

Interim report January-March 2004

May 10, 2004

FIRST QUARTER 2004

| 3 months, SEK M | 2004 | 2003 |
|----------------------------------------|------------|------------|
| REVENUES | | |
| Rental revenues | 640 | 928 |
| Other operations | 17 | 11 |
| Total revenues | 657 | 939 |
| RESULTS | | |
| Ongoing property management operations | 121 | 163 |
| Property sales | 202 | 13 |
| Profit before tax | 323 | 176 |
| Current tax | - | -1 |
| Deferred tax | -55 | -26 |
| Profit after tax | 268 | 149 |
| Earnings per share, SEK | 3.02 | 1.67 |
| OPERATIONS | | |
| Cash flow per share, SEK | 2.03 | 2.76 |

Bostads AB Drott was included in the Group for the entire reporting period

- **FABEGE AB (FORMERLY DROTT AB) HAS DISTRIBUTED ALL THE SHARES IN THE SUBSIDIARY BOSTADS AB DROTT TO ITS SHAREHOLDERS AS OF APRIL 2, 2004**
- **REDEMPTION OFFER UNDER WAY: SHAREHOLDERS CAN REDEEM 22.2 MILLION SHARES AT SEK 150 PER SHARE**
- **NEW LEASE SIGNINGS HIGHLIGHT A GOOD START TO THE YEAR**



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Comments

I) THE GROUP

Name change and distribution of Bostads AB Drott

Following the decision of the Annual General Meeting on March 30, 2004, Drott AB has changed its name to Fabege AB and the subsidiary Bostads AB Drott has been distributed to the shareholders.

Bostads AB Drott was demerged as of April 2, 2004 and therefore was part of the Group during the first quarter of the year. For detailed information on Bostads AB Drott, please refer to the company's own interim report (www.drott.se).

Redemption

The Annual General Meeting also decided to offer shareholders the opportunity to redeem one of every four shares they own in Fabege (as of April 27, 2004) for SEK 150 in cash. The last date for acceptances is May 27, 2004. If the offer is fully accepted, SEK 3.3 bn will be transferred to the shareholders and the number of shares will be reduced by 22.2 million to 66.7 million.

Fabege AB (publ)

Fabege is a publicly listed real estate company that owns and manages commercial properties in the Stockholm region. Following the distribution of Bostads AB Drott, its portfolio of commercial properties is valued at SEK 17.2 bn, according to an independent appraisal as of December 31, 2003. The 1.3 million sq. m. of rentable space is concentrated in the Stockholm region, particularly in the inner city, Kista and Marievik. Fabege seeks to capitalize on the long-term growth – and high turnover – in commercial properties in the Stockholm region. By owning, managing, developing, acquiring and divesting properties, it expects to raise its annual dividend by at least 8 percent per share (over a five-year period on a rolling basis) and to annually distribute 75 percent of cash flow from ongoing property management, though at least 4 percent of adjusted shareholders' equity.

To achieve its objectives, Fabege focuses on properties that, through enhancements, development or area-specific circumstances, can contribute positively to the Group's cash flow. With its organization in place, Fabege's priorities now are transactions, customer service and leasing activities. During the first quarter, new leases were signed on 48,000 sq. m. The largest lease was signed with the Swedish Defence Research Agency, which will move into slightly over 24,000 sq. m. in Kista on April 1, 2005. Following the conclusion of the reporting period, the Swedish pharmacy chain Apoteket AB has leased 7,500 sq. m. at Fatburssjön 5 in the Södermalm section of Stockholm (Fabege 50%) effective March 1, 2005, and Fortum has leased 8,000 sq. m. at Position Stockholm in Värtahamnen (Fabege 50%), scheduled for closing at year-end.

Lennart Sten took over as the new president in connection with the Annual General Meeting. He had served most recently as president of GE Real Estate (Sweden) AB. Fabege has issued a convertible debenture loan of SEK 30 M to all employees. The loan matures in 4.5 years, carries an interest rate corresponding to STIBOR +0.25 percentage points and entitles holders to convert to shares at a price of SEK 129.40 (calculated before redemption).

Fabege has 47,500 shareholders and its share is listed on Stockholmsbörsen's O-list.

Market

The commercial rental market in Stockholm still shows no signs of an overall recovery. This year demand has increased in some sectors, but at the same time hidden vacancies are gradually becoming evident in connection with lease renegotiations, especially in the inner city. Several major companies are looking for office space outside the city center. Interest has especially increased in Kista and Marievik. Northern Stockholm is still stronger than southern sections. In the inner city, prime rents (for the best space in the best locations) have declined slightly since the start of the year. Smaller space and offices with high technical standards and high space efficiency have retained their attractiveness, however. The investment market is still strong, with both foreign and local investors still looking for properties, particularly management properties.

Following the conclusion of the reporting period

Following the conclusion of the reporting period, two more residential properties (Pilen 7 and Lavetten 16) were sold for SEK 137 M. Thus far this year, the Group has sold four of the 12 residential properties in downtown Stockholm that it retained when Bostads AB Drott was distributed to the shareholders. The sales prices exceeded the properties' independently appraised values as of Dec. 31, 2003 by an average of 28 percent.

Scheduled report dates

- Interim report April-June 2004: August 19, 2004
- Interim report July-September 2004: October 26, 2004

Visit Fabege's website – www.fabege.se – to subscribe for interim reports and press releases.

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II) QUARTERLY RESULTS

Figures in parentheses refer to the first quarter of 2003.

GROUP: JANUARY-MARCH 2004

The Group includes Bostads AB Drott for the entire reporting period (the subsidiary was demerged as of April 2, 2004).

Quarterly profit before tax amounted to SEK 323 M (176).

The change from the corresponding period of 2003 [SEK +147 M] is attributable to:

- Profit/loss from ongoing property management operations [SEK -42 M]
- Property sales gains [SEK +189 M].

Profit after tax amounted to SEK 268 M (149).

