liabilities are recognised at fair value in the P&L
n/a	IAS 39 does not apply

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- 1) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 2) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 3) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes

	31-12-2010			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FARIS				
Derivative financial assets	0	19	0	19
Total	0	19	0	19
Financial liabilities at FLRIS				
Bond debt	0	-49.391	0	-49.391
Seller note	0	-95.951	0	-95.951
Total	0	-145.342	0	-145.342

There were no transfers between Level 1 and 2 in the period

26 Related parties

The Group's related parties consist of the Company's shareholder, Kefren Properties IX A/S and its subsidiaries, together with the Companies, fully or partially, owned by the Board of Directors.

During the year, the Group has had transactions with Breinholt Consulting A/S (Helle M. Breinholt), PARE AB (Per Johansson-Perrault) and Center Syd (Ole Vagner).

All fees and outstanding accounts in the financial year have been settled at market terms and have represented:

	<u>2010</u>	<u>2009</u>
	<u>SEK 1,000</u>	<u>SEK 1,000</u>
	<u>12 months</u>	<u>12 months</u>
Profit and loss transactions		
Landic Property Sverige AB,		
Management fees	0	4.350
Center Syd CSH, <i>including interest</i>	20.414	0
Breinholt Consulting A/S	1.937	2.614
Fazility Group A/S	0	2.083
PARE AB	379	306
Outstanding accounts at year end	<u>2010</u>	<u>2009</u>
Center Syd CSH, <i>including accrued interest</i>	145.721	0
Breinholt Consulting A/S	0	214
Fazility Group A/S	0	1.492
PARE AB	0	94
	<u>145.721</u>	<u>1.706</u>

27 Adoption of the annual report

The annual report was adopted by the Board of Directors and approved for publication on 31 March 2011. The annual general meeting will be held on 27 April 2011.

Statement by the Board of Directors on the annual report

The Board of Directors has today presented the annual report for the Group and Kefren Properties IX AB for the period 1st January to 31st December 2010. The annual report has today been considered and adopted.

The annual report has been prepared in accordance with the Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Accounting Standards Board. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional reporting requirements for companies that have listed bonds.

We consider the accounting policies appropriate and the accounting estimates reasonable, and we believe that the annual report contains the information relevant for evaluation of the Parent's and the Group's financial affairs. We therefore believe that the annual report provides a true and fair view of the Group's and the Parent's financial position, their financial performance and cash flows for the financial year 2010.

We recommend the annual report for adoption at the Annual General Meeting

Malmö, 31st March 2011

Ole Vagner
Chairman

Helle M. Breinholt

We presented our audit report on 31st March 2011

Deloitte AB

Jan-Hugo Nihlén
Authorized Public Accountant

Audit Report

To the annual meeting of the shareholders of Kefren Properties IX AB Corporate identity number 556691-4031

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors of Kefren Properties IX AB for the financial year 2010. The board of directors is responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and significant estimates made by the board of directors when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member. We also examined whether any board member has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the loss of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors be discharged from liability for the financial year.

Without qualifying our opinion, we draw attention to the management's review in the Statutory Administration report which indicates that the Company is in breach with the loan-to value covenant under the Senior Loan Facility Agreement. The loan is not terminated but it will mature in November 2011. The Board of Directors is negotiating with senior lenders to extend the loan. The lenders have as of today not agreed to this and the Board of Directors does not expect that it will be possible to extend the financing in its current form.

The Group's financial statements have been prepared under the assumption that the financing of the Group's properties will be arranged since negotiations with senior lenders are on-going, or that the negotiations will lead to a controlled sale of properties or group companies, or some other arrangement where the companies within the Group will be able to continue its operations. The Board of Directors however regards the possibilities that the alternatives will be successful as likely. If the financing and the negotiations are not successful, there are uncertainty factors regarding the Group's ability to continue its operations.

The above condition indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Stockholm, 31 March 2011

Deloitte AB

Jan-Hugo Nihlén
Authorised Public Accountant