

Fabege

Interim Report January–June 2009

- **Earnings from property management activities grew by 23 per cent to SEK 379m (308)**
- **Rental income decreased to SEK 1,096m (1,125) due to net sales of properties**
- **The surplus ratio increased to 66 per cent (65)**
- **The profit after changes in value and tax was SEK 131m (523) and earnings per share after dilution were SEK 0.80 (3.10)**
- **Equity per share was SEK 59 (66)**

Results for the period, SEKm	2009 Apr–Jun	2008 Apr–Jun	2009 Jan–Jun	2008 Jan–Jun
Rental income	548	564	1,096	1,125
Running costs and central costs	-188	-197	-404	-431
Net financial items (excl. changes in value)	-129	-194	-313	-386
Profit from property management activities	231	173	379	308
Changes in value	49	-81	-68	132
Tax	-68	43	-180	83
Profit/loss after tax	212	135	131	523
Surplus ratio, %	68	68	66	65
Equity/assets ratio, %	-	-	32	35
Occupancy rate, %	-	-	92	93

Chief executive's review

The economic downturn has taken a harsh toll on Sweden, resulting in higher unemployment (9 per cent in May according to Statistics Sweden) and a growing number of bankruptcies. In response, the government and central bank have taken measures to counter the effects of the downturn. The Stockholm region, where Fabege operates, has a strong and diverse economy, and although activity has slowed in some sectors, other sectors continue to show strength. The number of bankruptcies and redundancies are increasing at significantly slower rate in Stockholm than in Sweden as a whole.

In the past year the faltering economy, coupled with problems in the credit system, resulted in a very low level of activity in the transaction market. Nonetheless we have seen a very small rise in activity during the first half of 2009. A few property deals have taken place – Fabege has completed several sales, the results of which suggested that property values have remained stable – but no major transactions took place during the period. In the rental market activity has moderated somewhat but the downturn is felt primarily in the fact that it now takes longer to reach a deal. In those sub-markets where Fabege's properties are located, rents have generally remained stable.

The positive trend in Fabege's surplus ratio and the result from property management activities continued into the first half of 2009. A continued high occupancy rate, stable revenues and continual efficiency improvements created favourable conditions for this development.

With attractive properties in the right locations in Stockholm, favourable interest rates and good access to capital, we have a stable base from which to face the challenges created by the current economic climate and continue to develop the company in a positive direction.

We feel that we are in a strong position, and we will continue to work on our focus areas for 2009: increasing tenant retention, improving the surplus ratio and maintaining a strong balance sheet.

Christian Hermelin

Performance in the second quarter¹⁾

Although the downturn has not had any noticeable impact on Fabege's result, transactions processes have become protracted, prolonging the time it takes to complete a deal. Activity in the market remains relatively strong. New lettings during the quarter were SEK 73m while net lettings were SEK 22m.

Fabege has a strong focus on caring for and developing its relationships with customers. In renegotiations the aim is to ensure that the customer remains in a Fabege-owned property. Renegotiations have made a slight positive contribution to the total rental value and rents in the company's main markets have remained stable, despite the weaker economy.

At the end of the period the occupancy rate was 92 per cent.

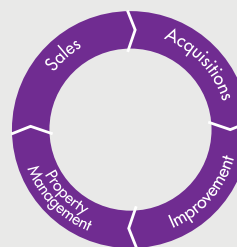
This is Fabege

A highly concentrated and focused property company
Fabege offers efficient premises that are adapted to tenant requirements, primarily offices but also retail and other premises, in the Stockholm area. The company manages, adds value to and develops properties.

Our portfolio is highly concentrated to a limited number of well located sub-markets with a strong development potential. A majority are located in the inner city of Stockholm and in Solna and Hammarby Sjöstad, where Fabege has strong market positions.

Fabege's business model

Fabege aims to create value by managing, improving and adapting its property portfolio, both through sales and acquisitions. Accrued values must be realised at the right time.



Acquisitions

Acquire properties with better growth opportunities than existing investment properties

Improvement

Realise the potential in our improvement and project portfolios

Property management

Property management in close proximity to the client to reduce vacancy levels and increase net operating income.

Sales

Divest properties offering limited growth opportunities

Rental income decreased to SEK 548m (564) due to net sales of properties. For comparable properties rental income grew by 2 per cent.

Earnings after tax increased to SEK 212m (135). Unrealised changes in the value of properties were SEK –81m (–95) due to continued pressure on property values. These have been offset by value-added gains in the project portfolio.

The surplus ratio was 68 per cent (68).

The average interest rate in Fabege's loan portfolio fell by 31 basis points to 2.70 per cent.

Net asset value per share at 30 June was SEK 65 (67) excluding deferred tax on the surplus value of the properties.

