

Fabege Interim Report

January-September 2008

- **Rental income increased to SEK 1,674m (1,534)**
- **For comparable properties, rental income increased by 5.5 per cent and net operating income by 6.8 per cent**
- **Profit after tax was SEK 251m* (1,178) and earnings per share after dilution were SEK 1.50* (6.39)**
- **Realised changes in the value of properties were SEK 143m (207) and unrealised changes SEK -460m (610).**
- **Value growth in the the project portfolio**
- **Equity per share was SEK 65 (67)**

Fabege in summary

	2008 Jan-Sep	2007 Jan-Sep	2007 Jan-Dec
Rental income, SEKm	1,674	1,534	2,066
Net operating income, SEKm	1,084	968	1,312
Profit/loss after financial items, SEKm	62*	1,390	2,066
Profit/loss after tax, SEKm	251*	1,178	1,812
Profit from property management activities	435	479	643
Earnings per share after dilution, SEK	1.50*	6.39	9.98
Surplus ratio, %	65	63	64
Equity/assets ratio, %	34	39	36
Occupancy rate, %	93	91	92

*The result includes unrealised negative changes in the value of properties of SEK 460m. The result for the same period last year included unrealised increases in value of SEK 610m.

Chief executive's review

Every cloud has a silver lining!

"The IT crash in 2001 hit Stockholm harder than any other market, and the city has not yet fully recovered from the blow, despite several years of strong economic growth, with vacancy rates remaining around 10 per cent overall. Such a high rate of vacancy does not drive either rents or new builds. In fact, at the peak of the current economic cycle rents and new build activity in Stockholm were significantly lower than in previous peaks. Thanks to the IT crash, we can probably look forward to a more stable rental market in Stockholm – despite the weakening economy.

Fabege has implemented a plan to radically increase the concentration of its property business, and the majority of the company's properties are now concentrated to office locations that will remain attractive regardless of the strength of the overall economy. Our focus on improving the quality and efficiency of our property management business through a local presence and well contained property holdings is already having a positive impact on earnings and key figures, but the biggest gain, we expect, will become evident in the long term in the form of long and stable relationships with our customers.



Christian Hermelin, CEO

Fabege is well equipped to weather the coming economic downturn. The turbulence in financial markets has not affected Fabege's ability to raise capital, and the company's access to finance remains stable. Falling market interest rates are already a reality, and we expect to see stable rental income going forward."

Christian Hermelin, VD

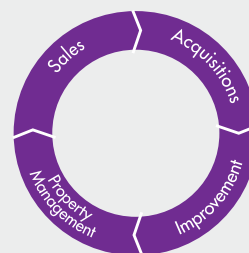
This is Fabege

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 and develops existing properties, and project development plays a prominent role in the Group.

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

Overview of the third quarter

The market for commercial premises in Stockholm remained favourable in the third quarter. Demand for flexible and efficient office space was good and rents remained stable, although the market has become more cautious in the wake of the financial turbulence. Fabege's rental income continued to grow at a healthy pace during the quarter, increasing by 7 per cent year-on-year. The occupancy rate, at 93 per cent, was flat compared with the previous quarter and 2 percentage points higher than at the same time last year.

The profit after tax was SEK -272m (313). The profit includes unrealised changes in value relating to properties of SEK -453m (216). Property values were negatively affected by increased yield requirements, but these were partly offset by increased cash flows from properties (see also page 4). Deferred tax was

SEK 106m (-112), primarily due to elimination of deferred tax in connection with unrealised changes in the value of the property.

The surplus ratio was 65 per cent (67%).

New lettings had a total contracted annual value of SEK 34m (128) while net lettings were SEK -8m (66). After adjusting for major project lettings, net lettings in investment properties were largely unchanged compared with the third quarter of last year. Renegotiations during the quarter resulted in an increase in annual rental income of SEK 4m.

The average interest rate in the loan portfolio increased by 49 basis points during the quarter to 5.11 per cent.