ONGOING PROPERTY MANAGEMENT OPERATIONS (3 MONTHS)

Rental revenues amounted to SEK 640 M (928), the operating surplus was SEK 344 M (545) and the surplus ratio was 54 percent (59). The decrease in rental revenues and the operating surplus are attributable to large property sales in 2003.

⇒ *Excl. Bostads AB Drott, rental revenues amounted to SEK 401 M, the operating surplus was SEK 243 M and the surplus ratio was 61 percent.*
In the like-for-like portfolio – defined as the management properties Fabege excl. Bostads AB Drott owned in the first quarter of both 2003 and 2004 – rental revenues fell by SEK 16 M (-4 percent). The reason is a lower occupancy rate compared with the first quarter of 2003, mainly due to lease terminations in Kista in late 2003.
The operating surplus in the like-for-like portfolio fell by SEK 14 M (-6 percent). Compared with year-end 2003, the occupancy rate for commercial properties in Fabege excl. Bostads AB Drott has risen slightly, from 82.7 percent to 83.0 percent, due to the addition of new tenants in Stockholm's inner city.

External revenues from other operations¹ amounted to SEK 17 M (11), with a loss of SEK -6 M (-6).

Interest expense amounted to SEK 150 M (275) and interest income to SEK 11 M (5).

⇒ *Excl. Bostads AB Drott, the average interest rate during the quarter, including commitment commissions, was 4.8 percent and the interest expense amounted to SEK 77 M. The average interest rate of 4.8 percent is a temporary level. Given the current interest rate on variable loans, the average interest rate on interest-bearing liabilities is expected to decline to approximately 4.1 percent as of the payment date for the redemption proceeds, June 22, 2004.*

Quarterly profit before tax from ongoing property management operations amounted to SEK 121 M (163).

Due to the use of tax loss carryforwards, no current tax (i.e. paid tax) was charged against profit. However, profit from ongoing property management operations was charged with non-cash deferred tax of SEK 14 M, after which profit after tax amounted to SEK 107 M (137).

Cash flow amounted to SEK 180 M (246), or SEK 2.03 per share (2.76).

PROPERTY SALES (3 MONTHS)

In January - March 2004, the Group sold eight properties for SEK 585 M, exceeding their independently appraised values as of Dec. 31, 2003 by 27 percent, with a pre-tax gain of SEK 202 M (13). The charge for deferred tax was SEK 41 M. No current tax was charged against profit. The after-tax capital gain was SEK 161 M.

¹ Facility Management business area, the operations of Stockholm Modecenter and the facility in Ekerum/Öland.



Excl. Bostads AB Drott, properties were sold for SEK 290 M, exceeding their independently appraised values as of Dec. 31, 2003 by 31 percent. The capital gain was SEK 100 M before tax and SEK 95 M after tax.

PRO FORMA RESULTS

The following table of pro forma quarterly results for January-March 2004 has been prepared as if the distribution of Bostads AB Drott and the share redemption had taken place as of January 1, 2004.

| RESULTS 3 months | | Jan-Mar 2004 | | | | | |
|--------------------------|--------------------------------------|----------------------|-------------------------------------|-------------------------|-----------------------------------|----------------------------------------------|---------------------------|
| SEK M | | GROUP | Adjustment Q1 | | FABEGE | - Of which ongoing property mgmt. operations | - Of which property sales |
| | | | Distribution of BABD ^{2,3} | Redemption ⁴ | After distribution and redemption | | |
| | | Outcome ¹ | Outcome | Pro forma | Pro forma | Pro forma | Pro forma |
| A | Rental revenues property mgmt | 640 | -239 | | 401 | 401 | |
| B | Revenues other operations | 17 | - | | 17 | 17 | |
| Total revenues | | 657 | -239 | | 418 | 418 | |
| C | Expenses property management | -296 | 138 | | -158 | -158 | |
| D | Expenses other operations | -23 | - | | -23 | -23 | |
| A+C | Operating surplus property mgmt | 344 | -101 | | 243 | 243 | |
| B+D | Profit other operations | -6 | - | | -6 | -6 | |
| | Depreciation | -59 | 17 | | -42 | -42 | |
| Gross profit | | 279 | -84 | | 195 | 195 | |
| | Gains on property sales | 202 | -102 | | 100 | - | 100 |
| | Central corporate and Group expenses | -20 | 5 | | -15 | -15 | - |
| Operating profit | | 461 | -181 | | 280 | 180 | 100 |
| | Net financial income and expense | -138 | 72 | -20 | -86 | -86 | - |
| Profit before tax | | 323 | -109 | -20 | 194 | 94 | 100 |
| | Current tax (=paid tax) | - | - | - | - | - | - |
| | Deferred tax | -55 | 37 | 2 | -16 | -11 | -5 |
| Profit after tax | | 268 | -72 | -18 | 178 | 83 | 95 |

| CASH FLOW 3 months | | Pro forma |
|-----------------------------------------------------|--|-------------|
| Profit from ongoing property mgmt before tax | | 94 |
| Current tax (=paid tax) | | - |
| Profit after current tax | | 94 |
| Reversal of depreciation | | 42 |
| Cash flow | | 136 |
| Cash flow per share, SEK | | 2.04 |

² Bostads AB Drott was included in the Group in the first quarter. The pro forma table above has been prepared as if the distribution of the shares in Bostads AB Drott had taken place as of January 1, 2004, due to which the profit contribution from Bostads AB Drott under quarter has been deducted.

³ Due to the property revaluation by Bostads AB Drott as of December 31, 2003 (without impact on the Fabege Group's book values), the profit contribution from Bostads AB Drott differs from Bostads AB Drott's own income statement.

⁴ If fully accepted, the redemption offer would reduce shareholders' equity by SEK 3.3 bn, with the proceeds paid out on June 22, 2004. The pro forma results above have been calculated as if the redemption (fully accepted) and payment of SEK 3.3 bn had taken place as of January 1, 2004. As previously described, the average interest rate on interest-bearing liabilities was 4.8 percent during the first quarter. Given the current interest rate on variable loans, the average interest rate on interest-bearing liabilities is expected to decline to approximately 4.1 percent as of the payment date for the redemption proceeds. The average interest rate in the pro forma results has been recalculated accordingly at 4.1 percent.