¹⁾ The comparison figures for income and expense items relate to values for the period April–June 2008, and for balance sheet items as at 31 December 2008.

Revenues and earnings¹⁾

The profit after tax was SEK 131m (523) and earnings per share after dilution were SEK 0.80 (3.10). The profit after tax was SEK 311m (440).

Rental income was SEK 1,096m (1,125) and net operating income SEK 723m (726). The fall in rental income is due to net sales of properties. For comparable properties, rental income increased by 2 per cent and net operating income by 3 per cent.

Realised changes in the value of properties totalled SEK 12m (143) while unrealised changes in value were SEK –200m (–7) due to increased yield requirements in peripheral locations and properties where vacancies are expected to increase. Changes in the value of fixed income derivatives and equities were SEK 120m (–4) while the net interest expense decreased to SEK –311m (–388) due to falling market rates. The net interest expense includes a one-off charge of SEK –21m relating to interest on taxes paid.

Tax

The tax expense (current and deferred) for the period was SEK –180m (83). The figure includes SEK 98m of taxes paid due to the decision of the Supreme Administrative Court not to allow a review of an ongoing tax case, as reported in a press released dated 18 March 2009, which was charged to earnings in the first quarter.

Cash flow

The profit increased liquidity by SEK 287m (419). After an decrease of SEK 61m (–1,721) in working capital, which varies primarily as a result of occupancy/final settlement for acquired and divested properties, operating activities resulted in a change in liquidity of SEK 348m (–1 302). Acquisitions and investments in properties exceeded sales by SEK 163m (–712). The total change in liquidity resulting from operating activities was thus SEK 185m (–590). Cash flow was reduced by a dividend payment of SEK 329m (670) during the period. Share buybacks totalled SEK 0m (292). Consolidated cash and cash equivalents were SEK 39m (85) after increase in dept.

Financing

Fabège employs long-term credit lines with fixed terms and conditions and an average maturity of 6.3 years. The compa-

ny's creditors are major Nordic banks. Interest-bearing liabilities were SEK 19,031m (18,902) at the end of the period. Changes in market interest rates lowered Fabège's average rent during the period from 3.01 to 2.63 per cent excluding the cost of unused committed lines of credit, or 2.70 per cent including this cost.

The interest rate on 41 per cent of Fabège's loan portfolio have been fixed using fixed income derivatives. The average fixed-rate period was 26 months, including the effect of derivatives. At June 30, 2009 Fabège's derivatives portfolio amounted to SEK 7,850m with maturities of up to nine years. Of these, SEK 7,550m referred to callable swaps at levels ranging from 3.33 per cent and 3.98 per cent. The derivatives contracts were concluded in summer 2008 to improve cash flow in a situation where the market was expecting interest rates to rise. The aim was to obtain a discount on interest rates or fix rates at a level that was attractive from a long-term perspective.

In compliance with the accounting rules contained in IAS 39, the derivatives portfolio has been valued at market value and the change has been passed through the profit and loss account. At June 30, 2009 the deficit in the portfolio was SEK 357m. The derivatives portfolio has been valued as the present value of future cash flows. The change in value is of an accounting character and does not affect cash flow or leverage.

The average fixed-rate period for variable-rate loans is 42 days. Reductions in interest rates will thus quickly affect about 59 per cent of the loan portfolio.

At June 30 the company had unused committed lines of credit of SEK 3,064m. During the period an agreement for a loan of SEK 1,000m maturing in 2010 was extended until 2011.

Fabège has available long-term credit facilities covering all outstanding commercial paper at any given time. In 2009 the volume of outstanding commercial paper has increased slightly, to SEK 1,171m at June 30, 2009.

The total loan volume includes loans for projects worth SEK 904m, on which the interest of SEK 10m has been capitalised.

Financial position and net asset value

Shareholders' equity at the end of the period was SEK 9,675m (9,873) and the equity/assets ratio was 32 per cent (32). Equity

Interest rate maturity structure, 30 June 2009

	Amount SEKm	Average interest rate %	Share %
< 1 year	11,181	1.73	59
1–2 years	300	4.43	1
2–3 years	0	0	0
3–4 years	4,550	3.84	24
4–5 years	0	0	0
> 5 years	3,000	3.97	16
Total	19,031	2.63	100

Loan maturity structure, 30 June 2009

	Credit agreements SEKm	Drawn SEKm
Certificate programme	5,000	1,171
< 1 year	1,067	47
1–2 years	5,900	5,070
2–3 years	4,000	4,000
3–4 years	4,875	3,829
4–5 years	2,000	700
> 5 years	4,253	4,214
Total	27,095	19,031

¹⁾ The comparison figures for income and expense items relate to values for the period January–June 2008, and for balance sheet items as at 31 December 2008.

per share was SEK 59 (60). Net asset value per share, excluding deferred tax on the surplus value of properties, was SEK 65 (67).

