

January 31, 2007

## YEAR END REPORT 2006 VASAKRONAN AB

**Income after tax** rose to SEK 3,409 M (1,681), which is the highest earnings Vasakronan has ever reported. The increase is attributable to an unrealized increase in the value of the property portfolio and to improved operating income.

**The fair value of the properties** increased to SEK 38,122 M (32,827). The unrealized increase in value amounted to SEK 3,253 M (858) representing an increase of 10% (3). Income after financial items before realized and unrealized value changes increased to SEK 1,333 M (1,271) primarily as a result of an improvement in operating surplus. Income after financial items was charged in the amount of SEK 139 M for the prior redemption of loans.

**Rental revenues** amounted to SEK 2,706 M (2 689). The rental level for new and renegotiated leases increased by 8% (decrease: 2). The increase is due to higher market rents and new agreements for property improvement projects.

**The vacancy rate** declined to 7% (8) of rental revenues.

**The proposed dividend** amounts to SEK 698 M (254).

**The outlook for 2007** is that profit after net financial items, before changes in value, is expected to rise to approximately SEK 1,450 M (1,333).

”2006 has been the strongest year ever for Vasakronan,” comments Håkan Bryngelson, President of Vasakronan. ”Income has increased, operating cost is lowered and the fair value of properties have increased by 10 percent.”

“Sweden finds itself in a strong economic boom with the urban regions led by Stockholm as the drivers behind economic growth. Employment levels are increasing due to the upswing in the economy. In principle, there are now more jobs in all sectors and there is high demand for labor.”

“Vasakronan has lowered its vacancies further due to intensive marketing efforts and has today only 7 percent vacancies. In Göteborg and Malmö vacancy levels are down to 3 and 4 percent and in Lund below 1 percent. In Kista 20 000 sq meters have been leased during 2006.”

The entire report will be available at [www.vasakronan.se](http://www.vasakronan.se) under the heading In English.

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Real offices for real people.

Vasakronan AB is one of the leading real estate companies in Sweden. Vasakronan is the largest supplier of commercial premises, primarily office properties, with locations in Stockholm, Göteborg, Malmö, Lund and Uppsala.