III) ASSETS, SHAREHOLDERS' EQUITY AND LIABILITIES, MARCH 31, 2004

The Group includes Bostads AB Drott (separated as of April 2, 2004).

The figures in parentheses refer to Dec. 31, 2003.

PROPERTIES

During the quarter, the Group sold eight properties for SEK 585 M. No properties were acquired. SEK 157 M was invested in new construction and renovations.

| CHANGE IN BOOK VALUE OF PROPERTIES, SEK M | Group | Fabege excl BABD |
|-------------------------------------------------|---------------|---------------------|
| Jan-Mar 2004 | | |
| At beginning of period | 24,985 | 17,188 |
| Sales | -374 | -183 |
| Acquisitions | - | - |
| Investments in new construction and renovations | 157 | 153 |
| Depreciation | -56 | -39 |
| At end of period | 24,712 | 17,119 |

For property information as of March 31, 2004, see the tables on pages 9-10.

OTHER ASSETS

Other fixed assets in the Group amounted to SEK 0.4 bn (0.4). Fabege excl. Bostads AB Drott includes a promissory note of SEK 334 M (nominal SEK 400 M) received in connection with property sales in 2003.

Current receivables amounted to SEK 918 M, of which SEK 750 M refers to receivables from properties sold in 2003. Proceeds have been received or will be received in 2004.

The consolidated balance sheet included deferred tax assets from tax loss carryforwards of SEK 136 M (175), of which SEK 102 M in Fabege excl. Bostads AB Drott. As of March 31, 2004, the Group had tax loss carryforwards, which it expects to offset against future surpluses, totaling SEK 0.9 bn (1.2), of which SEK 0.8 bn (1.0) related to Fabege excl. Bostads AB Drott.

SHAREHOLDERS' EQUITY

As of March 31, 2004, the Group had shareholders' equity with a book value of SEK 10,342 M (10,085), divided among 88,864,689 shares outstanding (88,788,865). The change in shareholders' equity is indicated in the table on page 11.

| NUMBER OF SHARES | Outstanding I | Own holding II | Registered I+II |
|-----------------------|-------------------|-------------------|--------------------|
| Dec. 31, 2003 | 88,788,865 | 450,000 | 89,238,865 |
| Conversion | +75,824 | - | +75,824 |
| March 31, 2004 | 88,864,689 | 450,000 | 89,314,689 |

The Annual General Meeting on March 30, 2004 resolved to cancel the Group's entire holding of its own shares.

During the second quarter of 2004, consolidated shareholders' equity will be reduced by SEK 675 M due to the distribution of Bostads AB Drott (record date April 2, 2004). In

addition, the share redemption, if fully accepted, will reduce shareholders' equity by SEK 3,333 M (proceeds to be paid on June 22, 2004).

PROVISIONS

Provisions for deferred tax in the Group amounted to SEK 1,893 M (1,892). For Fabege excl. Bostads AB Drott, provisions for deferred tax amounted to SEK 1,202 M, of which SEK 1,005 M related to provisions for deferred tax on differences between book value and fiscal residual value.

Other provisions in the Group amounted to SEK 258 M (276) and related to provisions for pensions of SEK 96 M (75), provisions for the remaining expenditures for the cost reduction program and the demerger of the company of SEK 53 M (71), and provisions of SEK 109 M (130) for the estimated remaining commitment (lease guarantee) from the last year's property sale to the U.S. real estate investment fund Whitehall.

The Group's total provisions amounted to SEK 2,151 M (2,540), of which SEK 1,431 M is attributable to Fabege excl. Bostads AB Drott.

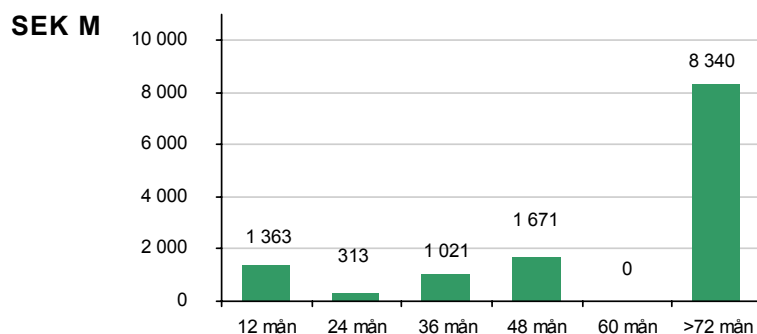
INTEREST-BEARING LIABILITIES, GROUP

The Group's interest-bearing liabilities amounted to SEK 12,708 M (13,389), with an average interest rate of 4.5 percent (4.3) and a fixed interest term of 44 months.

INTEREST RATE MATURITY STRUCTURE March 31, 2004

| Interest due within | 12 mos. | 24 mos. | 36 mos. | 48 mos. | 60 mos. | Total |
|--------------------------|---------|---------|---------|---------|---------|--------|
| SEK M | 2,248 | 1,860 | 3,000 | 1,100 | 4,500 | 12,708 |
| Average interest rate, % | 5.5% | 3.4% | 4.3% | 4.4% | 4.7% | 4.5% |
| Share | 17% | 15% | 24% | 9% | 35% | 100% |

Loan maturity structure, March 31, 2004



Financing in Fabege excl. Bostads AB Drott is largely in the form of long-term bilateral credit facilities with Swedish and international banks. Loan commitments amounted to SEK 16.2 bn as of March 31, 2004 with a weighted average expiration of 3.6 years. Pledged assets consist primarily of mortgage deeds. Moreover, there is a commercial paper program in the Swedish capital market. The program was reduced during the spring from SEK 4.0 bn to SEK 2.5 bn. The dealers are Svenska Handelsbanken, FöreningsSparbanken and Nordea.