Fabege's property portfolio and property management

Fabege's activities in management and improvement of properties and project development are concentrated to a few selected sub-markets with strong growth prospects in and around Stockholm. Stockholm's inner city, Solna and Hammarby Sjöstad are the company's main markets.

At 30 June Fabege owned 153 properties with a total rental value of SEK 2.4bn, a lettable floor area of 1.4 million m² and a book value, including project properties, of SEK 29.5bn.

Commercial premises, primarily offices, represented 96 per cent of the rental value and residential premises 4 per cent. The financial occupancy rate for the portfolio as a whole, including project properties, was 92 per cent (93). The vacancy rate in the investment property portfolio was 7 per cent.

New lettings totalled SEK 224m (125) during the period while net lettings were SEK 99m (12). A 43,000 m² let to Vattenfall in Arenastaden, Solna had a significant impact on net lettings.

Rent levels in renegotiated contracts (49 contracts covering a total area of approx. 23,877m²) increased by an average of 3 per cent.

Market

The impact of the economic downturn is reflected in longer transaction processes, increased competition for potential customers and a growing number of customers that wish to adapt their floor space to the current economic climate. Despite this, rents have generally remained stable in Fabege's properties while vacancies are low.

In *Stockholm City* the market remains stable but an increase in the supply of office space, primarily in the area around the central station, has led to stronger competition. Due to low vacancies, Fabege's portfolio of office premises is limited and concentrated to a small number of properties.

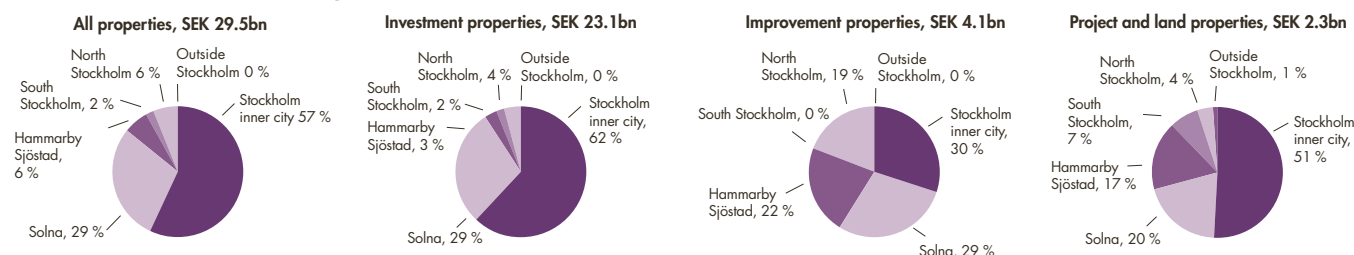
Property portfolio 30 June 2009

Market segment	30 June 2009					Jan–Jun 2009		
	No. of properties	Lettable area, '000 m ²	Market value, SEKm	Rental value, SEKm	Financial occupancy rate, %	Rental income, SEKm	Property expenses, SEKm	Net operating income, SEKm
Property holdings								
Investment properties ¹⁾	88	1,061	23,125	1,977	93	918	-227	691
Improvement properties ¹⁾	36	292	4,069	353	88	148	-66	82
Land and project properties ¹⁾	29	88	2,274	52	62	13	-18	-5
Total	153	1,441	29,468	2,382	92	1,079	-311	768
of which, Inner City	47	543	16,670	1,211	94	561	-140	421
of which, Solna	35	485	8,443	714	92	328	-84	244
of which, Hammarby Sjöstad	13	146	1,934	181	81	74	-29	45
of which, South Stockholm	11	46	674	60	72	24	-10	14
of which, North Stockholm	46	221	1,724	216	90	92	-48	44
of which, outside Stockholm	1	0	23	0	0	0	0	0
Total	153	1,441	29,468	2,382	92	1,079	-311	768
Expenses for lettings, project development and property adm.								-51
Total net operating income after expenses for lettings, project development and property administration.								717²⁾

¹⁾ See definitions on page 11.

²⁾ The table refers to Fabege's property portfolio as at 30 June 2009. Income and expenses are reported as if the properties had been held during the whole period. The difference between reported net operating income, SEK 717m, and net operating income in the profit and loss account, SEK 723, is explained by the fact that net operating income from divested properties has been excluded and acquired/completed properties have been adjusted upwards as if they had been owned/completed during the whole of the period January–June 2009.