Net asset value per share at 30 September was SEK 73 (76) excluding deferred tax on the surplus value of the properties.

Revenues and earnings¹⁾

Earnings after tax for the period January–September were SEK 251m (1,178). Earnings per share after dilution were SEK 1.50 (6.39). The profit after financial items was SEK 62 m (1,390).

Rental income was SEK 1,674m (1,534) and net operating income SEK 1,084m (968). The increase in rental income was due to a net increase in properties and higher rents in the company's existing properties. For comparable properties, rental income increased by 5.5 per cent and net operating income by 6.8 per cent. Realised and unrealised changes in the value of properties were SEK 143m (207) and SEK -460m (610), respectively. Changes in the value of fixed income derivatives were SEK -45m (38). The net interest expense was SEK -603m (-444).

The recent rise in interest rates is reflected in Fabege's higher interest expense during the period.

Financing

Fabège, which receives funding from the big Nordic banks, has long-term credit lines with fixed terms and conditions and an average maturity of 4.5 years. The financial turbulence during the period has therefore not affected the company's access to capital, but higher market interest rates have had an impact on the net interest expense. The average interest rate increased by 0.83 percentage points during the period to 5.11 per cent at the end of September excluding expenses relating to undrawn committed lines of credit (5.12% inclusive). Fabège's strategy is to raise loans with short fixed-rate periods in order to reduce the interest expense over time. Expected future interest rate cuts will therefore rapidly feed through into lower interest expenses. Undrawn committed lines of credit were SEK 1,928m. Fabège's borrowing capacity is sufficient for the adopted investment programme. In the third quarter Fabège refinanced the Paradiset 29 project, which is part-owned by the Group.

Fabège has available long-term credit facilities covering outstanding certificates at any given time. Due to falling demand in the certificate market during the period, Fabège has shifted its borrowing to long-term credits. Outstanding certificates at 30 September were SEK 2,565m.

The total volume of loans as at 30 September included loans relating to projects in progress of SEK 743m, of which the interest, SEK 26m, has been capitalised.

The average fixed-rate period was 6 months (3 months), taking account of the effect of derivatives. Fabège's derivatives portfolio has a value of SEK 6,100m with maturities of up to 4.1 years. The portfolio had a positive impact of SEK 34m on the net interest expense for the period.

Financial position and net asset value

Shareholders' equity at the end of the period was SEK 10,646m (11,415) and the equity/assets ratio was 34 per cent (36%).

Equity per share was SEK 65 (67). Net asset value per share, excluding deferred tax on the surplus value of properties, was SEK 73 (76).

Fabège uses derivatives as a means of cutting costs, and the fixed-rate terms in the loan portfolio refer primarily to derivatives transactions.

Fabège's property portfolio and management

Fabège's business in property management and improvement and project development is highly concentrated to a small number of selected sub-markets in and around Stockholm. Stockholm's inner city, Solna and Hammarby Sjöstad are Fabège's main markets.

On 30 September Fabège owned 158 properties with a total rental value of SEK 2.4bn, a lettable floor area of 1.5m² and a carrying amount, including project properties, of SEK 30.2bn.

Commercial premises represented 97 per cent of the rental value and residential premises 3 per cent. The financial occupancy rate for the portfolio as a whole, including project properties, was 93 per cent (91%). For investment properties the occupancy rate was 95 per cent (95%).

New lettings totalled SEK 160m (256) during the period while net lettings were SEK 4m (133). Two major expected terminations in future project properties, totalling SEK 52m, had a significant impact on net lettings.

Rent levels in renegotiated contracts (64 contracts covering a total area of approx. 42,036 m²) increased by an average of 15 per cent.

Developments in Fabège's main markets

Demand for efficient and flexible office space in Stockholm remained good in the third quarter. The market has however become more cautious in the wake of the financial turmoil.

