

Year-end report

JANUARY – DECEMBER 2007

- Book value of the properties has increased from SEK 1,211.0 m to SEK 1,717.2 m during the year
- Net turnover amounted to SEK 46.0 m (16.6) for the year, and the increase is due to letting of completed properties
- The result after tax amounted to SEK -15.9 m (41.8) for the year, where the lower result is due to change in value of properties in connection with reclassification to investment properties during the comparative period
- Earnings per share amounted to SEK -2.66 (10.31) for the year
- Signed agreement on sale of 50% of the development project Moika /Glinki at a price of 200 MUSD. Payment for the shares has been delayed but the buyer has confirmed intention to pay latest during March.
- Secured letting of completed premises means that Ruric expects to report a positive result after net financial items, excluding value changes, as from the start of 2008.
- Demand for commercial premises in central St Petersburg continues to be very strong which is reflected in good rental levels and rising property prices.



Office premises in the building "Oscar" at the address Fontanka 13 in St. Petersburg

Description of Ruric AB

Business concept, overall goal and strategy

The company's business concept is to acquire, develop, let and manager real estate in St Petersburg, Russia with a focus on commercial premises of the highest class in attractive locations that thereby contribute positively to the business of the tenants.

The company has the goal of becoming a leading real estate company in the St Petersburg region within its segment.

The strategy is to identify real estate with great potential in the central parts of St Petersburg, create suitable acquisition structures and acquire and renovate at the best price. After renovations, commercial premises of the highest class (principally office and retail premises) are offered to tenants that are looking for the best possible premises in attractive locations and are willing to pay for it.

The acquisition strategy is focused on objects where Ruric can supply significant added value and is carried out by means of Ruric benefiting from the lack of information on the local real estate market and an inefficient capital market in order to identify and carry out acquisitions at attractive prices. That is made possible through a strong local presence and good links to the market players and authorities.

Financial goal

Ruric has a goal of generating a return on equity of at least 20 percent at a conservative level of borrowing as well as to obtain a yield from the real estate stock (rental income minus operating expenses in relation to investment) of at least 15 percent.

Real estate stock

Ruric owned seven properties in central St Petersburg at the close of the period, of which three are completed, extension work was continuing to the existing property in one, and in the other three, planning and design and/or renovation/rebuilding was ongoing (almost fully completed in one of these properties). During the period, the real estate stock has developed as shown below:

	SEK m
Opening balance	1,211.0
Acquisitions	0.0
Investments in investment properties	74.9
Investments in real estate projects	469.2
Divestments	0.0
Changes in value	30.0
Changes in exchange rates	-67.6
Closing balance	1,717.2

The real estate book value increased by SEK 506.2 m net during the year consisting of net investments, changes in value and changes in exchange rates.

Acquisitions

No acquisitions have been carried out during the year.

Work continuing within own stock

During the year, SEK 543.8 m was invested in renovation and rebuilding work, of which approx. SEK 350 m consisted of replacement construction work as well as planning and design within the Moika/Glinki project and approx. SEK 107 m within Apraksin Dvor 15/16 and 33. Most of the remaining part was used for the extension of Griffon House, at ul. Dostoyevskovo 19/21.

Divestment

An agreement was signed during the second quarter regarding the sale of the property at ul. Dostoyevskovo 19/21 with occupation on 30 November at the latest and at a price of approx. USD 26 m. The completion of a new building on the property was somewhat delayed and the parties agreed to break the agreement. A new agreement was subsequently reached with a Norwegian real estate company on a sale of the property for USD 28-30 m. Closing shall take place during first quarter 2008.

Changes in value in investment properties

The fundamental factors that govern the value of properties – rental levels and yield requirements which are themselves governed by demand – have all moved in a positive direction during the year. Transactions on the market involving completed commercial objects are still however so uncommon that valuation institutions need a longer time in order to demonstrate general changes in market values. However it can be noted that a bid was received during summer 2007 from an international real estate

investor concerning the purchase of Ruric's completed office buildings at a net yield level of 9%, which was refused.