Distribution of book value/market value



In Fabege's other inner city sub-markets, *Kungsholmen* and *Södermalm*, market conditions are relatively good. The eastern part of Kungsholmen is benefiting from its proximity to the central station and the renewal of the western areas of Stockholm City. The western half of Kungsholmen is also experiencing a positive trend thanks to the redevelopment and renewal of the area, but the supply of commercial space is large and competition is tough. The market in Södermalm, where Fabege owns two properties, can be characterised as stable with low vacancy rates.

Fabege's main sub-markets in *Solna* are Solna Business Park and Arenastaden (next to Solna Station). Despite the economic downturn, there is interest in establishing offices in Arenastaden, close to the future national arena, Swedbank Arena, and Scandinavia's largest shopping centre, Mall of Scandinavia. In Solna Business Park the market remains good with a high occupancy rate.

In *Hammarby Sjöstad* the market is still in a development phase. The redevelopment and renewal of the former industrial estate is turning it into an attractive office location.

Changes in the property portfolio

In the first six months of 2009 Fabege sold seven properties for a total consideration of SEK 618m. The sales resulted in a profit of

SEK 12m before tax, or SEK 15m after tax. One property was acquired for SEK 56m.

Changes in the value of properties

About 20 per cent of the properties have been externally valued as at June 30, 2009. The remaining properties have been valued internally based on the latest valuations. The total market value at June 30 was SEK 29.5bn. Unrealised changes in the value of properties during the period totalled SEK –200m (–7). Negative changes in value referred to increased yield requirements in peripheral locations and in properties where vacancies are expected to increase. These have been offset by positive changes in value attributable to the project portfolio.

Projects and investments

Fabege's project investments are forward-looking and are designed to reduce vacancy rates and raise rents in the portfolio, thereby improving cash flows and adding value.

Fabege's principle is that no investment projects should be initiated before the project has essentially been let and fully funded. Total investments in existing properties and projects were SEK 687m (857). The investments referred to new builds, extensions and conversions. The largest investments are shown in the table on page 5.

Sale of properties

Properties	Area	Category	Lettable area, m ²
Q 1			
Elefanten Mindre 1	Norrmalm	Office	4,825
Signalen 1	Södermalm	Office	3,263
Q 2			
Adam och Eva 1	Norrmalm	Office	2,405
Hammarby-Smedby 1:464, del av	Upplands Väsby	Land	0
Generatoren 17	Ulvunda	Warehouse/Industrial	6,536
Sicklaön 145:13, 14, 15	Järla Sjö	Residential	210
Total property sales Jan–Jun 2009			17,239

Property acquisitions

Properties	Area	Category	Lettable area, m ²
Q 1			
Gjutaren 27	Vasastan	Residential	1,616
Total property acquisitions Jan–Jun 2009			1,616

Projects in progress >SEK 50m 30 June 2009, SEKm

Property name	Property type	Area	Completed	Lettable area, m ²	Occupancy rate, %*	Estimated rental value	Book value, 30 Jun 2009	Estimated investment	Of which, accrued 30 Jun 2009
Risinge 1 et al	Residential	Tensta/Rinkeby	Q3 2009	53,400	100	53	469	333	323
Paradiset 29 (50 %)	Retail/Office/Garage	Stadshagen	Q3 2009	18,100	75	31	348	390	372
Bocken 35 och 46	Office	Norrmalm	Q4 2009	15,363	95	57	760	404	339
Päronet 8	Office	Solna Strand	Q1 2010	24,125	97	39	374	305	164
Total				110,988	94	180	1,951	1,432	1,198
Other Project & land properties							1,166		
Other Improvement properties							3,226		
Total Project, land and improvement properties							6,343		

* Operational occupancy rate, 3 July 2009

The annual rent for the largest projects in progress can increase to SEK 180m (fully let) from SEK 65m currently as of 30 June 2009.

Major projects (see also Projects in progress)

The project in Bocken 35 and 46 at the junction of Lästmakargatan–Regeringsgatan in Stockholm City is proceeding according to plan and is expected to be completed in the fourth quarter of 2009.

The Paradiset 29 project, an office and retail property on Kungsholmen, is proceeding according to plan, and the retail area will open in August 2009. Two new office lets were agreed in the first half of the year. IFS and Fazer have signed contracts for a total of 5,320 m². All retail areas have now been let. Paradiset 20 has been certified under the European Commission's Green-Building programme.

Fabege's Päronet 8 property in Solna Strand is undergoing an internal renovation and conversion. The project will be completed in the first quarter of 2010 and the property has been fully let to the Swedish Tax Agency.

Staff

At the end of the period the Fabege Group had 135 employees (140).

