FABEGE

Press release 19/2004

Stockholm, August 26, 2004

Rising property values increase Fabege's estimated adjusted equity to SEK 123 per share

In view of Wihlborgs' tender offer, Fabege has commissioned an independent appraisal of its property portfolio as of June 30. The new appraisal shows that the value of Fabege's properties totaled SEK 17.5 billion as of mid-year. The appreciation in the value of the portfolio during the first half year corresponds to an increase in adjusted equity of SEK 3 per share. As previously announced, the appraisal was conducted by DTZ, which also handled the appraisal at year-end 2003.

Based on the revised valuation, Fabege's estimated adjusted equity amounted to SEK 123 per share. The increase from SEK 114 per share[1] at year-end 2003 is attributable in part to profit/flow from property management operations, in part to properties sold for more than their year-end market valuations and in part to an appreciation in the value of the existing portfolio based on the updated assessment.

Change in estimated adjusted equity per share, SEK	
Estimated adjusted equity as of Jan. 1, 2004	**114**
Profit/flow Jan-June 2004	+4
Sale of residential properties owned by Fabege Jan-June 2004	+1
Sale of the property Mimer 5 in June 2004	+1
Appreciation in value Jan-June based on updated appraisal as of June 30, 2004	**+3**
Estimated adjusted equity as of June 30, 2004	**123**

"We are very happy to see that the rebound in the Stockholm market we at Fabege have begun to notice in the form of an increase in new leasing activity and a continued rise in the number of queries from prospective tenants is now beginning to result in rising property values as well," says Lennart Sten, Fabege's President. "Fabege's portfolio is well-positioned through properties with development potential and a geographic emphasis on downtown Stockholm, Kista and Marievik."

Fabege AB (publ)

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[1] SEK 114/share as of December 31, 2003 refers to Fabege pro forma after the distribution of Bostads AB Drott and the share redemption of SEK 3.3 bn. Estimated adjusted equity is based on an allocation of 10% tax on the fiscal surplus value. For a detailed explanation of the calculation principles and assumptions, see pages 12-13 and 22-23 in Drott's annual report for 2003 and pages 22-23 in Fabege's corporate presentation prepared prior the Annual General Meeting on March 30, 2004.