Interest rate maturity structure, 30 Sep 2008

	Loan amount SEKm	Average interest rate %	Share %
< 1 year	15,555	5.31	84
1-2 years	2,097	4.11	11
2-3 years	400	3.93	2
3-4 years	500	3.95	3
4-5 years	0	0	0
> 5 years	0	0	0
Total	18,552	5.11	100
Deficit, derivatives	31		
Total incl derivatives	18,583		

¹⁾ The comparison figures for income and expense items relate to values for the period January–September 2007, and for balance sheet items as at 31 December 2007.

Loan maturity structure, 30 Sep 2008

	Credit agreements SEKm	Drawn SEKm
< 1 year*	8,620	2,759
1-2 years	1,547	1,397
2-3 years	4,500	4,500
3-4 years	4,000	3,306
4-5 years	4,000	3,900
> 5 years	2,813	2,690
Total	25,480	18,552
Deficit, derivatives		31
Total incl derivatives		18,583

*Including certificate programme, SEK 5,000m.

Stockholm City: the market remains stable, with strong demand. However, due to low vacancy levels, Fabege's portfolio of available office space is limited and concentrated to a small number of properties.

Other inner city sub-markets: on Kungsholmen and Södermalm the market situation is good. The eastern part of Kungsholmen is benefiting from its proximity to the central station and the renewal of the western part of Stockholm City. The western half of Kungsholmen is also experiencing a positive trend thanks to the redevelopment and renewal of the area. The market in Södermalm, where Fabege owns three properties, can be characterised as stable with low vacancy rates.

Solna: Fabege's main sub-markets in Solna are Arenastaden (by Solna Station) and Solna Business Park. Interest in establishing offices in Arenastaden is growing steadily. Construction on the new national arena, Swedbank Arena, and Scandinavia's largest shopping centre, Mall of Scandinavia, is scheduled to begin in spring in 2009 and is expected to be completed in 2012. Demand for offices in Solna Business Park remains strong, but Fabege's has little available space due to a high occupancy rate.

Hammarby Sjöstad: the market is still in the process of develop-

ment. The redevelopment and renewal of the former industrial area is gradually turning it into a more attractive location.

Changes in the property portfolio

During the period January–September 2008 Fabege acquired two properties for a total consideration of SEK 201m and sold 12 properties for SEK 1,957m. The sales resulted in a profit of SEK 143m before tax and SEK 311m after tax. The transactions during the period resulted in a further concentration of the portfolio to Fabege's priority sub-markets, which accounted for 92 per cent of the total value of the Group's properties at 30 September.

Changes in the value of properties

About 30 per cent of the properties were externally valued as at 30 September. The remaining properties have been valued internally based on the year-end valuations. The total market value at 30 September was SEK 30.2bn. Unrealised changes in the value of properties during the third quarter totalled SEK -453m (216). Negative changes in value refer to writedowns occasioned by increased yield requirements.