Parent company

Sales during the period were SEK 48m (58) and earnings before appropriations and tax were SEK –7m (–176). Net investments in property, equipment and shares were SEK 761m (1). The parent company applies Recommendation RFR 2.2 Accounting for Legal Entities and the Swedish Annual Accounts Act. (See also the profit and loss account and balance sheet on page 9.)

Share buyback programme

The 2009 AGM passed a resolution authorising the Board, during the period up to the next AGM, to buy back shares in the company. Share buybacks are subject to a limit of 10 per cent of the total number of outstanding shares at any time. No share buybacks were made during the period. At 30 June 2009 the company held 4,929,400 treasury shares, representing 2.9 per cent of the total number of registered shares.

Ongoing tax cases

As announced previously, the Swedish Tax Agency has decided to increase the Fabege Group's taxable income in respect of a number of property sales made through limited partnerships (see also the press release from 7 December 2006). At June 30, 2009 the total increase in taxable income was SEK 4,045m. The decisions have resulted in total tax demands of SEK 1,132m plus a tax penalty of SEK 170m, i.e. a total demand of SEK 1,302m excluding interest. Fabege has strong reasons to contest the Tax Agency's decisions and has therefore appealed the decisions to the County Administrative Court in Stockholm. In the second quarter of 2009 the Supreme Administrative Court of Sweden announced decisions on three cases relating to other companies than Fabege. Fabege believes the decisions on the preliminary rulings addressed by the Supreme Administrative Court are not applicable to Fabege's cases, as they differ from each other.

Lindhagen property opens for business

Lindhagen is the name of an office and retail property being built by Fabege in partnership with Peab in the Stadshagen district in western Kungsholmen. Lindhagen will provide 13,000 m² of retail space and 10,500 m² of office space as well as parking facilities. The retail areas will open for business in August 2009. The office spaces will be ready before year-end.

Fabege maintains that the sales were accounted for and declared in compliance with applicable rules. This assessment is shared by external legal experts and tax advisors.

No provision has been made in Fabege's balance sheet, but the amount has been recognised as a contingent liability, as in previous financial statements.

Risks and uncertainties

Risks and uncertainties relating to cash flow from operations are primarily attributable to changes in rent levels, vacancy rates and interest rates. A detailed description of the effect of these changes on consolidated earnings is given in the sensitivity analysis in the 2008 Annual Report (page 37).

Properties are reported at fair value and changes in value are recognised in the profit and loss account. The effects of changes in value on consolidated earnings, the equity/assets ratio and leverage are shown in the sensitivity analysis in the 2008 Annual Report (page 37).

Fabège signs lease with Net Entertainment



Net Entertainment has signed a seven-year contract for the lease of 2,500 m² office space at Lunmakargatan 18 in Stockholm City.

Net Entertainment develops software for online casino operations. The company needs bigger premises to meet the requirements created by a current growth phase.

“The main reason we chose Fabège as landlord is that they were very attentive to and quick to respond to the requirements we had for our new premises,” Bertil Jungmar, CFO of Net Entertainment, says. “We need bigger premises in which to grow, and an environment that stimulates creativity, communication, efficiency and flexibility.”

Financial risk, i.e. the risk of insufficient access to long-term funding through loans, and Fabège’s management of this risk are described in the 2008 Annual Report (page 52).

No significant changes in the company’s risk assessments have been made since then after publication of the 2008 Annual Report.

Under its adopted targets for capital structure, Fabège aims to have an equity/assets ratio of at least 30 per cent and an interest coverage ratio of at least 2 times (incl. realised changes in value).

Accounting principles

Fabège prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. From 1 January 2009 the Group applies the new standard, IFRS 8 Operating Segments, which is based on the viewpoint of management. As a result, the Group’s reportable segments have changed and two reportable segments have been defined for the Group, Investment Properties and Project/Improvement Properties.

IAS 1 Presentation of Financial Statements has been revised with effect from January 1, 2009. The revised standard states that transactions with owners must be separated from other transactions resulting in a change in the value of the company’s assets and liabilities. As the Group has not previously reported any non-owner transactions in equity, the only changes required in Fabège’s financial reporting under the revised standard refer to the naming of the consolidated balance sheet, profit and loss account, statement of changes in equity and cash flow statement. These reports are now called: Statement of financial position, Statement of comprehensive income, Statement of changes in equity and Statement of cash flows.

IAS 23, which relates to borrowing costs, applies from January 1, 2009. Fabège currently capitalises borrowing costs that are attributable to the purchase, construction or production of an asset that takes a significant amount of time to complete for its intended use or sale. IAS 40 has been revised in respect of investment properties so that projects in progress must now also be stated at fair value. This change has no significant impact on Fabège. In other respects, the Group has applied the same accounting principles and valuation methods as in the last annual report. The parent company prepares its accounts in accordance with RFR 2.2 Accounting for Legal Entities and the Swedish Annual Accounts Act and has applied the same accounting principles and valuation methods as in the last annual report.