As of March 31, 2004, interest-bearing liabilities amounted to SEK 6,343 M with an average interest rate of 4.8 percent including commitment commissions. The derivatives market has been utilized to achieve the desired fixed interest structure. As of March 31, 2004, the average fixed interest term was 27 months.

Given the current interest rate on variable loans, the average interest rate on interest-bearing liabilities is expected to decline to approximately 4.1 percent as of the payment date for the redemption proceeds, June 22, 2004, and the average fixed interest term, all else being equal, will be approximately 20 months

PRO FORMA BALANCE SHEET, MARCH 31, 2004

The following pro forma balance sheet has been prepared as if the distribution of Bostads AB Drott and the share redemption had taken place as of March 31, 2004.

| Book values March 31, 2004 SEK bn | Group Outcome | Conversion (April) | Distribution BABD (April) ^{5,6} | Fabege after distribution | Redemption (June) ⁷ | Fabege after distri- bution & redemption |
|-------------------------------------------------|--------------------------|-------------------------------|---------------------------------------------------------|------------------------------------------|-------------------------------------------|-----------------------------------------------------------------|
| Properties | 24.7 | | -7.6 | 17.1 | | 17.1 ⁸ |
| Deferred tax assets | 0.1 | | - | 0.1 | | 0.1 |
| Other fixed assets | 0.4 | | - | 0.4 | | 0.4 |
| Fixed assets | 25.2 | | -7.6 | 17.6 | | 17.6 |
| Current assets | 1.0 | | -0.4 | 0.6 | | 0.6 |
| ASSETS | 26.2 | | -8.0 | 18.2 | | 18.2 |
| Shareholders' equity | 10.4 | | -0.7 | 9.7 | -3.3 | 6.4 |
| Provisions | 2.1 | | -0.7 | 1.4 | | 1.4 |
| Non-interest-bearing liabilities | 1.0 | | -0.2 | 0.8 | | 0.8 |
| Interest-bearing liabilities | 12.7 | | -6.4 | 6.3 | 3.3 | 9.6 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | 26.2 | | -8.0 | 18.2 | | 18.2 |
| Number of shares outstanding | 88,864,689 | 32,245 | - | 88,896,934 | -22,224,234 | 66,672,700 |

PARENT COMPANY

For the period, the Parent Company reported a loss before tax of SEK -44 M (-86). Revenues, which consist of intra-Group services, amounted to SEK 31 M (21). Investments of SEK 0 M (1) were made during the quarter.

Stockholm, May 10, 2004

Fabege AB (publ)

Lennart Sten
President

The interim report has not been reviewed by the company's auditors.

⁵ The shares in the subsidiary Bostads AB Drott were distributed to the shareholders with the record date April 2, 2004. The pro forma balance sheet above has been prepared as if the distribution of shares in Bostads AB Drott had taken place as of March 31, 2004. As a result, Bostads AB Drott's contribution to the balance sheet has been deducted..

⁶ The balance sheet reported by Bostads AB Drott as of March 31, 2004 differs in several respects from the balance sheet above, mainly due to the revaluation of properties by Bostads AB Drott as of December 31, 2003..

⁷ The redemption offer will reduce shareholders' equity by SEK 3.3 bn if fully accepted, with the proceeds paid out on June 22, 2004. The pro forma balance sheet above has been calculated as if the redemption (fully accepted) and payment of SEK 3.3 bn had taken place as of March 31, 2004..

⁸ On March 31, 2004, Fabege excl. Bostads AB Drott owned ten residential properties in Stockholm's inner city with a book value of SEK 0.5 bn. All residential properties are being sold

Properties

| PROPERTY PORTFOLIO | Fabege excl. BABD (A) | | | | BABD (B) | | GROUP (A+B) |
|------------------------------------------|-------------------------------|--------------------------------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|------------------------|----------------|
| March 31, 2004 | Commercial properties | | | | Residen- tial proper- ties | All proper- ties | TOTAL |
| Property category | Manage- ment properties | Properties under con- struction or renovation | Other project proper- ties | Total commercial properties | | | |
| No. of registered properties | 98 | 5 | 48 | 151 | 10 | 161 | 362 |
| Book value, SEK bn | 13.8 | 2.3 | 0.5 | 16.6 | 0.5 | 17.1 | 24.7 |
| Commercial space, sq. m. | 1,151,000 | 105,000 | 30,000 | 1,287,000 | 16,000 | 1,303,000 | 1,565,000 |
| Residential apartments, sq. m. | 3,000 | 2,000 | 1,000 | 5,000 | 30,000 | 35,000 | 910,000 |
| Rentable space, sq. m. | 1,154,000 | 107,000 | 31,000 | 1,292,000 | 46,000 | 1,338,000 | 2,475,000 |
| SEK M | | | | | | | |
| Annual rent | 1,436 | 119 | 15 | 1,570 | 48 | 1,618 | 2,555 |
| Vacant rent | 233 | 79 | 11 | 323 | 3 | 326 | 347 |
| Annual rent incl. vacant rent | 1,669 | 198 | 26 | 1,893 | 51 | 1,944 | 2,902 |
| - of which commercial rents | 1,667 | 194 | 25 | 1,886 | 20 | 1,906 | 2,090 |
| - of which residential rents | 2 | 4 | 1 | 7 | 31 | 38 | 812 |
| Occupancy rate, % | 86.0 | | | 83.0 | 94.1 | 83.2 | 88.0 |