Although the average yield requirement has increased by 25

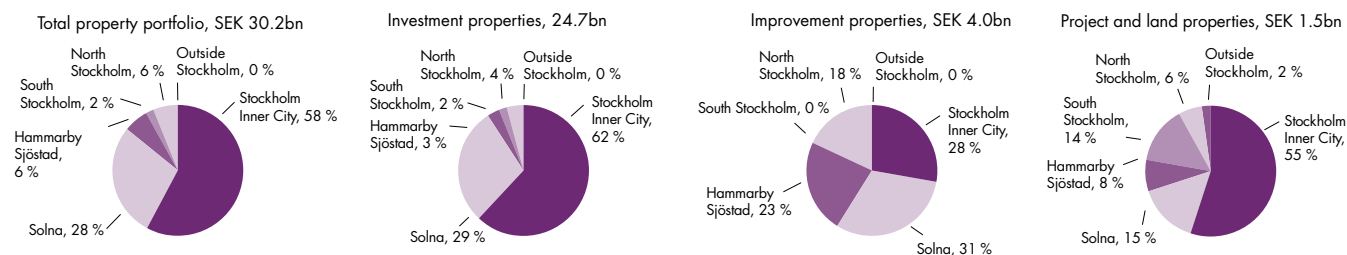
Property portfolio, 30 Sep 2008

Market segment	30 September 2008					1 January–30 September 2008		
	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⁾	93	1,077	24,706	1,966	95	1,398	-355	1,043
Improvement properties ¹⁾	36	301	3,954	354	84	213	-99	114
Land and project properties ¹⁾	29	79	1,509	55	48	35	-24	11
Total	158	1,457	30,169	2,375	93	1,646	-478	1,168
of which, Inner City	50	557	17,362	1,222	95	877	-224	653
of which, Solna	34	491	8,481	728	91	490	-118	372
of which, Hammarby Sjöstad	13	146	1,740	174	81	105	-56	49
of which, South Stockholm	14	47	772	59	89	41	-13	28
of which, North Stockholm	46	216	1,791	192	94	133	-67	66
of which, outside Stockholm	1	0	23	0	0	0	0	0
Total	158	1,457	30,169	2,375	93	1,646	-478	1,168
Expenses for lettings, project development and property adm.								-77
Total net operating income after expenses for lettings, project development and property administration.								1,091²⁾

¹ See definitions on page 10.

²The table refers to Fabege's property portfolio as at 30 September 2008. Income and expenses are reported as if the properties had been held during the whole period. The difference between reported net operating income, SEK 1,091m, and net operating income in the profit and loss account, SEK 1,084m, is explained by the fact that the 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–September 2008.

Distribution of book value/market value



basis points since year-end, the net effect on the value of the property portfolio is significantly less due to increases in value of properties thanks to improved cash flows. Fabege's project investments (see below) are forward-looking and are designed to reduce vacancy rates and raise rents in the portfolio, thereby improving cash flows and adding value.

Sale of properties

Property	Area	Category	Lettable area, m ²
Q1			
Marievik 14	Marievik	Office	16,923
Marievik 19	Marievik	Office	20,706
Verdandi 9	Vasastan	Residential	1,399
Landbyska Verket 10	Östermalm	Office	1,266
Krejaren 2	Östermalm	Land	–
Q2			
Axet 1/Bladet 1	Bergshamra	Office	31,688
Gräddö 2&4	Farsta	Office	14,321
Kurland 17	Vasastan	Office	1,798
Ånsta 20:17	Örebro	Industrial	3,011
Q3			
Kallhäll 9:35	Kallhäll	Land	–
Total property sales January–September 2008			91,112

Property acquisitions

Properties	Area	Category	Lettable area, m ²
Q1			
Uarda 2	Arenastaden	Warehouse	5,586
Krejaren 2	Östermalm	Land	–
Total property acquisitions, Jan-Sep 2008			5,586

Projects in progress >50 SEKm 30 Sep 2008, SEKm

Property name	Property type	Area	Completed	Lettable area, m ²	Occupancy rate %, Area*	Estimated rental value	Carrying amount 30 Sep 2008	Estimated investment	Of which, accrued 30 Sep 2008
Risinge 1 mfl	Residential	Tensta/Rinkeby	Q2 2009	53,400	100	53	409	328	193
Paradisets 29 (50%)	Office/Retail/ Garage	Stadshagen	Q3 2009	18,100	51	29	244	390	287
Rovan 1	Office/Retail	Huvudsta	Q3 2009	16,400	82	24	169	121	35
Hammarby Gård 7	Office	Hammarby Sjöstad	Q4 2009	8,900	20	20	81	185	46
Bocken 35 and 46	Office	Norrmalm	Q4 2009	15,300	90	55	578	390	118
Päronet 8	Office	Solna Strand	Q1 2010	24,125	97	39	258	305	34
Total				136,225	84	220	1,739	1,719	713
Other Project & land properties							437		
Other Improvement properties							3,287		
Total Project, land and improvement properties							5,463		

* Operational occupancy rate, 27 Oct 2008.