Stockholm, 10 July 2009

Christian Hermelin
Chief Executive Officer

This interim report has not been examined by the company’s auditors.

Questions concerning the report will be answered by:

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**Consolidated statement of comprehensive income
(summary), SEKm**

	2009 Apr–Jun	2008 Apr–Jun	2009 Jan–Jun	2008 Jan–Jun	2008 Jan–Dec	Rolling 12 months Jul 08–Jun 09
Rental income	548	564	1,096	1,125	2,214	2,185
Property expenses	-173	-182	-373	-399	-776	-750
Net operating income	375	382	723	726	1,438	1,435
Surplus ratio, %	68	68	66	65	65	66
Central administration and marketing	-15	-15	-31	-32	-60	-59
Dividends	0	2	0	2	2	0
Net interest expense	-128	-196	-311	-388	-804	-727
Share in profit/loss of associated companies	-1	0	-2	0	-8	-10
Profit from property management activities	231	173	379	308	568	639
Realised changes in value of properties	9	4	12	143	143	12
Unrealised changes in value of properties	-81	-95	-200	-7	-1,545	-1,738
Change in value of fixed income derivatives	121	17	114	2	-485	-373
Change in value of equities	0	-7	6	-6	-21	-9
Resultat före skatt	280	92	311	440	-1,340	-1,469
Current tax	0	-2	-98	-3	3	-92
Deferred tax	-68	45	-82	86	826	659
Profit/loss for period/year	212	135	131	523	-511	-902
Comprehensive income attributable to parent company shareholders	212	135	131	523	-511	-902
Earnings per share before dilution, SEK	1.30	0.81	0.80	3.11	-3.07	-5.48
Earnings per share after dilution, SEK	1.29	0.81	0.80	3.10	-3.07	-5.48
No. of shares at end of period before dilution, millions	164.4	166.0	164.4	166.0	164.4	164.4
No. of shares at end of period after dilution, millions	165.4	167.0	165.4	167.0	165.4	165.4
Average no. of shares before dilution, millions	164.4	166.8	164.4	168.0	166.5	164.6
Average no. of shares after dilution, millions	165.4	167.9	165.4	169.1	167.5	166.6

**Consolidated statement of financial position
(summary), SEKm**

	30 June 2009	30 June 2008	31 Dec 2008
Assets			
Properties	29,468	30,092	29,511
Other tangible fixed assets	2	3	3
Financial fixed assets	448	371	586
Derivatives	-	15	-
Current assets	364	1,192	388
Cash and cash equivalents	39	85	54
Total assets	30,321	31,758	30,542
Equity and liabilities			
Equity	9,675	10,976	9,873
Provisions	581	1,230	624
Interest-bearing liabilities	19,031	18,757	18,902
Derivatives	357	-	471
Non-interest-bearing liabilities	677	795	672
Total equity and liabilities	30,321	31,758	30,542
Equity/assets ratio, %	32	35	32
Contingent liabilities	1,760	1,760	1,901

Statement of changes in equity, SEKm

	Equity	Of which, attributable to parent company shareholders
Shareholders' equity, 1 Jan 2008	11,415	11,415
New shares, conversion of debt instruments	0	0
Cash dividend	-670	-670
Share buybacks	-292	-292
Profit/loss for the year	523	523
Shareholders' equity, 30 Jun 2008	10,976	10,976
Share buybacks	-69	-69
Profit/loss for the year	-1,034	-1,034
Shareholders' equity, 31 Dec 2009	9,873	9,873
Approved dividend	-329	-329
Profit/loss for the period	131	131
Shareholders' equity, 30 Jun 2009	9,675	9,675

Statement of cash flows, SEKm

	2009 Jan–Jun	2008 Jan–Jun	2008 Jan–Dec
Net operating income excl. depreciation but incl. central adm. and realised changed in the value of properties	704	840	1,517
Net financial items paid	-319	-418	-880
Income tax paid	-98	-3	3
Change in other working capital	61	-1,721	-1,104
Cash flow from operations	348	-1,302	-464
Investments and acquisition of properties	-743	-1,058	-2,164
Sale of properties, book value of divested properties	586	1,788	1,942
Other investments (net)	-6	-18	5
Cash flow from investing activities	-163	712	-217
Dividend to shareholders	-329	-670	-670
Share buybacks	0	-292	-361
Change in interest-bearing liabilities	129	1,562	1,691
Cash flow from financing activities	-200	600	660
Change in cash and cash equivalents	-15	10	-21
Cash and cash equivalents at beginning of period	54	75	75
Cash and cash equivalents at end of period	39	85	54

