

# Year-End Report

JANUARY – DECEMBER 2008

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- Net turnover for 2008 amounted to SEK 67.7 m (46.0). The increase is attributable to completion of buildings and letting.
  - Profit (loss) after tax amounted to SEK -350.7 m (-15.9). The large decline is attributable to value changes and impairment loss.
  - Earnings per share amounted to SEK -48.32 (-2.66) for 2008
  - Book value of the properties has decreased net from SEK 1,712.2 m to SEK 1,662.8 m during the year
  - Value changes in investment property amounted to SEK -158.1 m (30.0) and impairment loss in development property to SEK -244.8 m (0.0).
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## Key Events 2008

### **February**

Sale of 50% of Fontanka 57, resulting in a capital gain of SEK 28 m

### **March**

Final tenant adaptation completed for Fontanka 13 (Oscar). Now fully let.

### **April**

Issue of Bond for SEK 400 m

### **May 2008**

Sale and Purchase Agreement signed for the sale of ul. Dostoyevskovo 19/21 (Grifon).

### **July**

Appointment of new CEO

### **August**

New management team appointed for Apraksin Dvor

### **September**

Registration certificate received for new building on ul. Dostoyevskovo 19/21 (Grifon)

Revised development plans were developed for both Fontanka 57 and Glinki/Moika, dramatically reducing costs

### **November**

Ruric conducts a rights issue. Ruric was capitalized by SEK 107 m before issuing costs

### **December**

No sales of the Business Centers are executed. Registration certificate for Magnus is received.

## Description of Ruric AB

### Business concept, overall goal and strategy

The company's business concept is to acquire, develop, let, manage and sell Real Estate in St Petersburg, Russia with a focus on commercial premises of the highest class in prime locations.

The company has the goal of becoming a leading real estate company in the St Petersburg region within this 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 potential Clients that are looking for the best possible premises in the best locations. Each building is continually assessed with regards to its overall value according to the company's strategy.

The acquisition strategy is focused on buildings that Ruric can add significant value to. Having a continuing developing and professional team that has a strong local presence with good links within the property markets and the authorities helps to achieve this.

### 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 four are completed, and in the other three, planning and design and/or renovation/rebuilding is ongoing (mainly completed in one of these properties). During the period, the real estate stock has developed as shown below:

	SEK m
<b>Opening balance</b>	<b>1,717.2</b>
Acquisitions	0.0
Investments in investment properties	19.1
Investments in real estate projects	190.2
Divestments	-207.4
Changes in value	-158.1
Impairment loss	-236.8
Changes in exchange rates	338.6
<b>Closing balance</b>	<b>1,662.8</b>

The real estate book value decreased by SEK 54.4 m net during the period consisting of net investments, changes in value, write-downs, divestments and changes in exchange rates.

### Acquisitions

No acquisitions have been carried out during the period.

### Work continuing within own stock

During the interim period SEK 146.2 m was invested in renovation and rebuilding work, most of which consisted of planning and design within the Moika/Glinki project. In addition, SEK 47 m of interest expenses has been capitalized. The remainder has been used for the construction of the second building on ul. Dostoyevskogo 19/21, Grifon House.

### Divestments

During the first quarter the previously communicated partnership regarding Fontanka 57 resulted in a sale of 50% of the holding company of the project at USD 15 m. The capital gain amounting to SEK 28 m is included in value changes in the income statement. The partnership is aiming to jointly develop the property in the best possible way.

During the second quarter a sale and purchase agreement was signed regarding the property on ul. Dostoyevkovo 19/21. Due to the sharp decline in the Russian property market, the buyer chose not to close the deal. Discussions are on-going regarding both the down payment of 5 MUSD and a potential new deal.

### Changes in value in investment properties

The property market in Russia was hit hard by the international financial crisis, but at a later stage. The valuations that have been conducted in relation to this year –end report by Knight Frank, are more uncertain than ever. A well-functioning market that can support valuations does not exist currently. The few transactions that have taken place have fire-sale characteristics. The board of directors decided to adopt the valuations made by Knight Frank.