The annual rent for the largest projects in progress can increase to SEK 220m (fully let) from SEK 77m currently as of 30 September 2008.

Projects and investments

A total of SEK 1,391m (587) was invested in existing properties and projects. The investments referred to land, new builds, extensions and conversions. The largest investments refer to Paradiset 29 and Bocken 35,46.

During the period Lammet 17 and Läraren 13 were transferred to Fabege's property management portfolio following the completion of the projects. Lammet 17, where the largest tenant is Unionen, is a 6,800 m² property in a strategic location between the central station and the commercial centre of Stockholm City. With two new tenants, Sveaskog and Tiger, the 6,800 m² Läraren 13 property, which stands in an attractive location on the re-vamped Norra Bantorget, is now almost fully let.

Major projects (see also Projects in progress table)

Fabege's project in Bocken 35 and 46 at the corner of Lästmakargatan and Regeringsgatan in Stockholm City is proceeding according to plan and occupancy is scheduled for the fourth quarter of 2009.

The Paradiset 29/Lindhagen project on Kungsholmen, which will comprise 36,200 m² of retail space, offices and parking, is proceeding according to plan. Work on finding tenants for the office section was further intensified during the autumn. In the third quarter the property was certified as a GreenBuilding under the European Commission's GreenBuilding programme. This means the building meets the requirement of 25 per cent less energy use than is stipulated in building rules.

Päronet 8, a property in Solna Strand, is currently undergoing a complete internal renovation and redevelopment, and is expected to be ready for occupancy in the first quarter of 2010. Following renegotiation of the lease, the property has been fully let to the Swedish Tax Agency.

In Tensta/Rinkeby the initiated phases will be completed but no new phases will be started.

Staff

At the end of the period 145 people (142) were employed in the Fabege Group.

Parent company

Sales during the period were SEK 74m (78) and the earnings before appropriations and tax were SEK -314m (-152). Net investments in property, equipment and shares were SEK -129m (25). The parent company applies Recommendation RFR 2.1 Accounting for Legal Entities of the Swedish Financial Accounting Standards Council and the Swedish Annual Accounts Act. (See also the profit and loss account on page 9.)

Share buyback programme

During the period Fabege bought back 6,184,451 shares for SEK 350m (average price SEK 56.66). Of these, 1,339,100 were bought back in the second quarter for SEK 58m (average price 43.63). At 30 September 2008 Fabege owned 4,669,400 treasury shares, representing 2.76 per cent of the total number of shares in the company.

The Nomination Committee for the 2009 AGM

In accordance with the resolutions passed at the 2008 AGM, the following Nomination Committee has been formed, based on the ownership at 31 August 2008 and known changes thereafter: Anders Silverbåge (Brinova Fastigheter AB), Peter Lindh (Maths O. Sundqvist), Per Ovrén (Investment AB Öresund) and Mikael Nordberg (Danske Capital). The Nomination Committee represents approximately 33 per cent of the votes in Fabege.

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 Dec 2006). At 30 September 2008 the total increase in taxable income is 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 filed appeals against them.

Fabege is also contesting the ruling of the Administrative Court of Appeal that we reported on in our 2007 Annual Report (see pages 40–41).

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

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 2007 Annual Report (page 46).

Properties are recognised 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 2007 Annual Report (page 47).

Financial risk, i.e. the risk of insufficient access to long-term funding through loans, and Fabege's management of this risk are described in the 2007 Annual Report (page 63).

No significant changes in the company's risk assessments have been made since then.

Under its adopted targets for capital structure, Fabege 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).

Events after the end of the reporting period

Åsa Bergström has also been appointed Executive Vice President of the company with effect from 4 November 2008. Åsa Bergström took up the position of CFO in December 2007.



Åsa Bergström

Accounting principles

Fabege 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. The Group has applied the same accounting principles and valuation methods as in the last annual report.