Key ratios ¹⁾

	2009 Jan–Jun	2008 Jan–Jun	2008 Jan–Dec
Financial			
Return on capital employed, %	4.2	5.6	-1.7
Return on equity, %	2.7	9.3	-4.8
Interest coverage ratio, times	2.3	2.1	1.9
Equity/assets ratio, %	32	35	32
Leverage properties, %	65	62	64
Debt/equity ratio, times	2.0	1.7	1.9
Share-related			
Earnings per share for the period, SEK	0.80	3.10	-3.07
Equity per share, SEK	59	66	60
Cash flow per share, SEK	1.81	2.67	4.33
No. of outstanding shares at end of period before dilution, '000	164,382	165,981	164,382
No. of outstanding shares at end of period after dilution, '000	165,449	167,048	165,449
Average no. of shares before dilution, '000	164,382	168,005	166,459
Average no. of shares after dilution, '000	165,449	169,073	167,526
Property-related			
No. of properties	153	159	157
Book value of properties, SEKm	29,468	30,092	29,511
Lettable area, m ²	1,441,000	1,464,000	1,454,000
Financial occupancy rate, %	92	93	93
Surplus ratio, %	66	65	65

¹⁾ Dilution effects of potential ordinary shares have been taken into account in calculating key figures per share. At 30 June 2009 there were convertibles with a book value of SEK 47m (nominally SEK 45m). The loan has an interest rate of 5.25 per cent and matures on 1 October 2009. Bonds may be converted into shares up to 1 September 2009. The conversion price is SEK 41.80. Full conversion would result in an increase of 1,066,558 shares.

PARENT COMPANY
Profit and loss account (summary), SEKm

	2009 Jan–Jun	2008 Jan–Jun	2008 Jan–Dec
Income	48	58	108
Expenses	-84	-99	-181
Net financial items	-91	-131	554
Change in value, fixed income derivatives	114	2	-485
Change in value, equities	6	-6	-21
Profit/loss before tax	-7	-176	-25
Tax	1	45	254
Profit/loss for period/year	-6	-131	229

Balance sheet, SEKm

	30 Jun 2009	30 Jun 2008	31 Dec 2008
Interests in Group companies	14,240	15,116	14,987
Other fixed assets	39,028	33,665	21,246
<i>of which, receivables from Group companies</i>	<i>38,584</i>	<i>33,415</i>	<i>20,788</i>
Other current assets	18	87	39
Cash and cash equivalents	28	68	43
Total assets	53,314	48,936	36,315
Equity	9,947	9,738	10,282
Provisions	62	63	63
Long-term liabilities	42,365	34,757	24,980
<i>of which, liabilities to Group companies</i>	<i>24,113</i>	<i>20,283</i>	<i>6,725</i>
Current liabilities	940	4,378	990
Total equity and liabilities	53,314	48,936	36,315

Segment report (summary), SEKm

	Investment properties 2009 Jan–Jun	Project/improvement properties 2009 Jan–Jun	Total, Fabege 2009 Jan–Jun	Investment properties 2008 Jan–Jun	Project/improvement properties 2008 Jan–Jun	Total, Fabege 2008 Jan–Jun
Rental income	936	160	1,096	967	158	1,125
Property expenses	-287	-86	-373	-317	-82	-399
Net operating income	649	74	723	650	76	726
Surplus ratio, %	69	46	66	67	48	65
Central administration and marketing	-25	-6	-31	-26	-6	-32
Dividends	-	-	-	2	-	2
Realised changes in value, properties	-247	-64	-311	-330	-58	-388
Unrealised changes in value, properties	-	-2	-2	-	-	-
Operating profit/loss	378	1	379	296	12	308
Net interest expense	4	8	12	49	94	143
Share in profit/loss of associated companies	-197	-3	-200	-123	116	-7
Change in value, fixed income derivatives	89	25	114	3	-1	2
Change in value, equities	5	1	6	-6	0	-6
Profit/loss after financial items	279	33	311	219	221	440
Current tax	-98	-	-98	-3	-	-3
Deferred tax	-66	-16	-82	30	56	86
Profit/loss for period/year	114	17	131	246	277	523
Total assets	23,795	6,526	30,321	25,946	5,812	31,758
<i>of which, properties</i>	<i>23,125</i>	<i>6,343</i>	<i>29,468</i>	<i>24,584</i>	<i>5,508</i>	<i>30,092</i>
Total liabilities	23,795	6,526	30,321	25,946	5,812	31,758

In accordance with IFRS 8, segments are reported as viewed by management, i.e. broken down into two segments: Investment Properties and Project/Improvement Properties.