ANNUAL RENT INCL. VACANT RENT

| | Fabege excl BABD | | | | | | | | | |
|----------------------------|-----------------------|---------------------------|-----------------------------------|------------------------|------------------------|---------------------------|------------------------------------|------------------------|--------------|------------------------|
| March 31, 2004 | Commercial properties | | | | Residential properties | | | | All | |
| SEK M | Commer- cial rents | Residen- tial rents | Total commercial properties | Occu- pancy rate | Commer- cial rents | Residen- tial rents | Total residential properties | Occu- pancy rate | Total | Occu- pancy rate |
| Inner city | 602 | 6 | 608 | 86.7% | 20 | 31 | 51 | 94.1% | 659 | 87.3% |
| Kista | 395 | | 395 | 73.5% | | | | | 395 | 73.5% |
| Marievik | 233 | | 233 | 83.9% | | | | | 233 | 83.9% |
| Rest of northern Stockholm | 231 | 1 | 232 | 79.9% | | | | | 232 | 79.9% |
| Rest of southern Stockholm | 419 | | 419 | 87.2% | | | | | 419 | 87.2 % |
| Other | 6 | | 6 | - | | | | | 6 | - |
| Total | 1,886 | 7 | 1,893 | 83.0% | 20 | 31 | 51 | 94.1% | 1,944 | 83.2% |

RENTABLE SPACE

| | Fabege excl. BABD | | | | | | |
|----------------------------|-----------------------|------------------|--------------------------------|------------------------|------------------|--------------------------------|------------------|
| March 31, 2004 | Commercial properties | | | Residential properties | | | All |
| Sq. m. | Commer- cial | Resi- dential | Total commercial properties | Commer- cial | Resi- dential | Total commercial properties | |
| Inner city | 298,000 | 4,000 | 302,000 | 16,000 | 30,000 | 46,000 | 348,000 |
| Kista | 284,000 | | 284,000 | | | | 284,000 |
| Marievik | 125,000 | | 125,000 | | | | 125,000 |
| Rest of northern Stockholm | 191,000 | 1,000 | 192,000 | | | | 192,000 |
| Rest of southern Stockholm | 382,000 | | 382,000 | | | | 382,000 |
| Other | 7,000 | | 7,000 | | | | 7,000 |
| Total | 1,287,000 | 5,000 | 1,292,000 | 16,000 | 30,000 | 46,000 | 1,338,000 |

**PROPERTIES UNDER CONSTRUCTION OR
RENOVATION**

Fabege excl BABD

| March 31, 2004 | Region | Space added sq. m. | Space when completed, sq. m. | Com- pletion |
|-----------------------------------------------|---------------|-------------------------------|-----------------------------------------|-------------------------|
| Marievik 23, Marievik | Stockholm | 4,000 | 17,000 | Dec. 04 |
| Stuten 12+17, Norrmalm | Stockholm | 4,000 | 14,600 | Dec. 04 |
| Fatburssjön 5, Södermalm, Fabeges andel (50%) | Stockholm | 4,200 | 25,900 | Dec. 04 |
| Färöarna 1, Kista | Kista | 0 | 60,000 | Dec. 05 |
| TOTAL incl. garages | | 12,200 | 117,500 | |

As of March 31, four major constructions were under way. Book value: SEK 2.3 Billion.
Estimated remaining investments: SEK 550 M. Upon completion, annual rent from these
properties can rise from SEK 119 M at present to SEK 218 M (fully leased), of which SEK
191 M (88 percent) was leased as of May 10, 2004.

Financial statements

I) INCOME STATEMENT

| GROUP | | 3 months | | 12 months | |
|-------|--------------------------------------------------------|-------------|-------------|--------------------|--------------------|
| | | Jan-Mar | Jan-Mar | Apr-Mar | Jan-Dec |
| SEK M | | 2004 | 2003 | rolling | 2003 |
| A | Rental revenues property management | 640 | 928 | 3,249 ⁹ | 3,537 ⁹ |
| B | Revenues other operations | 17 | 11 | 51 | 45 |
| | Total revenues | 657 | 939 | 3,300 | 3,582 |
| | Operating, maintenance and tenant modification costs | -207 | -245 | -863 | -901 |
| | Site lease rents | -12 | -17 | -54 | -59 |
| | Property tax | -34 | -55 | -180 | -201 |
| | Rental and property administration | -43 | -66 | -232 | -255 |
| C | Expenses property management | -296 | -383 | -1,329 | -1,416 |
| D | Expenses other operations | -23 | -17 | -64 | -58 |
| A+C | Operating surplus property management | 344 | 545 | 1,920 | 2,121 |
| B+D | Profit other operations | -6 | -6 | -13 | -13 |
| | Depreciation | -59 | -84 | -286 | -311 |
| | Gross profit | 279 | 455 | 1,621 | 1,797 |
| | Gains on property sales | 202 | 13 | 1,249 | 1,060 |
| | Write-downs/reversals | - | - | -1,036 | -1,036 |
| | Other items affecting comparability | - | - | -90 | -90 |
| | Central corporate and Group expenses | -20 | -23 | -88 | -91 |
| | Operating profit | 461 | 445 | 1,656 | 1,640 |
| | Interest subsidy | 1 | 1 | 4 | 4 |
| | Interest income, etc | 11 | 5 | 90 | 84 |
| | Interest expense | -150 | -275 | -1 146 | -1 271 |
| | Profit for the period before tax | 323 | 176 | 604 | 457 |
| | Current and deferred tax | -55 | -27 | 235 | 263 |
| | Profit for the period | 268 | 149 | 839 | 720 |
| | Average number of shares outstanding (million) | 88.8 | 89.1 | 88.6 | 88.6 |
| | Earnings per share after current and deferred tax, SEK | 3.02 | 1.67 | 9.47 | 8.12 |

| ONGOING PROPERTY MANAGEMENT | | 3 months | | 12 months | |
|-----------------------------|--------------------------------------------------------|-------------|-------------|--------------|--------------|
| | | Jan-Mar | Jan-Mar | Apr-Mar | Jan-Dec |
| SEK M | | 2004 | 2003 | rolling | 2003 |
| | Profit for the period before tax | 121 | 163 | 625 | 667 |
| | Profit for the period after current tax | 121 | 162 | 616 | 657 |
| | Profit for the period after current and deferred tax | 107 | 137 | 528 | 558 |
| | <i>Cash flow</i> | <i>180</i> | <i>246</i> | <i>902</i> | <i>968</i> |
| | Average number of shares outstanding (million) | 88.8 | 89.1 | 88.6 | 88.6 |
| | Earnings per share after current and deferred tax, SEK | 1.20 | 1.54 | 5.96 | 6.29 |
| | <i>Cash flow per share, SEK</i> | <i>2.03</i> | <i>2.76</i> | <i>10.18</i> | <i>10.92</i> |

| BUSINESS AREA | Property mgmt. operations | Business area FM | Other operations | Group eliminations | Total |
|---------------|---------------------------|------------------|------------------|--------------------|-------|
|---------------|---------------------------|------------------|------------------|--------------------|-------|