The parent company applies Recommendation RFR 2.1 Accounting for Legal Entities of the Swedish Financial Accounting Standards Council and the Swedish Annual Accounts Act.

Stockholm, November 4, 2008

Christian Hermelin
Chief Executive Officer

Review report

Introduction

We have conducted a review of the interim report of Fabege AB (publ) for the period from 1 January 2008 to 30 September 2008. This interim report being prepared and presented in accordance with IAS 34 and the Annual Accounts Act is the responsibility of the Board of Directors and Chief Executive Officer. Our responsibility is to express a conclusion on this interim report based on our review.

Orientation and scope of the review

We have conducted our review in accordance with the standard for review (SÖG) 2410 Review of interim financial information conducted by the company's elected auditor. A review consists of making enquiries, primarily to individuals responsible for financial and accounting issues, conducting an analytical review and taking other review measures. A review has a differing orientation and significantly less scope than the orientation and scope of an audit pursuant to RSS Swedish accounting standard and generally accepted auditing practice in other respects. The review measures taken in a review do not enable us to attain sufficient certainty for us to state that we are aware of all significant circumstances that would have been identified if an audit had been conducted. Accordingly, the stated conclusion of a review does not have the certainty of the stated conclusion based on an audit.

Conclusion

Based on our review, no circumstances have arisen that give me reason to consider that in essence, for the Group’s part, the interim report has not been prepared pursuant to IAS 34 and the Swedish Annual Accounts Act and, for the Parent Company’s part, pursuant to the Swedish Annual Accounts Act.

Stockholm, 4 November 2008
DeloitteAB

Svante Forsberg
Authorised public

Paradiset 29 – Fabege’s first property to be granted GreenBuilding status



In the third quarter of 2008 Fabege’s Lindhagen project in its Paradiset 29 property next to the Essingeleden flyover in western Kungsholmen was certified under the European Commission’s GreenBuilding programme, which is aimed at promoting energy-saving measures for commercial properties. Paradiset 29 was granted GreenBuilding status because it meets the requirement that new buildings use 25 per cent less energy than required by building regulations. Read more about Lindhagen at www.destinationlindhagen.se.



Questions concerning the report will be answered by:

Christian Hermelin, CEO

Phone: +46 (0)8-555 148 25,
+46 (0)733-87 18 25

Åsa Bergström, CFO

Phone: +46 (0)8-555 148 29,
+46 (0)706-66 13 80

Mats Berg, Director of Communications and Investor Relations

Phone: +46 (0)8-555 148 20,
+46 (0)733-87 18 20

Profit and loss account summary, SEKm

	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Jan-Dec	Rolling, 12 months Oct 2007-Sep 2008
Rental income	549	513	1,674	1,534	2,066	2,206
Property expenses	-191	-167	-590	-566	-754	-778
Net operating income	358	346	1,084	968	1,312	1,428
Surplus ratio, %	65	67	65	63	64	65
Central administration and marketing	-14	-15	-46	-45	-60	-61
Realised changes in value, properties	0	33	143	207	446	382
Unrealised changes in value, properties	-453	216	-460	610	893	-177
Operating profit	-109	580	721	1,740	2,591	1,572
Dividends	-	-	2	60	60	2
Net interest income	-215	-146	-603	-444	-609	-768
Change in value, interest rate derivatives	-47	-2	-45	38	37	-46
Change in value, equities	-7	-3	-13	-4	-13	-22
Profit after financial items	-378	429	62	1,390	2,066	738
Current tax	0	-4	-3	-4	-7	-6
Deferred tax	106	-112	192	-208	-247	153
Profit for the period/year	-272	313	251	1,178	1,812	885
Attributable to parent company shareholders	-272	313	251	1,178	1,812	885
Earnings per share before dilution, SEK	-1.65	1.78	1.50	6.42	10.03	5.25
Earnings per share after dilution, SEK	-1.65	1.77	1.50	6.39	9.98	5.23
No. of shares at end of period before dilution, millions	164.6	174.4	164.6	174.4	170.8	164.6
No. of shares at end of period after dilution, millions	165.7	175.5	165.7	175.5	171.9	165.7
Average no. of shares before dilution, millions	165.3	176.0	167.1	183.4	180.7	168.5
Average no. of shares after dilution, millions	166.4	177.1	168.2	184.5	181.8	169.6