New external valuations have been obtained during the period with regard to the investment properties (apart from Griffon House which is sold). The valuation of these properties is based on a yield of approx. 10%. The result of the valuation does not give rise to any change in value in the income statement for the 4th quarter. Investment properties have nevertheless increased in value by SEK 78.6 m, consisting of SEK 74.9 m in investments, primarily in Griffon House, and SEK -26.3 m in changes in exchange rates, plus SEK 30.0 m in changes in value. The total value of the investment properties amounted to SEK 549.9 m as at 31 December. The value of the property portfolio given different yield requirements is illustrated in the table below:

Property	Lettable area	Net operating income (6.5 SEK/USD)	Yield requirement				External valuation
			8%	9%	10%	11%	
R. Fontanki nab. 13 (Oscar)	2,976	10.5	131.3	116.7	105.0	95.5	107.9
9-ya V.O.i. 34 (Magnus)	6,463	13.5	168.8	150.0	135.0	122.7	137.8
Sredny Prospekt 36/40 (Gustaf)	4,943	12.0	150.0	133.3	120.0	109.1	128.7
Ul. Dostoyevskovo 19/21	5,917	16.1	201.3	178.9	161.0	146.4	181.1 - 194.0
Investment properties	20,299	52.1	651.3	578.9	521.0	473.6	561.4
Book value			549.9	549.9	549.9	549.9	549.9
Remaining investment /tenant adaptations			5.0	5.0	5.0	5.0	5.0
			96.4	24.0	-33.9	-81.3	6.5

Property portfolio

The total building area of the holdings will amount to approx. 280,000 m² after completed rebuilding and renovation, of which slightly more than 215,000 m² is estimated to be lettable area.

Residual possible area of approx. 10,000 m² (total area) was completed at the Apraksin Dvor district during the year. Large parts of the lettable area are now let to trading companies that moved in during the third quarter. The rent amounts to USD 715/m² on average per year. However, owing to the public tender process for modernization of the whole district, with start of construction expected during 2008 (also see *Events after the close of the period*), a weakening of demand has occurred for long-term retail solutions requiring investments in furnishing and equipment on the part of the tenant. In addition, many tenants have become unsure of whether the district's present landlords, some with unclear title to the premises, will be able to supply the areas desired in the longer term. Consequently, also parts of Ruric's completed area are still unlet and negotiations are ongoing with current and potential tenants regarding appropriate rental models for these special circumstances.

A concept for extension of the Fontanka 57 property from 18,000 m² till 27,000 m² total area was approved by the authorities. The property adjoins the Apraksin Dvor district. Negotiations were conducted at the end of the year with various partners regarding how this property could be included in the modernisation of the whole district. Ruric has signed an agreement with a party which aims at joint ownership in order to use it in the best way.

Ruric's absolute largest project, at Moika/ ul. Glinki, has progressed faster than originally planned in the initial phase (replacement construction work for the Russian Army's University). This construction work was completed during summer 2007 and the military training operations have relocated from the premises in centre of the city. The company has ensured that Moika/Glinki project has access to sufficient electrical capacity, through participation in one of the investment programmes initiated by the city administration for electricity supply to strategically important objects that also includes the extension to the Mariinsky theatre, the New Holland project and the Supreme Court's new premises.

An application for draft approval was submitted to the relevant authorities in December and the preliminary green light has been received. Final and formal approval is expected in the beginning of 2008.

Discussions have been conducted during the year with several possible partners in this project, and on 28 December, an agreement was finally signed regarding sale of 50% of the shares in a hitherto

wholly-owned subsidiary structure. The parties will jointly develop this project that is expected to be a landmark in the ongoing renewal of Russia's second largest city. The purchaser has not yet paid for the shares, but have given notice that they intend to complete the deal. The transaction, if completed, involves, before transaction expenses, a cash contribution for Ruric of approx. SEK 1.3 billion and a positive contribution to earnings of SEK 0.9 billion after tax. In addition to this, the transaction shows a surplus value, not included in the income statement, of over SEK 0.9 billion for the 50% share that Ruric retains in the project company.

The following arithmetic example can illustrate how an estimate of potential surplus values in the project portfolio could be formulated, assuming the projects are completed as per plan without substantial problems and that all necessary permits etc are obtained:

Real estate projects	Lettable area	Potential net operating income (m ²)	Book value	Total Expense completed	Planned completion	Potential value	Undiscounted surplus value (MSEK)
Apraksin Dvor 15/16, 33	12,275	40	303	360	2007	520	160
Fontanka 57	23,200	70	206	525	2009	715	190
Moika / Glinki	150,000	300	658	3,900		5,700	1,800
<i>Residential</i>	42,000				2011	2,200	
<i>Commercial</i>	108,000	300			2011	3,500	
Total	185,475	410	1,167	4,785		6,935	2,150

Other

Ruric's COO Leonid Polonski was in November bestowed with the distinction "Top Manager 2007 in Russia" by the Russian equivalent of "Who is Who" for his achievements within the construction and real estate area.