Since most leases are denominated in US-dollars, the depreciation of the Rouble has resulted in a dramatic rent increase for tenants and spurred on-going negotiations about dollar rent reductions. The combination of declining rent levels, higher vacancy rates, and higher yield requirements, have caused the value of the investment property to decline by more than 25% during the fourth quarter, or SEK 190.2 m. Since the properties are valued in US-dollars, the effect in SEK is not as large – slightly above 15%, or SEK 100.2 m. For the full year, the value changes in the investment properties amount to SEK -158.1 m (30.0).

The value of the property portfolio per 31 December 2008 amounts to SEK 525.3 m (549.9). The value of the investment property, given different yield requirements, is illustrated in the table below:

Property	Lettable area (7.8 SEK/USD)	Yield requirement				External valuation 31 Dec – 2008	
		Net operating income	10%	12%	14%		16%
R. Fontanki nab. 13 (Oscar)	2,976	10.9	108.5	90.4	77.5	67.8	98.4
9-ya V.O.i. 34 (Magnus)	6,463	15.5	155.0	129.2	110.7	96.9	146.5
Sredny Prospekt 36/40 (Gustaf)	4,943	14.7	147.3	122.7	105.2	92.0	130.2
Ul. Dostoyevskovo 19/21	5,917	17.8	178.3	148.5	127.3	111.4	151.1
<b>Investment properties</b>	<b>20,299</b>	<b>58.9</b>	<b>589.1</b>	<b>491.0</b>	<b>420.9</b>	<b>368.3</b>	<b>526.2</b>
Book value		525.3	525.3	525.3	525.3	525.3	525.3
<b>Surplus value</b>		<b>63.8</b>	<b>-34.3</b>	<b>-104.4</b>	<b>-157.0</b>		

### Development portfolio

The development portfolio consists of the property with address Moika 96-98/ul. Glinky 2, and the jointly-owned properties at Apraksin Dvor (65%) and on Fontanka 57 (50%). Ruric also owns 25% of a land plot of 132 hectares southwest of the city centre. Ruric has during the second half of the year been evaluating the possibilities of down-scaling the current concepts due to the difficulties on the financial markets. The board has evaluated the need for write-downs on the development portfolio and decided to write down the assets by SEK 244.8 m. The major part is referring to the Moika / Glinky asset, and SEK 8.0 m refers to the land plot and is recorded against shares and participations.

#### *Apraksin Dvor:*

During autumn 2007 a tender process for modernisation of the entire Apraksin Dvor district was carried out by the city administration, with estimated start of construction during 2009. Ruric participated in the tender process, but a competing bid won. Ruric can continue as owner of its properties or alternatively, as the winner of the tender may propose, enter into a partnership agreement or to sell at market price. Discussions have been on-going during the year. Due to the recent market developments it is unlikely that there will be a transaction. In Ruric's opinion, it is also currently unlikely that the constructions works will be started during 2009.

#### *Fontanka 57:*

Together with the project partner a new, smaller, concept has been developed to reduce the financial requirements. In parallel, negotiations are also conducted with the relevant authority on a possibility to postpone the undertakings and permission to lease out parts of property. The potential surplus value will obviously be less, but parts of the property may be further developed at a later stage.

#### *Moika / Glinki:*

Ruric's 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 work with producing a smaller concept, without underground construction, is on-going. One of the objectives with the new concept is a scalable project where Ruric can invite several partners/investors in smaller projects. The part of the city where the Moika property is situated has been re-zoned during the end of the year. This zoning approves residential buildings within the block.

The most important process is currently to receive an extension of the investment agreement until 2014. A decision is expected during March or April 2009. This will give the necessary manoeuvre space to change concept and find financing solutions.

### Future prospects – Financing

The ability to finance the future operations is a cornerstone in Ruric's work in the nearest future, since the survival of the company depends on the success on this issue. The western banks have all closed the door for financing activities in Russia. The Russian state has, however, supplied Russian banks with several billions in liquid funds. Ruric conducts discussions with a couple of Russian banks for project financing. The objective for the state involvement is obviously to make the wheels start spinning again in the Russian economy, which is why a potential credit facility could not be used for repayment of bonds but only for projects within the country limits. This will not solve the future liquidity issues, but could create value in the company which in turn helps in fund raising.

In the short term, there are a number of financing solutions that the Board is evaluating. If none of these are successful, one of the properties will need to be sold in this unfavourable market.

