

Press release 18/2004

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Well-positioned Fabege sees increased interest in commercial space in Stockholm

The new Fabege is seeing growing signs that the commercial rental market in Stockholm is rebounding after several years of decline. During its first months as a streamlined real estate company, Fabege has seen both new leases and property values increase. Fabege is publishing its interim report for the first half year today.

First half year 2004 in summary

- Improved market climate and stronger position for Fabege
- New leases on 85,000 sq. m. signed during the period
- 20 properties sold for a total of SEK 1.7 bn, 22 percent above their most recently appraised value
- Estimated adjusted equity, based on the valuation at year-end 2003, amounted to SEK 120 per share
- Profit before tax amounted to SEK 792 M (-311) and earnings per share after tax were SEK 8.19 (-2.70)
- Cash flow from operations amounted to SEK 4.07 per share pro forma

Fabège's first months as a streamlined commercial real estate company have been distinguished by a continued high level of activity. Excluding Bostadsaktiebolaget Drott, which was distributed to shareholders in April, turnover in Fabège's property portfolio was nearly 10 percent during the period. On average, sales prices exceeded the properties' most recent appraised values by 22 percent. At the same time, Fabège signed new leases on 85,000 sq. m.

"We are pleased that leasing activity has begun to pick up again, especially in Kista and Marievik, where Fabège is strongly positioned. Results from leasing activity and a continued rise in the number of queries from tenants will gradually strengthen cash flow in Fabège. Even though our biggest strength is an ability to create value no matter how the real estate market is doing, it is naturally positive that the economy is growing again," says Fabège President Lennart Sten. "During our first months as a streamlined company, we have proven the strength of our business model, to create and realize value and strong cash flows regardless of economic conditions. We now have a



well-positioned property portfolio, a strong financial position and see great potential in a clearly defined strategy.”

Fabege's interim report for the period January – June 2004 is available online at www.fabege.se

Fabege AB (publ)

For further information, please contact:

President Lennart Sten, telephone +46 8 769 30 10, +46 70 697 81 70

CFO Roger Johansson, telephone +46 8 769 31 00, +46 70 374 42 85

Head of Corporate Communications Helena Stångberg, telephone +46 8 769 30 21, +46 70 619 23 44

Fabege is a streamlined real estate company that owns and manages commercial properties in the Stockholm region. Its focus is on properties which, through improvements, development or area-specific circumstances, have the potential to contribute positively to cash flow and appreciation in value. The portfolio is concentrated in Stockholm, Kista and Marievik. The aggregate value of Fabege's property portfolio amounts to SEK 16.5 billion with a total of approximately 1.3 million square meters in rentable space (June 30, 2004). Fabege is one of Sweden's largest real estate companies and is listed on the Stockholm Stock Exchange's O-list.