In December, the Russian subsidiary LLC Ruric Management was conferred with the award "Best real estate company in St. Petersburg" at the Russian interregional property awards ceremony KAISSA 2007.

Ruric has gained the opportunity to participate in the ownership and development of a land plot outside central St. Petersburg through an agreement that includes loans.

COMMENTS ON THE FINANCIAL DEVELOPMENT

Rental income

The rental income that includes the buildings at the 9-aya V.O. Linia 34 (Magnus) and Sredny Prospekt 36/40 (Gustaf) addresses, all of the already operational building at the ul. Dostoyevskovo 19/21 (Grifon) address, and completed parts of Apraksin Dvor 15/16 amounted to SEK 46.0 m (16.6) during the year. For the reporting period October-December, the rental income amounted to SEK 16.6 m (5.4). The development of rental income and net operating income are shown in the table below:

Net operating income development	Q4, 2007	Q3, 2007	Q2, 2007	Q1, 2007	Q4, 2006	Q3, 2006	Q2, 2006	Q1, 2006
Rental income	16.6	12.4	9.3	7.7	5.4	4.4	3.3	3.5
Real estate expenses	-5.3	-5.2	-4.3	-3.9	-5.3	-5.6	-4.9	-2.7
Net operating income	11.3	7.2	5.0	3.8	0.1	-1.2	-1.6	0.8

Other properties underwent projecting/renovation/rebuilding work and did not as yet contain any lettable area.

Real estate expenses

Direct real estate expenses and non-activated real estate expenses for legal administration, marketing of premises, management fees etc. amounted to SEK -18.4 m (-18.5) during the year. The principles

for cost apportionment have been revised as a consequence of completion of properties. Corresponding adjustments have been made for the reference periods.

Operating surplus

The operating surplus for completed investment properties amounted to SEK 27.6 m (-1.9) during the year. The improvement is due to the fact that more buildings are completed and let.

Proforma, as all rental income and direct real estate expenses are calculated on an annual basis and property tax has started being charged, the yield on the completed investment properties is 14,3% in relation to the investment made. Successful letting of these completed premises, as well as those in Apraksin Dvor, means that Ruric is expected to report a positive result after net financial items as from the start of 2008.

Other operating expenses

Other operating expenses mainly referred to expenses for central administration that include expenses for group management as well as other central functions including personnel expenses. These expenses amounted to SEK -35.5 m (-32.3) during the year. Ruric has during the year invested extensive resources in marketing with the aim of making clear the company's ambitions of playing a significant role in the development of St Petersburg's housing stock.

Operating result

The operating result for the year amounted to SEK 21.7 m (120.1) and to SEK 2.7 m (47.4) for the period October-December. The significant decrease is attributable to change in value of properties in connection with reclassification to investment properties during comparative periods.

Net financial income/expense

Net financial income and expenses amounted to SEK -29.8 m (-32.8) for the year. During the year, activated interest expenses amounted to SEK 49.5 m (18.1). The substantial decline of the value of the USD has effected equity with SEK -61.2 m, primarily due to the fact that the investment property are valued in USD, while changes in exchange rates that impacted the income statement amounted to SEK -5.3 m (1.3).

Result after financial items

The result after financial items amounted to SEK -2.7 m (87.3) during the year and to SEK -3.7 m (37.7) for the period October-December.

Taxes

Tax expenses amounted to SEK -17.5 m (-45.5) during the year and are attributable to the Russian operations. For the comparative period, most of the tax amount refers to deferred tax in connection with change in value of properties. In Russia, it is not permissible to seek tax relief by providing and receiving group contributions, nor is it allowed to expense interest for tax purposes until the building receives final approval, which none of the company's investment properties have yet gained. The property at Fontanka 13 (Oscar) gained final approval after year-end and received the necessary registration.