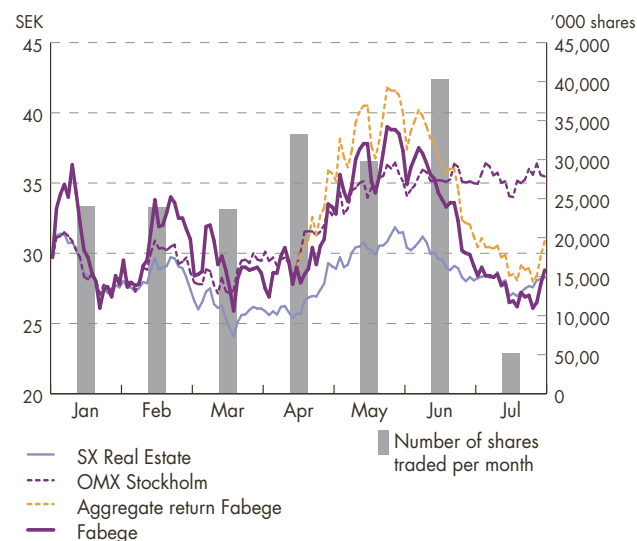
Rental income and property expenses as well as realised and unrealised changes in value including tax are directly attributable to properties in each segment (direct income and expenses). In cases where a property changes character during the year earnings attributable to the property will be allocated to either segment based on the period of time that the property belonged to the segment. Central administration and items in net financial items have been allocated to the segments in a standardised manner based on each segment's share of the total property value (indirect income and expenses). This applies also to tax that is not directly attributable to earnings from property management activities or sales.

Assets and liabilities are stated as at the balance sheet date and the property asset is directly attributable to the respective segments. Other assets and liabilities are allocated in a standardised manner based on their share of the property value.

Largest shareholders, 30 June 2009

Shareholder	No. of shares	Share of capital and votes, %
Brinova AB	23,291,092	14.2
Investment AB Öresund	12,187,670	7.4
Barclays Global Investors	8,924,247	5.4
Danske Invest fonder (Sverige)	5,574,291	3.4
Swedbank Robur fonder	4,032,908	2.5
Länsförsäkringar fonder	3,894,211	2.4
Nordea fonder	3,873,009	2.4
SEB fonder	3,822,536	2.3
Swedbank Robur fonder	2,814,987	1.7
Qviberg, Mats and family	2,808,636	1.7
Other foreign owners	35,758,097	21.8
Other owners	57,400,470	34.9
Total no. of outstanding shares	164,382,154	100.0
Share buybacks	4,929,400	
Total no. of shares	169,311,554	

Share price performance



Financial reports 2009

Interim report Jan–Sep 27 October
Year-end financial statement 2 February 2010

Definitions

Return on equity

Profit for the period/year divided by average shareholders' equity. In interim statements the return is converted to its annualised value without taking account of seasonal variations.

Return on capital employed

Profit before tax plus interest expenses, divided by average capital employed. In interim statements the return is converted to its annualised value without taking account of seasonal variations.

Leverage, properties

Interest-bearing liabilities divided by the book value of the properties at the end of the period.

Yield, share

Dividend for the year divided by the share price at year-end.

Equity per share

Parent company shareholders' share of equity according to the balance sheet divided by the number of shares at the end of the period.

Financial occupancy rate

Contract value divided by rental value at the end of the period.

Investment properties

Properties that are being actively managed on an ongoing basis.

Improvement properties

Properties in which a conversion or extension is in progress or planned that has a significant impact on the property's net operating income. Net operating income is affected either directly by the project or by limitations on lettings prior to impending improvement work.

Recently acquired properties (last twelve months) in which work is in progress that is aimed at significantly improving the property's net operating income compared with the time of acquisition.

Rental value

Contract value plus estimated annual rent for vacant premises after a reasonable general renovation.

Cash flow per share

Profit before tax plus depreciation, plus/minus unrealised changes in value less current tax, divided by average number of shares.

Contract value

Stated as an annual value. Index-adjusted basic rent under the rental agreement plus rent supplements.

Land & project properties

Land and developable properties and properties in which a new build/complete redevelopment is in progress.

Net lettings

New lettings during the period less terminations to vacate during the period.

Profit/earnings per share

Parent company shareholders' share of profit after tax for the period divided by average number of outstanding shares during the period.

Interest coverage ratio

Profit/loss before tax plus financial expenses and plus/minus unrealised changes in value, divided by financial expenses.

Debt/equity ratio

Interest-bearing liabilities divided by shareholders' equity.

Equity/assets ratio

Shareholders' equity (including minority share) divided by total assets.

Capital employed

Total assets less non-interest bearing liabilities and provisions.

Surplus ratio

Net operating income divided by rental income.



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