Balance sheet summary, SEKm

	30 Sep 2008	31 Dec 2007	30 Sep 2007
Assets			
Properties	30,169	30,829	27,288
Other tangible fixed assets	3	6	8
Financial fixed assets	378	387	669
Current assets	471	458	386
Cash and cash equivalents	93	75	44
Total assets	31,114	31,755	28,395
Equity and liabilities			
Equity	10,646	11,415	11,027
Provisions	1,063	1,393	1,024
Interest-bearing liabilities	18,583	17,210	15,242
Non-interest-bearing liabilities	822	1,737	1,102
Total equity and liabilities	31,114	31,755	28,395
Equity/assets ratio, %	34	36	39
Contingent liabilities	1,696	1,735	1,625

Change in equity, SEKm

	Share- holders' equity	Of which attributable to parent company shareholders	Of which, attributable to minority
Shareholders' equity, 1 Jan 2007	12,177	12,156	21
New shares, conversion of debt instruments	1	1	-
Change in minority share through pre-emption rights to the shares of Fastighets AB Tornet.	-21	-	-21
Redemption of shares paid in the form of shares in Klöver	-1,251	-1,251	-
Cash dividend	-761	-761	-
Share buybacks	-296	-296	-
Profit for the year	1,178	1,178	-
Shareholders' equity, 30 Sep 2007	11,027	11,027	-
New shares, conversion of debt instruments	1	1	-
Share buybacks	-247	-247	-
Profit for the year	634	634	-
Shareholders' equity, 31 Dec 2007	11,415	11,415	0
Cash dividend	-670	-670	-
Share buybacks	-350	-350	-
Profit for the year	251	251	-
Shareholders' equity, 30 Sep 2008	10,646	10,646	-

Cash flow statement, SEKm

	2008 Jan-Sep	2007 Jan-Sep	2007 Jan-Dec
Operating profit excl. depreciation and changes in value of existing properties	1,182	1,132	1,706
Net financial items paid	-668	-412	-557
Income tax paid	-3	-4	-7
Change in other working capital	-999	-536	491
Cash flow from operations	-488	180	1,633
Investments and acquisitions of properties	-1,591	-1,255	-4,984
Sale of properties, book value of divested properties	1,791	1,765	2,231
Other investments (net)	-15	-34	100
Cash flow from investing activities	185	476	-2,653
Dividend to shareholders	-670	-761	-761
Share buybacks	-350	-296	-543
Change in interest-bearing liabilities	1,341	281	2,235
Cash flow from financing activities	321	-776	931
Change in cash and cash equivalents	18	-120	-89
Cash and cash equivalents at beginning of period	75	164	164
Cash and cash equivalents at end of period	93	44	75

Key figures¹⁾

	2008 Jan-Sep	2007 Jan-Sep	2007 Jan-Dec
Financial			
Return on capital employed, %	3.1	9.2	9.9
Return on equity, %	3.0	13.5	15.4
Interest coverage ratio, times	1.9	2.6	2.8
Equity/assets ratio, %	34	39	36
Leverage properties, %	62	56	56
Debt/equity ratio, times	1.7	1.4	1.5
Share-related			
Earnings per share for the period, SEK	1.50	6.39	9.98
Equity per share, SEK	65	63	67
Cash flow per share, SEK	3.44	4.04	6.32
No. of outstanding shares at end of period before dilution, '000	164,642	174,416	170,823
No. of outstanding shares at end of period after dilution, '000	165,709	175,491	171,893
Average no. of shares before dilution, '000	167,107	183,433	180,730
Average no. of shares after dilution, '000	168,175	184,504	181,801
Property-related			
No. of properties	158	169	167
Carrying amount of properties, SEKm	30,169	27,288	30,829
Lettable area, m ²	1,457,000	1,425,000	1,546,000
Financial occupancy rate, %	93	91	92
Surplus ratio, %	65	63	64