⁹ Including other revenues of SEK 136 M from early lease terminations in Kista (not included in profit from ongoing property management operations).

| January-March | 2004 | | 2003 | | 2004 | | 2003 | | 2004 | | 2003 | | 2004 | | 2003 | |
|--------------------------------------|---------------|------------|------------|------------|-----------|----------|-----------|-----------|------------|------------|------------|------------|------|--|------|--|
| SEK M | Excl. BABD | BABD | Total | | | | | | | | | | | | | |
| Revenues | 401 | 239 | 640 | 928 | 46 | - | 3 | 13 | -32 | - | 657 | 941 | | | | |
| Expenses | -158 | -138 | -296 | -383 | -49 | - | -6 | -19 | 32 | - | -319 | -402 | | | | |
| Profit | 243 | 101 | 344 | 545 | -3 | - | -3 | -6 | - | - | 338 | 539 | | | | |
| Depreciation | -42 | -17 | -59 | -84 | | | | | | | -59 | -84 | | | | |
| Gross profit t | 201 | 84 | 285 | 461 | -3 | - | -3 | -6 | | | 279 | 455 | | | | |
| Gain on property sales | 100 | 102 | 202 | 13 | | | | | | | 202 | 13 | | | | |
| Central corporate and Group expenses | | -5 | -5 | | | | | | -15 | -23 | -20 | -23 | | | | |
| Operating profit | 301 | 181 | 482 | 474 | -3 | - | -3 | -6 | -15 | -23 | 461 | 445 | | | | |

II) BALANCE SHEET

GROUP

| SEK M | March 31, 2004 | March 31, 2003 | Dec. 31, 2003 |
|----------------------------------|----------------|----------------|---------------|
| Properties | 24,712 | 36,001 | 24,985 |
| Deferred tax assets | 136 | 222 | 175 |
| Other fixed assets | 389 | 169 | 388 |
| Fixed assets | 25,237 | 36,392 | 25,548 |
| Accounts receivable | 688 | 358 | 918 |
| Liquid assets | 260 | 391 | 330 |
| Current assets | 948 | 749 | 1,248 |
| ASSETS | 26,185 | 37,141 | 26,796 |
| Equity | 10,342 | 9,922 | 10,085 |
| Provisions | 2,151 | 2,540 | 2,168 |
| Non-interest-bearing liabilities | 984 | 1,186 | 1,154 |
| Interest-bearing liabilities | 12,708 | 23,493 | 13,389 |
| EQUITY AND LIABILITIES | 26,185 | 37,141 | 26,796 |

CHANGE IN SHAREHOLDERS' EQUITY

| SEK M | Jan-Mar 3 months | | Jan-Dec 12 mos |
|------------------------------------------|---------------------|--------------|-------------------|
| | 2004 | 2003 | 2003 |
| Reported opening balance | 10,085 | 9,904 | 9,904 |
| Effect of change in accounting principle | -15 | - | - |
| Adjusted opening balance | 10,070 | 9,904 | 9,904 |
| Dividend | - | - | -442 |
| Repurchase of shares | - | -131 | -131 |
| Redemption of convertibles, etc. | 4 | - | 34 |
| Profit for the period | 268 | 149 | 720 |
| Balance at end of period | 10,342 | 9,922 | 10,085 |

III) CASH FLOW STATEMENT

GROUP

| SEK M | 3 months | | 12 months | |
|----------------------------------------------------|-----------------|-----------------|--------------------|-----------------|
| | Jan-Mar 2004 | Jan-Mar 2003 | Apr-Mar rolling | Jan-Dec 2003 |
| OPERATING ACTIVITIES | | | | |
| Operating surplus | 338 | 539 | 1,773 | 1,974 |
| Central corporate and Group expenses | -20 | -23 | -88 | -91 |
| Interest subsidies | 1 | 1 | 4 | 4 |
| Interest income | 11 | 5 | 88 | 82 |
| Interest expense | -150 | -275 | -866 | -991 |
| Tax paid on ongoing property management operations | - | -1 | -9 | -10 |

| | | | | |
|----------------------------------------------------------------------|-------------|-------------|----------------|----------------|
| Cash flow from operations | 180 | 246 | 902 | 968 |
| <i>Cash flow from nonrecurring items, etc.</i> | | | | |
| Nonrecurring items and difference between paid and expensed interest | -86 | -135 | -289 | -338 |
| Cash flow before change in working capital | 94 | 111 | 613 | 630 |
| Cash flow from change in working capital | -174 | -218 | 58 | 14 |
| Cash flow from operating activities (A) | -80 | -107 | 671 | 644 |
| INVESTING ACTIVITIES | | | | |
| Investments, properties | -180 | -171 | -983 | -974 |
| Investments, machinery and equipment | -3 | -3 | -8 | -8 |
| Property sales (incl. selling expenses) | 870 | 224 | 11,598 | 10,952 |
| Tax paid on capital gains | - | - | -220 | -220 |
| Cash flow from investing activities (B) | 687 | 50 | 10,387 | 9,750 |
| FINANCING ACTIVITIES | | | | |
| Interest-bearing loans raised/amortized | -675 | 506 | -10,745 | -9,564 |
| Redemption of options | -2 | - | -2 | - |
| Share repurchases | - | -131 | - | -131 |
| Dividend | - | - | -442 | -442 |
| Cash flow from financing activities (C) | -677 | 375 | -11,189 | -10,137 |
| CHANGE IN LIQUID ASSETS (A+B+C) | -70 | 318 | -131 | 257 |
| Liquid assets at beginning of period | 330 | 73 | 391 | 73 |
| LIQUID ASSETS AT END OF PERIOD | 260 | 391 | 260 | 330 |