Cash flow, liquidity and financial position

The cash flow during the year amounted to SEK -119.4 m (0.5), whereof SEK -29.2 m (-59.0) was from operating activities. The equity ratio amounted to 54.1 (44.0) percent at the close of the year, whereof the debt ratio is less than the maximum according to the bond terms. Equity amounted to SEK 1,104.6 m (643.9). Liquid funds amounted to SEK 33.5 m (152.9) and interest-bearing liabilities amounted to SEK 737.6 m (730.8). Investments during the year of SEK 704.1 m in total have been financed by a preferential issue and conversion of warrants for a total of SEK 537.8 m after issue expenses as well as partially through cash holdings.

Interest-bearing liabilities

Ruric's financing consists of two bond loans and liability concerning financial leasing of a Russian property. The bond loans are listed at NGM (Nordic Growth Market).

During the second quarter 2005, a bond loan raised SEK 226 m for the Company, with a repayment date of 28 April 2008. The nominal amount is SEK 250 m. The loan ran without coupon interest until 28

April 2006. From 29 April 2006 until the repayment date, the loan runs with a coupon interest of 9.0% per annum, with interest due dates, 29 April 2007 and 29 April 2008.

A further bond loan raised SEK 410 m for the Company during the second quarter 2006, with a repayment date of 16 November 2010. The nominal amount is SEK 451.5 m. The loan ran without coupon interest until 16 November 2006. From 17 November 2006 until the repayment date, the loan runs with a coupon interest of 8.5% per annum, with interest due dates, 16 November 2007, 16 November 2008, 16 November 2009 and 16 November 2010.

Discussions have been conducted with banks during the whole of 2007 regarding loans on the completed real estate portfolio. The recent unease on the financial markets has delayed the process, but the expectation remains that the loan can finally be disbursed during April 2008. In order to raise money on real estate, the property's final approval is required to be registered with the relevant authority, which is not yet the case for the Gustaf and Magnus properties. The loan amount is intended to be used to repay the first of the above-mentioned bond loans.

Personnel and organisation

The Group had 79 employees at the end of the year, of which 76 are in the Russian subsidiary company in St Petersburg, and 3 in the parent company (of which 1 operates principally in St Petersburg)

In Russia, Ruric's organisation is divided in three units: one unit for management that handles letting, administration, finance and law; one unit for project management and site supervision with responsibility for the Group's very extensive real estate projects; a service company has been started during the year that shall handle property caretaking in the investment properties. This has been assessed as significantly more cost-efficient and offers the Company substantially enhanced control over its undertakings compared with external solutions.

The Parent Company

The Parent Company comprises the central management in Stockholm with overall responsibility for operational management as well as financing and reporting. The number of employees in the parent company amounts to 3 people at the close of the year.

The parent company's turnover for the year amounted to SEK 1.2 m (0.3) The result after financial items amounted to SEK -51.9 m (-94.9).

Liquid funds amounted to SEK 20.1 m (123.3) at the close of the year.

The share and the owners

The principal owners since the founding of the company in 2004 are Cancale Förvaltnings AB, E. Öhman J:or AB and East Capital with a combined voting strength of 56.55% as at 31 December 2007.

2007-12-31	Shares				Votes	
	Series A	Series B	Total	Share of total	Number	Share of total
Swedbank Robur Fonder	0	804,731	804,731	11.86%	804,731	5.96%
Capital Group	0	687,688	687,688	10.14%	687,688	5.09%
Morgan Stanley	0	647,000	647,000	9.54%	647,000	4.79%
E. Öhman J:or AB	240,000	134,033	374,033	5.51%	2,534,033	18.76%
Deutsche Bank	0	344,082	344,082	5.07%	344,082	2.55%
Nordea	0	302,801	302,801	4.46%	302,801	2.24%
Cancale Förvaltnings AB	240,000	32,700	272,700	4.02%	2,432,700	18.01%
Länsförsäkringar	0	271,602	271,602	4.00%	271,602	2.01%
East Capital Holding AB	267,133	0	267,133	3.94%	2,671,330	19.78%
UBS AG	0	255,000	255,000	3.76%	255,000	1.89%
10 largest shareholders	747,133	3,479,637	4,226,770	62.31%	10,950,967	81.07%
Other shareholders	0	2,556,741	2,556,741	37.69%	2,556,741	18.93%
All shareholders	747,133	6,036,378	6,783,511	100.00%	13,507,708	100.00%
Number of shareholders	3	1,104	1,107			

Events after the close of the period

Ruric participated, in cooperation with a Russian property development company, in the city's tender process for modernisation and renovation of the entire Apraksin Dvor district. A competing bid was chosen as the winner on 25 January 2008. It is not yet known how the winner's reconstruction work will look with regard to details in the timetable and scope, but it may be assumed that the work will have a negative impact on retail activities in the whole area for a long period. Ruric owns, within investment agreements with the city administration, the 15/16 and 33 properties in the area and has opted to retain them for the present, while awaiting a decision on whether to continue as owner or alternatively, as the winner of the tender may propose, to sell at market price or enter into a partnership agreement with them.