All assumptions on values in the balance sheet are based on the success of future financing of operations, and that the company thus can produce the values in, for example, the development properties.

## COMMENTS ON THE FINANCIAL DEVELOPMENT

### Rental income

The rental income that includes the buildings at the 9-aya V.O. Linia 34 (Magnus), Fontanka 13 (Oscar), Sredny Prospekt 36/40 (Gustaf) and ul. Dostoyevskovo 19/21 (Grifon) addresses, and completed parts of Apraksin Dvor 15/16 amounted to SEK 67.7 m (46.0) during the interim period. For the reporting period October- December the rental income amounted to SEK 18.0 m (16.6). Since most of the lease agreements are denominated in US dollars, the costs for the tenants have risen dramatically, in some cases more than they can bear. Discussions on discounts are getting more common. The development of rental income and net operating income are shown in the table below:

<b>Net operating income development</b>	Q4, 2008	Q3, 2008	Q2, 2008	Q1, 2008	Q4, 2007	Q3, 2007	Q2, 2007	Q1, 2007	Q4, 2006	Q3, 2006	Q2, 2006
Rental income	18.0	19,6	14,9	15.2	16.6	12.4	9.3	7.7	5.4	4.4	3.3
Real estate expenses	-7.7	-7,3	-6,1	-5.2	-5.0	-5.2	-4.3	-3.9	-5.3	-5.6	-4.9
Net operating income	10.3	12,3	8,8	10.0	11.6	7.2	5.0	3.8	0.1	-1.2	-1.6

All 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 -26.3 m (-18.4) during the interim period. For the reporting period October-December the real estate expenses amounted to SEK -7.7 (-5.0) m.

### Operating surplus

The operating surplus for completed investment properties amounted to SEK 41.4 m (27.6) during the interim period and SEK 10.3 (11.6) m for the reporting period. The improvement for the year is due to the fact that more buildings are completed and let, as well as higher rent levels in some buildings. The decline during the fourth quarter refers to Apraksin Dvor area.

The trend is currently negative. The demand for office space is declining and the tenants' capacity to pay on time is falling.

### **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 -49.1 m (-35.5) during the interim period and SEK -24.0 (-8.7) m for the reporting period. The amounts include costs for the former CEO and costs related to defaulted transaction regarding Moika / Glinky.

### **Impairment**

During the fourth quarter project properties, including the share in the land plot, have been written down by SEK 244.8 m (0.0).

### **Operating result**

The operating result for the interim period amounted to SEK -383.0 m (21.7) and to SEK -449.0 (2.7) m for the reporting period. The large decline is attributable to value changes and impairment loss.

### **Net financial income/expense**

Net financial income and expenses amounted to SEK -22.0 m (-24.4) for the interim period. Results from associated companies are included with SEK -7.7 (0.0) m. During the period, activated interest expenses amounted to SEK 47.4 m (49.5).

The appreciation of the US dollar has effected equity with SEK 345,3 m, primarily due to the fact that the properties are valued in USD, while changes in exchange rates that impacted the income statement amounted to SEK 33.3 m (-5.3).

### **Result after financial items**

The result after financial items amounted to SEK -405.0 m (-2.7) during the interim period and to SEK -437.5 (-5.3) m for the reporting period.

### **Taxes**

Tax expenses, that this year is a revenue, amounted to SEK 54.3 m (-13.2) during the interim period. SEK 22.7 m is attributable to reversal of deferred taxes related to changes in value of investment property. The rest is related to temporary differences in the Russian subsidiaries.

In Russia, it is not permissible to seek tax relief by providing and receiving group contributions. It is obviously not allowed to give or take group contributions between Sweden and Russia. As the Swedish companies mainly act as a lender to the Russian subsidiaries by giving dollar loans, this year's currency fluctuations has made the Swedish companies consume all their losses carried forward.