¹⁾ Dilution effects of potential ordinary shares have been taken into account in calculating key figures per share. As at 30-Sep-08, Fabege has a convertible bond loan with a book value of SEK 47 million (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

	2008 Jan-Sep	2007 Jan-Sep	2007 Jan-Dec
Income	74	78	108
Expenses	-133	-139	-196
Net financial items	-197	-129	1,112
Change in value, interest rate derivatives	-45	38	37
Change in value, equities	-13	-	-13
Profit before tax	-314	-152	1,048
Tax	94	25	-10
Profit for the period/year	-220	-127	1,038

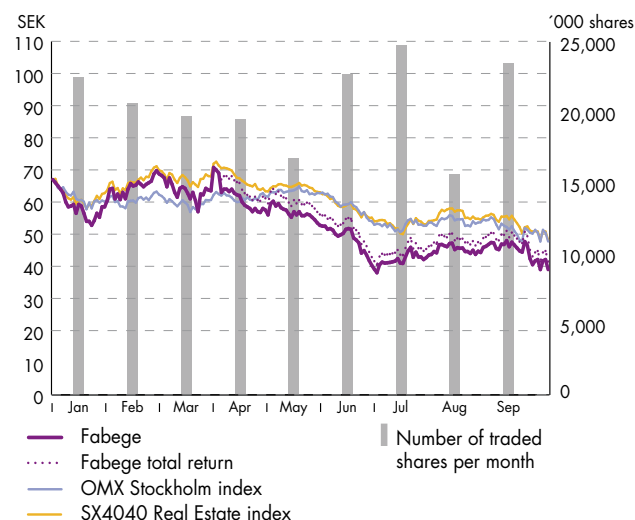
Balance sheet summary, SEKm

	30 Sep 2008	31 Dec 2007	30 Sep 2007
Interests in Group companies	14,987	15,116	15,116
Other fixed assets	33,846	32,313	26,203
Other current assets	15	3	29
Cash and cash equivalents	75	58	37
Total assets	48,923	47,490	41,385
Equity	9,591	10,831	9,733
Provisions	63	62	62
Long-term liabilities	36,437	32,776	27,026
Current liabilities	2,832	3,821	4,564
Total equity and liabilities	48,923	47,490	41,385

Largest shareholders, 30 September 2008

Shareholder	No. of shares	Share of capital and votes, %
Brinova	23,291,092	14.2
Maths O Sundqvist	19,527,800	11.9
Öresund	8,900,000	5.4
Danske fonder	3,114,427	1.9
Swedbank Robur fonder	2,912,584	1.8
SEB fonder	2,670,146	1.6
Mats Qviberg and family	2 653,636	1.6
DFA funds (USA)	1,556,190	0.9
Sjunde AP-fonden	1,448,872	0.9
SHB/SPP fonder	1,381,066	0.8
Other foreign owners	56,690,346	34.4
Other owners	40,495,995	24.6
Total no. of outstanding shares	164,642,154	100.0
Share buybacks	4,669,400	
Total no. of registered shares	169,311,554	

Share price performance



Financial reports 2009

Year End Report

5 February 2009

Annual General Meeting

31 March 2009

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.

Profit/loss from property management activities

Profit/loss for the period after financial items and reversal of changes in value and dividends.

Interest coverage ratio

Profit after financial items 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.



Fabege AB (publ)

Box 730, 169 27 Solna, Visiting address: Dalvägen 8, 169 56 Solna, Phone: +46 (0)8-555 148 00, Fax: +46 (0)8-555 148 01, E-mail: info@fabege.se
Internet: www.fabege.se Organisation number: 556049-1523, Registered office: Stockholm