In January, Ruric concluded procurement of the demolition and excavating work that represents the initial phase in the company's development of the former military university premises at Moika/Glinki.

Accounting principles - Transition to IFRS 2007

Ruric AB has changed over to the new accounting principles, IFRS, as from 1 January 2007. This is a requirement for companies that have shares or debt instruments listed on a statutory market place. Ruric has bond loans listed at NGM. The transition to IFRS is reported according to IFRS 1, "First time adoption of IFRS". IFRS 1 requires that comparative information is restated in accordance with the standards that apply during the period in question. The transitional effects of the new accounting principles are reported in Appendix A, following the financial statements below.

Dividend

The Board of Directors proposes that the AGM resolves that no dividend be paid for the financial year 2007.

Annual report

The annual report will be available at Ruric's head office, Hovslagargatan 5 B in Stockholm, no later than two weeks before the Annual General Meeting. It will also be available at www.ruric.com.

Annual General Meeting

Annual General Meeting will be held 29 April 2008 in Stockholm. Notice convening the meeting will be published no later than 1 April 2008.

Future reporting dates

Interim Report January-March 2008	30 May 2008
Interim Report January-June 2008	29 August 2008
Interim Report January-September 2008	28 November 2008
Year-end Report January-December 2008	29 February 2009

For additional information

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This Interim Report has not been the subject of examination by the company's auditor.

Stockholm, 28 February 2008
Russian Real Estate Investment Company AB (publ)

The Board of Directors

Ruric's business concept is to acquire, develop, let, manage, and divest real estate in St Petersburg, Russia, with a focus on commercial premises of the highest quality in attractive locations that can thereby contribute positively to the business of the tenants. The company has the vision of becoming a leading real estate company in central St Petersburg

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Consolidated income statement				
SEK m	Oct-Dec 2007	Oct-Dec 2006	Jan-Dec 2007	Jan-Dec 2006
Rental income	16.6	5.4	46.0	16.6
Real estate expenses	-5.0	-5.3	-18.4	-18.5
Operating surplus	11.6	0.1	27.6	-1.9
Depreciation of equipment	-0.2	0.1	-0.4	-0.3
Other operating expenses	-8.7	-4.4	-33.5	-32.3
Changes in value real estate	0.0	51.6	30.0	154.6
Operating profit/loss	2.7	47.4	21.7	120.1
Financial income	2.8	1.0	9.3	3.8
Financial expenses	-9.2	-10.7	-33.7	-36.6
Profit/loss after financial items	-3.7	37.7	-2.7	87.3
Taxes	-0.5	-11.8	-13.2	-45.5
Profit/loss after tax	-4.2	25.9	-15.9	41.8
Earnings per share. SEK	-0.62	5.97	-2.66	11.71
Earnings per share incl. dilution. SEK	n.a	5.34	n.a	10.21
Number of shares at the close of the period	6,884,881	4,664,170	6,884,881	4,664,170
Average number of shares	6,784,167	4,339,706	5,983,289	3,569,826
Average number of shares. incl. dilution	6,861,880	4,849,002	6,050,948	4,093,469

Consolidated balance sheet				
MSEK			31-12-2007	31-12-2006
Fixed assets				
Investment property				
Real estate projects			549.9	474.0
Equipment			1,167.3	737.0
Shares and participations			6.2	2.3
Deferred tax claims			36.4	-
Other long-term receivables			6.1	1.6
Total fixed assets			169.2	44.6
			1,935.1	1,259.5
Current assets				
Current receivables				
Liquid funds			73.1	50.6
Total current assets			33.5	152.9
TOTAL ASSETS			106.6	203.5
			2,041.7	1,463.0
EQUITY AND LIABILITIES				
Equity				
Deferred tax liabilities			1,104.6	643.9
Interest-bearing liabilities			51.1	43.4
Accounts payable			737.6	730.8
Other liabilities			12.7	8.8
Accrued expenses and deferred income			94.9	2.6
TOTAL EQUITY AND LIABILITIES			40.8	33.5
			2,041.7	1,463.0