### **Cash flow, liquidity and financial position**

The cash flow during the interim period amounted to SEK 13.5 m (-119.4), whereof SEK m -93.7 (46.8) was from operating activities. The equity ratio amounted to 55.2 (54.1) percent at the close of the period, whereof the debt ratio is less than the maximum according to the bond terms. Equity amounted to SEK 1,202.1 m (1,104.6). Liquid funds amounted to SEK 47.0 m (33.5) and interest-bearing liabilities amounted to SEK 840.4 m (737.6). Investments during the period of SEK 211.1 m in total have been financed by issuing a new bond, SEK 400 m, and the sale of 50% in the project property on Fontanka 57 as well as a rights issue conducted during October-November.

#### Interest-bearing liabilities

At the end of the interim period, Ruric's financing consisted of two bond loans, the first listed at NGM (Nordic Growth Market) and the other at OMX.

Bond nr 1 was repaid in April 2008. A bond nr 2 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 2009 and 16 November 2010.

During spring 2008 a Bond nr 3 was issued amounting to SEK 400 m with the purpose of refinancing bond nr 1. The loan has the same maturity as bond nr 2 but runs with a coupon of 16%.

The terms of the bonds stipulates that the debt / asset ratio shall not exceed 60% at any time. The Board and management are continuously monitoring this covenant.

## Risk assessment

The risk factors that were presented in the annual report for 2007 are continuously assessed. The development in the credit market has been negative and affected the company. Russia, as a country to invest in, has also experienced a negative trend.

### Exchange rate effects

Ruric's assets are valued in US dollars. Thus, when the dollar appreciates, the equity in SEK rises. The valuations of the investment property are dependent on the cash flow, but the property projects are not. All rents are paid in Russian roubles. Contracts however are mainly signed in dollars, some leases are in EUR, which means that the rent is currently rising for the tenants.

## Personnel and organisation

On 1 July Craig Anderson started as new CEO, based in St. Petersburg. After the end of the period he has also assumed the position as general director of the local subsidiaries, since Leonid Polonski has resigned. The Group had 66 employees at the end of the period, of which 64 are in the Russian subsidiary companies in St Petersburg, and 2 in the parent company (of which the CEO operates principally in St Petersburg).

After the end of the period, the staff has been reduced to 37 persons.

## 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 2 people at the end of the interim period.

The parent company's turnover for the year amounted to SEK 1.2 m (1.2). The result after financial items amounted to SEK -17.8 m (-51.9), of which SEK 229,1 m was attributable to exchange rate changes that are off-set in the group accounting. Liquid funds amounted to SEK 29.7 m (20.1) at the end of the period.

## 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. During the reporting period, East Capital Holding has sold their class A shares to E. Öhman J:or AB and Nils Nilsson (Chairman of the Board of directors). Nils Nilsson owns 50% of the shares in Cancale Förvaltning AB.

2008-12-30	Shares				Votes	
	Series A	Series B	Total	% of total	Number	% of votes
EFG Private Bank S.A		1,561,933	1,561,933	13.75	1,561,933	6.69
Deutsche Bank		1,349,472	1,349,472	11.88	1,349,472	5.78
Nils Nilsson	185,134	1,000,000	1,185,134	10.43	2,851,340	12.22
Öhman J:or AB	665,132	268,066	933,198	8.21	6,919,386	29.65
Swedbank Robur Fonder		825,029	825,029	7.26	825,029	3.54
Cancale Förvaltnings AB	480,000	65,400	545,400	4.80	4,865,400	20.85
UBS AG		475,700	475,700	4.19	475,700	2.04
Länsförsäkringar		271,602	271,602	2.39	271,602	1.16
Aktiebolaget Boninvest		210,400	210,400	1.85	210,400	0.90
Folksam		195,949	195,949	1.72	195,949	0.84
<b>10 largest owners</b>	<b>1,330,266</b>	<b>6,223,551</b>	<b>7,553,817</b>	<b>66.48</b>	<b>19,526,211</b>	<b>83.68</b>
<b>Other owners</b>	<b>0</b>	<b>3,809,279</b>	<b>3,809,279</b>	<b>33.52</b>	<b>3,809,279</b>	<b>16.32</b>
<b>All owners</b>	<b>1,330,266</b>	<b>10,032,830</b>	<b>11,363,096</b>	<b>100.00</b>	<b>23,335,490</b>	<b>100.00</b>
<b>Number of owners</b>	<b>3</b>	<b>1,245</b>	<b>1,248</b>			



### Events after the close of the period

After the end of the period the programme on reducing staff has been executed. Total number of employees now amounts to 37 persons.