| OPERATIONS | 2000 | | | | 2001 | | | | 2002 | | | | 2003 | | | | 2004 |
|------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Quarter | I | II | III | IV | I | II | III | IV | I | II | III | IV | I | II | III | IV | I |
| Cash flow, SEK M | 206 | 279 | 297 | 263 | 286 | 297 | 296 | 255 | 240 | 268 | 279 | 227 | 246 | 266 | 270 | 186 | 180 |
| <i>Average number of shares outstanding, million</i> | <i>101.7</i> | <i>10.7</i> | <i>101.2</i> | <i>99.5</i> | <i>97.3</i> | <i>94.9</i> | <i>93.2</i> | <i>92.7</i> | <i>92.3</i> | <i>91.0</i> | <i>90.0</i> | <i>89.8</i> | <i>89.1</i> | <i>88.4</i> | <i>88.5</i> | <i>88.7</i> | <i>88.8</i> |
| Cash flow, SEK/share | 2.03 | 2.74 | 2.94 | 2.64 | 2.94 | 3.13 | 3.18 | 2.75 | 2.60 | 2.94 | 3.10 | 2.53 | 2.76 | 3.01 | 3.05 | 2.10 | 2.03 |
| Rolling annual cash flow, SEK M | 850 | 913 | 947 | 1,045 | 1,125 | 1,143 | 1,142 | 1,134 | 1,088 | 1,059 | 1,042 | 1,014 | 1,020 | 1,018 | 1,009 | 968 | 902 |
| <i>Average number of shares outstanding, million</i> | <i>101.7</i> | <i>101.7</i> | <i>101.6</i> | <i>101.0</i> | <i>99.9</i> | <i>98.2</i> | <i>96.2</i> | <i>94.5</i> | <i>93.3</i> | <i>92.3</i> | <i>91.5</i> | <i>90.8</i> | <i>90.0</i> | <i>89.3</i> | <i>88.9</i> | <i>88.6</i> | <i>88.6</i> |
| Rolling annual cash flow, SEK/share | 8.36 | 8.98 | 9.32 | 10.34 | 11.26 | 11.64 | 11.87 | 12.00 | 11.67 | 11.47 | 11.39 | 11.17 | 11.34 | 11.40 | 11.35 | 10.92 | 10.18 |

IV) KEY RATIOS

| GROUP | 3 months | | 12 months | |
|-------------------------------------------------|-----------------|-----------------|--------------------|-----------------|
| | Jan-Mar 2004 | Jan-Mar 2003 | Apr-Mar rolling | Jan-Dec 2003 |
| SEK M | | | | |
| PROPERTY-RELATED | | | | |
| Rental revenues | 640 | 928 | 3,249 | 3,537 |
| Operating surplus – ongoing property management | 344 | 545 | 1,920 | 2,121 |
| Surplus ratio, % | 54 | 59 | 59 | 60 |
| At end of period | | | | |
| Rentable space, sq. m. | 2,475 | 3,339 | 2,475 | 2,510 |
| Economic occupancy rate, % | 88.0 | 90.4 | 88.0 | 88.0 |
| Book value of properties | 24,712 | 36,001 | 24,712 | 24,985 |
| FINANCIAL | | | | |

| | | | | |
|--------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Ongoing property management operations | | | | |
| Profit before tax | 121 | 163 | 625 | 667 |
| Profit after current and deferred tax | 107 | 137 | 528 | 558 |
| Cash flow | 180 | 246 | 902 | 968 |
| Interest coverage ratio, multiple | 2.2 | 1.9 | 2.1 | 2.0 |
| Total | | | | |
| Profit before tax | 323 | 176 | 604 | 457 |
| Profit after tax | 268 | 149 | 839 | 720 |
| Return on equity, % | i.u | i.u | 8.3 | 7.2 |
| Interest coverage, multiple | 3.2 | 1.6 | 1.7 | 1.5 |
| At end of period | | | | |
| Interest-bearing liabilities | 12,708 | 23,493 | 12,708 | 13,389 |
| Equity | 10,342 | 9,922 | 10,342 | 10,085 |
| Total assets | 26,185 | 37,141 | 26,185 | 26,796 |
| Equity/assets ratio, % | 39 | 27 | 39 | 38 |
| Debt/equity ratio, multiple | 1.2 | 2.4 | 1.2 | 1.3 |
| PER SHARE, SEK ^{10,11} | | | | |
| Avg. number of shares outstanding during period | 88,826,777 | 89,079,135 | 88,580,345 | 88,643,435 |
| Profit, total | 3.02 | 1.67 | 9.47 | 8.12 |
| Cash flow (ongoing property management) | 2.03 | 2.76 | 10.18 | 10.92 |
| Number of shares outstanding at end of period | 88,864,689 | 88,376,885 | 88,864,689 | 88,788,865 |
| Equity at end of period | 116.38 | 112.27 | 116.38 | 113.58 |
| Number of registered shares at end of period | 89,314,689 | 92,415,285 | 89,314,689 | 89,238,865 |

¹⁰ Key data per share are calculated based on the number of shares outstanding, i.e. the number of registered shares less the number of shares Fabège owns.

¹¹ In June 1999, a convertible debenture loan was issued with preferential rights for employees in Sweden. Employees have subscribed for SEK 43.1 M. Conversions were permitted until April 30, 2004. As of March 31, 2004, the remaining convertible debenture loan amounted to SEK 2 M. Following the reporting period, all remaining outstanding convertibles were tendered for conversion. The dilution effect from potential conversions has not been taken into account in the key ratio table, since the dilution has only a marginal impact on the ratios

V) ACCOUNTING PRINCIPLES

Fabege complies with the recommendations of the Swedish Financial Accounting Standards Council and the pronouncements of the Swedish Emerging Issues Task Force. The interim report has been prepared in accordance with recommendation RR20 Interim reports of the Swedish Financial Accounting Standards Council.