Consolidated change in equity SEK m	Oct-Dec 2007	Oct-Dec 2006	Jan-Dec 2007	Jan-Dec 2006
Equity at the start of the period	1,123.3	493.7	643.9	229.6
Preferential rights issue	14.0	152.1	542.8	401.0
Issue expenses	0.0	-3.4	-5.2	-6.5
Warrants	0.0	0.0	0.2	3.0
Currency translation differences	-28.5	-24.4	-61.2	-25.0
Profit/loss for the period	-4.2	25.9	-15.9	41.8
Equity at the close of the period	1,104.6	643.9	1,104.6	643.9

Consolidated cash flow statement SEK m	Oct-Dec 2007	Oct-Dec 2006	Jan-Dec 2007	Jan-Dec 2006
Operating activities				
Profit/loss after financial items	-3.7	37.7	-2.7	87.3
Adjustment for items not included in the cash flow	19.9	-36.3	-21.2	-122.6
Taxes paid	-2.7	0.6	-10.3	-3.6
Cash flow from operating activities before change in working capital	13.5	2.0	-34.2	-38.9
Changes in working capital				
Change in operating receivables	-29.7	-24.0	-22.5	-38.2
Change in operating liabilities	58.9	-4.4	103.5	18.1
Total change in working capital	29.2	-28.4	81.0	-20.1
Cash flow from operating activities	42.7	-26.4	46.8	-59.0
Investing activities				
Acquisition of participations	0.0	0.0	0.0	0.0
Acquisition of tangible fixed assets	-160.9	-161.7	-543.1	-732.2
Sale of tangible fixed assets	0.0	11.9	0.0	11.9
Investments in other financial assets	50.9	-17.2	-161.0	-27.7
Increase in short-term investments	0.0	0.0	0.0	0.0
Cash flow from investing activities	-110.0	-167.0	-704.1	-748.0
Financing activities				
Preferential rights issue	14.0	148.4	537.6	394.5
Warrant settlement	0.0	0.0	0.2	3.0
Change in long-term borrowing	0.6	0.0	0.1	410.0
Cash flow from financing activities	14.6	148.4	537.9	807.5
Cash flow for the period	-52.7	-45.0	-119.4	0.5
Opening liquid funds	86.2	197.9	152.9	152.4
Liquid funds at the close of the period	33.5	152.9	33.5	152.9

Group key ratios	Oct-Dec 2007	Oct-Dec 2006	Jan-Dec 2007	Jan-Dec 2006
<i>Real estate related key ratios</i>				
Lettable area, m2 ¹⁾			32,900	18,300
Book value real estate			1,717.2	1,211.0
Occupancy ratio, area, %			79,3	77.1
<i>Financial ratios</i>				
Equity ratio, %			54.1%	44.0%
Liabilities/Assets, %			45.9%	56.0%
Interest coverage ratio, times			0.03	neg
Debt/equity ratio, times			0.7	1.1
Return on equity, %			-2.88	9.65
<i>Data per share and share data</i>				
Number of shares at the close of the period	6,884,881	4,664,170	6,884,881	4,664,170
Average number of shares	6,784,167	4,339,706	5,983,289	3,569,826
Average number of shares, incl. dilution	6,861,880	4,849,002	6,050,948	4,093,469
Earnings per share, SEK	-0.62	5.97	-2.66	11.71
Equity per share at the close of the period, SEK	160	138	160	138
Dividend, SEK	0	0	0	0
<i>Employees</i>				
Average number of employees	72	29	57	29
Number of employees at the end of the period	79	34	79	34

Definitions

Return on equity

Profit/loss after tax in relation to average equity.

Loan-to-value ratio real estate

Interest-bearing liabilities concerning real estate in relation to the book value of the real estate.

Earnings per share

The profit/loss for the period in relation to the average number of shares.

Interest coverage ratio

The profit/loss after financial items plus financial expenses divided by financial expenses.

Debt/equity ratio

Interest-bearing liabilities in relation to equity.

Equity ratio

Reported equity in relation to reported total assets at the close of the period.