Ruric has repurchased bonds amounting to 20 MSEK of the current debt at a price of 37%. Remaining debt for bond nr 3 amounts to 380 MSEK.

### Accounting principles

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). This interim report is prepared in accordance with IAS 34 Interim reporting. The group adopts the same accounting principles as the latest annual report.

### Dividend

The Board of Directors will suggest to the Annual meeting that no dividend is distributed.

### Annual report

The annual report will be available at Ruric's head office on Hovslagargatan 5B, Stockholm, Sweden and on the company website, [www.ruric.com](http://www.ruric.com) at the latest two weeks before the Annual meeting.

### Annual meeting

The annual meeting will be held on 21 April 2008. Notice convening the Annual meeting will be published latest 24 March 2009.

### Future reporting dates

Interim report January – March 2009	27 May 2009
Interim report January – June 2009	22 August 2009
Interim report January – September 2009	24 November 2009
Year-End report 2009	February 2010

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

Stockholm, 27 February 2009  
Russian Real Estate Investment Company AB (publ)

The Board of Directors

### For additional information

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*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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<b>Consolidated income statement SEK m</b>	<b>Oct-Dec 2008</b>	<b>Oct-Dec 2007</b>	<b>Jan-Dec 2008</b>	<b>Jan-Dec 2007</b>
Rental income	18.0	16.6	67.7	46.0
Real estate expenses	-7.7	-5.0	-26.3	-18.4
<b>Operating surplus</b>	<b>10.3</b>	<b>11.6</b>	<b>41.4</b>	<b>27.6</b>
Depreciation of equipment	-0.3	-0.2	-0.6	-0.4
Other operating expenses	-24.0	-8.7	-49.1	-35.5
Changes in value real estate	-190.2	0.0	-129.9	30.0
Impairment loss	-244.8	0.0	-244.8	0.0
<b>Operating profit/loss</b>	<b>-449.0</b>	<b>2.7</b>	<b>-383.0</b>	<b>21.7</b>
Results from associated companies	-4.0	0.0	-7.7	0.0
Financial income	38.9	2.8	46.6	9.3
Financial expenses	-23.4	-9.2	-60.9	-33.7
<b>Profit/loss after financial items</b>	<b>-437.5</b>	<b>-3.7</b>	<b>-405.0</b>	<b>-2.7</b>
Taxes	66.7	-0.5	54.3	-13.2
<b>Profit/loss after tax</b>	<b>-370.8</b>	<b>-4.2</b>	<b>-350.7</b>	<b>-15.9</b>
Earnings per share. SEK	-44.26	-0.62	-48.32	-2.66
Earnings per share incl. dilution. SEK	n.a	n.a	n.a	n.a
Number of shares at the close of the period	11,363,096	6,884,881	11,363,096	6,884,881
Average number of shares	8,377,619	6,784,167	7,258,066	5,983,289
Average number of shares. incl. dilution	8,377,619	6,861,276	7,258,066	6,050,422

<b>Consolidated balance sheet MSEK</b>	<b>2008-12-31</b>	<b>2007-12-31</b>
<b>Fixed assets</b>		
Investment property	525.3	549.9
Real estate projects	1,137.5	1,167.3
Equipment	7.4	6.2
Shares and participations	111.7	36.4
Deferred tax claims	40.5	6.1
Other long-term receivables	215.3	169.2
<b>Total fixed assets</b>	<b>2,037.7</b>	<b>1,935.1</b>
<b>Current assets</b>		
Current receivables	93.4	73.1
Liquid funds	47.0	33.5
<b>Total current assets</b>	<b>140.4</b>	<b>106.6</b>
<b>TOTAL ASSETS</b>	<b>2,178.1</b>	<b>2,041.7</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	1,202.1	1,104.6
Deferred tax liabilities	32.2	51.1
Interest-bearing liabilities	840.4	737.6
Accounts payable	7.0	12.7
Other liabilities	68.8	94.9
Accrued expenses and deferred income	27.6	40.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,178.1</b>	<b>2,041.7</b>