From January 1, 2004, a new recommendation is applied in the consolidated accounts, RR 29 Employee benefits. The one one-time effect of SEK 15 M that arose due to the new accounting principle is booked directly in shareholders' equity in accordance with the recommendation's transitional rules and RR 5 Reporting of changed accounting principle. In accordance with the transitional rules, comparative figures have not been restated. The introduction of the recommendation has not had a material impact on earnings. Fabege's accounting principles and calculation methods are otherwise unchanged compared with the previous year.

VI) DEFINITIONS

PROPERTY-RELATED

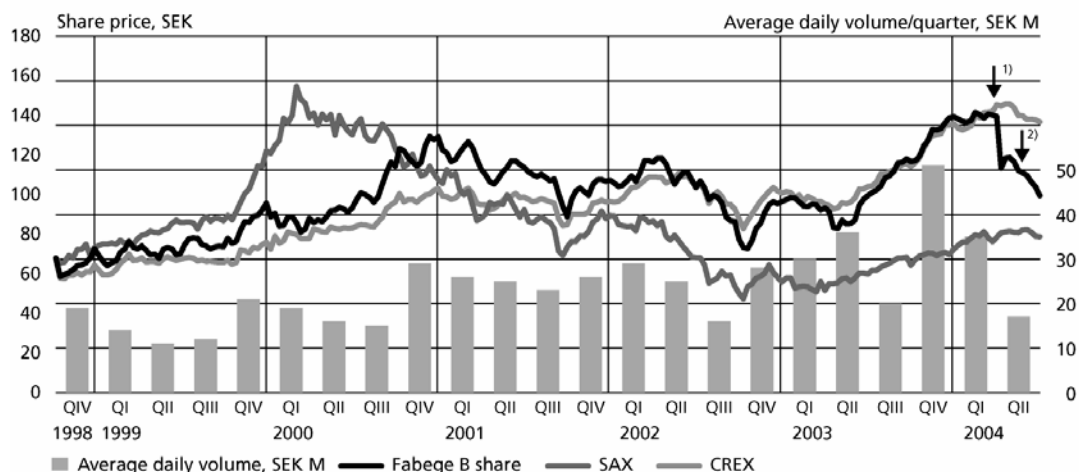
| | |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Economic occupancy rate | Annual rent for leases that extend to the end of the period divided by the sum of annual rents, incl. vacant rent. |
| Like-for-like portfolio - profit | Properties included in the Fabege Group from the beginning of a period until the corresponding period a year later. |
| Annual rent | Basic annual leased-based rent after indexing and adjustments for rent discounts and surcharges. |
| Annual rent incl. vacant rent | The sum of annual rent and vacant rent. |
| Rentable space | Leased space generating rental revenues at the end of the period plus vacant space. Rentable space includes indoor garages. |
| Vacant rent | Estimated rent for vacant housing plus annual market rent for vacant commercial space after reasonable refurbishment. |
| Surplus ratio | Operating surplus as a percentage of rental revenues. |

FINANCIAL

| | |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Return on equity | Profit for the period as a percentage of average equity. |
| Central corporate and Group expenses | Expenses not directly attributable to property management, such as corporate management, group staff functions and maintenance of the company's stock exchange listing. |
| Cash flow | Profit before tax after the reversal of depreciation, the result from property sales and nonrecurring items less current tax on ongoing property management operations. |
| Nonrecurring items | All income and expenses not included in ongoing property management operations or in the result from property sales. |
| Profit - ongoing property management operations | Profit excluding result from property sales and nonrecurring items. |
| Interest coverage ratio | Profit after net financial items after the reversal of interest expense divided by interest expense. |
| Interest coverage ratio – ongoing property management operations | Profit after net financial items after the reversal of interest expense, the result from property sales, depreciation and nonrecurring items divided by interest expense. |
| Debt/equity ratio | Interest-bearing liabilities divided by equity. |
| Equity/assets ratio | Equity plus minority interest as a percentage of total assets. |
| Earnings per share | Profit for the period divided by the average number of shares outstanding. |
| Annual cash flow | Sum of cash flow over the last four quarters. |

THE SHARE

Share price and trading volume September 24, 1998–May 3, 2004



¹⁾ Share listed exclusive Bostads AB Drott, March 31, 2004. ²⁾ Share listed exclusive of redemption rights, April 23, 2004.

LARGEST SHAREHOLDERS, APRIL 30, 2004

| SHAREHOLDER | Class A shares | Class B shares | Total number | capital | Votes |
|-------------------------------------------|-------------------|-------------------|-------------------|---------------|---------------|
| Wihlborgs | 57,200 | 18,573,100 | 18,630,300 | 21.0% | 20.5% |
| Sten A Olsson | 43,400 | 12,330,600 | 12,374,000 | 13.9% | 13.6% |
| Öresund | 15,700 | 7,576,800 | 7,592,500 | 8.5% | 8.3% |
| HQ Fonder | - | 3,442,400 | 3,442,400 | 3.9% | 3.7% |
| AMF Pension | - | 1,641,100 | 1,641,100 | 1.8% | 1.8% |
| Robur Fonder | - | 1,291,700 | 1,291,700 | 1.5% | 1.4% |
| SPP Liv | - | 1,280,900 | 1,280,900 | 1.4% | 1.4% |
| Jonas Wahlström | - | 1,154,300 | 1,154,300 | 1.3% | 1.2% |
| Foreign shareholders | 17,963 | 13,619,632 | 13,637,595 | 15.3% | 14.8% |
| Other | 382,964 | 27,469,175 | 27,852,139 | 31.3% | 33.5% |
| Registered shares ^{12 13} | 517,227 | 88,379,707 | 88,896,934 | 100.0% | 100.0% |

¹² After conversion to 32,245 Class B shares (in April 2004) and cancellation of 450,000 Class B shares (according to decision of Annual General Meeting on March 30, 2004).

¹³ After the ongoing redemption, the number of registered shares will be reduced by 22.2 million (if fully accepted).