Equity per share

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

APPENDIX A

Transition to IFRS 2007

Ruric AB has changed over to the new accounting principles, IFRS, as from 1 January 2007. This is a requirement for companies that have shares or debt instruments listed on a statutory market place. Ruric has bond loans listed at NGM. The transition to IFRS is reported according to IFRS 1, "First time adoption of IFRS". IFRS 1 requires that comparative information is restated in accordance with the standards that apply during the period in question. This interim report has been prepared according to IFRS.

From Ruric's perspective, the most significant change is that the investment properties are included in the balance sheet at current market value. Changes in value are reported in the income statement. Write-down of properties disappears. The valuation of the properties has largely been carried out by an external valuation company. Another consequence of this is that the reassessment made earlier is reversed, as real estate projects are reported at acquisition value with allowance for investments made.

Reclassification of foreign subsidiaries

Ruric's non-Swedish subsidiaries have been classified as independent foreign operations. In accordance with IAS 21, "Effects of changed exchange rates", this means that the *current method* is used on translation of the balance sheet.

The effect of the IFRS-transition and the exchange rate method on Equity and Real Estate is shown below

Equity	01-01-2006	31-12-2006
Equity previous principles	222,1	681,7
Translation differences current exchange rate	7,0	-18,7
Reversal appreciation fund		-138,8
Reversal depreciation		2,7
Revaluation, real estate	0,6	154,6
- taxes	-0,1	-37,6
Equity new principle	229,6	643,9

Real estate	01-01-2006	31-12-2006
Real estate previous principles	281.2	1254.9
Reassessment at current exchange rate	7.0	-18.7
Reassessment reversal		-182.0
Reclassification to investment property	-10.2	-317.2
Real estate projects new principles	278.0	737.0
Reclassification from real estate projects	10.2	317.2
Changes in value real estate	0.6	156.8
Investment property new principles	10.8	474.0
Total real estate	288.8	1211.0

Consolidated income statement						
SEK m	Previous principles	Adjustment	IFRS	Previous principles	Adjustment	IFRS
	Oct-Dec 2006		Oct-Dec 2006	Jan-Dec 2006		Jan-Dec 2006
Rental income	5.4		5.4	16.6		16.6
Real estate expenses	-29.8		-29.8	-18.5		-18.5
Operating surplus	-24.4		-24.4	-1.9	0.0	-1.9
Profit/loss from sale of real estate				1.2	-1.2	0.0
Changes in value	0.0	51.6	51.6	0.0	154.6	154.6
Depreciation	-1.3	1.3	0.0	-3.0	2.7	-0.3
Other operating expenses	20.1		20.1	-32.3		-32.3
Operating profit/loss	-5.6	53.0	47.4	-36.0	156.1	120.1
Financial income	1.0	0.0	1.0	3.8		3.8
Financial expenses	-10.7	0.0	-10.7	-36.6		-36.6
Profit/loss after financial items	-15.3	53.0	37.7	-68.7	156.1	87.4
Taxes	-3.0	-8.8	-11.8	-7.9	-37.6	-45.5
Profit/loss after tax	-18.3	44.2	25.9	-76.7	118.5	41.8

Consolidated balance sheet			
SEK m	Previous principles	Adjustment	IFRS
	31 Dec 2006		31 Dec 2006
Fixed assets			
Investment property	0.0	474.0	474.0
Properties/real estate projects	1,254.9	-517.9	737.0
Equipment	2.3		2.3
Shares and participations	0.0		0.0
Deferred tax claims	1.6		1.6
Other long-term receivables	44.6		44.6
Total fixed assets	1,303.4	-43.9	1,259.5
Current assets			
Current receivables	50.7		50.7
Liquid funds	152.9		152.9
Total current assets	203.5		203.5
TOTAL ASSETS	1,506.9	-43.9	1,463.0
EQUITY AND LIABILITIES			
Equity	681.7	-37.8	643.9
Deferred tax liabilities	49.5	-6.1	43.4
Interest-bearing liabilities	730.8		730.8
Accounts payable	8.8		8.8
Other liabilities	2.6		2.6
Accrued expenses and deferred income	33.5		33.5
TOTAL EQUITY AND LIABILITIES	1,506.9	-43.9	1,463.0

Equity reconciliation	
Equity previous principles	681.7
IAS 40 Investment property	-19.1
IAS 21 Effects of changed exchange rates	-18.7
Total adjustment of equity	-37.8
Equity new principles	643.9