<b>Consolidated change in equity</b>				
<b>SEK m</b>	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Equity at the start of the period</b>	1,225.6	1,123.3	1,104.6	643.9
Preferential rights issue	107.5	14.0	107.5	542.8
Issue expenses	-4.6	0.0	-4.6	-5.2
Warrants	0.0	0.0	0.0	0.2
Currency translation differences	244.4	-28.5	345.3	-61.2
<b>Profit/loss for the period</b>	<b>-370.8</b>	<b>-4.2</b>	<b>-350.7</b>	<b>-15.9</b>
<b>Equity at the close of the period</b>	<b>1,202.1</b>	<b>1,104.6</b>	<b>1,202.1</b>	<b>1,104.6</b>

<b>Consolidated cash flow statement</b>				
<b>SEK m</b>	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
<b>Operating activities</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Profit/loss after financial items	-437.5	-3.7	-405.0	-2.7
Adjustment for items not included in the cash flow	380.3	19.9	363.3	-21.2
Taxes paid	3.2	-2.7	-2.4	-10.3
<b>Cash flow from operating activities before change in working capital</b>	<b>-54.0</b>	<b>13.5</b>	<b>-44.1</b>	<b>-34.2</b>
<b>Changes in working capital</b>				
Change in operating receivables	-23.1	-29.7	-20.3	-22.5
Change in operating liabilities	-22.5	58.9	-29.3	103.5
<b>Total change in working capital</b>	<b>-45.6</b>	<b>29.2</b>	<b>-49.6</b>	<b>81.0</b>
<b>Cash flow from operating activities</b>	<b>-99.6</b>	<b>42.7</b>	<b>-93.7</b>	<b>46.8</b>
<b>Investing activities</b>				
Acquisition of participations	0.0	0.0	-91.0	0.0
Acquisition of tangible fixed assets	-39.1	-160.9	-211.1	-543.1
Sale of tangible fixed assets	0.0	0.0	207.4	0.0
Investments in other financial assets	-14.0	50.9	-46.1	-161.0
Increase in short-term investments	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-53.1</b>	<b>-110.0</b>	<b>-140.8</b>	<b>-704.1</b>
<b>Financing activities</b>				
Preferential rights issue	102.9	14.0	102.9	537.6
Warrant settlement	0.0	0.0	0.0	0.2
Change in long-term borrowing	43.6	0.6	145.1	0.1
<b>Cash flow from financing activities</b>	<b>146.5</b>	<b>14.6</b>	<b>248.0</b>	<b>537.9</b>
<b>Cash flow for the period</b>	<b>-6.2</b>	<b>-52.7</b>	<b>13.5</b>	<b>-119.4</b>
Opening liquid funds	53.2	86.2	33.5	152.9
<b>Liquid funds at the close of the period</b>	<b>47.0</b>	<b>33.5</b>	<b>47.0</b>	<b>33.5</b>

Group key ratios	Oct-Dec 2008	Oct-Dec 2007	Jan-Dec 2008	Jan-Dec 2007
<i>Real estate related key ratios</i>				
Lettable area, m <sup>2</sup> (incl. Apraksin Dvor)			32,900	32,900
Book value real estate			1,662,8	1,717,2
Occupancy ratio, area, % (incl. Apraksin Dvor)			96.4	79.3
<i>Financial ratios</i>				
Equity ratio, %			55.2%	54.1%
Liabilities/Assets, %			44.8%	45.9%
Interest coverage ratio, times			neg	0.03
Debt/equity ratio, times			0.7	0,7
Return on equity, %			-30.41	-2.88
<i>Data per share and share data</i>				
Number of shares at the close of the period	11,363,096	6,884,881	11,363,096	6,884,881
Average number of shares	8,377,619	6,784,167	7,258,066	5,983,289
Average number of shares, incl. dilution *)	8,377,619	6,861,276	7,258,066	6,050,948
Earnings per share, SEK	-44.26	-0.62	-48.32	-2.66
Equity per share at the close of the period, SEK			106	160
Dividend, SEK			0	0
*) No dilution effect exists, since the discounted value of the strike price of the warrants exceeds the share price at the end of the period				
<i>Employees</i>				
Average number of employees	77	72	77	56
Number of employees at the end of the period	66	79	66	79

## 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.