

# Fabege Interim Report

## January–March 2008

- Profit after tax was SEK 388 million (356) and earnings per share after dilution were SEK 2.28 (1.86)
- Rental income was SEK 561 million (517)
- The surplus ratio was 61 per cent (59%)
- Fabege's project activities generated significant value-added gains also in this quarter

### Fabege in summary

	2008 Jan-Mar	2007 Jan-Mar	2007 Jan-Dec
Rental income, SEKm	561	517	2,066
Net operating income, SEKm	344	306	1,312
Profit after financial items, SEKm	348	420	2,066
Profit after tax, SEKm	388	356	1,812
Earnings per share after dilution, SEK	2.28	1.86	9.98
Equity/assets ratio, %	36	38	36
Occupancy rate, %	92	90	92

### Overview of the first quarter

Profit after tax improved to SEK 388 million (356). The profit includes unrealised changes in value relating to properties of SEK 88 million (210). The changes in value were primarily attributable to value-added gains from projects in progress. Deferred tax was SEK 41 million (–64), primarily due to elimination of deferred tax in connection with property sales.

5 properties were sold, resulting in a total realised gain of SEK 139 million (60) before tax.

Fabege's major projects (see table on page 4) performed well with a high rate of lettings in the development properties.

Fabege continued to concentrate its portfolio to its priority markets, Stockholm's inner city, Solna and Hammarby Sjöstad, which now account for 92 per cent of the total market value of

the properties. During the quarter Fabege sold its remaining two properties in Marievik and thus left that sub-market.

New lettings were SEK 54 million while net lettings was SEK –12 million. An expected termination worth SEK 40 million in a future project property resulted in negative net lettings.

The surplus ratio improved by two percentage points to 61 per cent (59) year-on-year.

The average interest rate in the loan portfolio increased by 17 points to 4.48 per cent during the quarter.

Net asset value per share at 31 March was SEK 78 (76), excluding tax on the surplus value of properties.

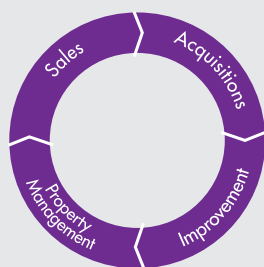
### This is Fabege

*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.

The 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

### Interest rate maturity structure, 31 Mar 2008

	Loan amount SEKm	Average interest rate %	Share %
< 1 year	17,241	4.47	92
1–2 years	1,297	4.24	7
2–3 years	100	4.68	1
3–4 years	0	0.00	0
4–5 years	0	0.00	0
> 5 years	0	0.00	0
<b>Total</b>	<b>18,638</b>	<b>4.46</b>	<b>100</b>
Deficit, derivatives	2		
<b>Total incl derivatives</b>	<b>18,640</b>		

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

### Revenues and earnings<sup>1)</sup>

The profit after tax was SEK 388 million (356) after increased financial expenses and positive tax. Earnings per share after dilution were SEK 2.28 (1.86). The profit after financial items was SEK 348 million (420).

Rental income was SEK 561 million (517) and net operating income SEK 344 million (306). Realised and unrealised changes in the value of properties were SEK 139 million (60) and SEK 88 million (210), respectively. Changes in the value of interest rate derivatives were SEK –15 million (7). The net interest expense was –192 million (–149).

### Cash flow and financial position

The profit increased liquidity by SEK 264 million (195). After an increase of SEK 1,947 million in operating capital, which varies primarily as a result of occupancy/final settlement for acquired and divested properties, operating activities resulted in an increase in liquidity of SEK –1,683 million (–960). Property sales exceeded investments and acquisitions by SEK 460 million (–162). Operations thus resulted in an overall change in liquidity of SEK –1.223 million (–1,122).

Share buybacks totalled SEK 206 million (–). After the increase in debt, consolidated cash and cash equivalents were SEK 74 million (75).

Shareholders' equity at the end of the period was SEK 11,597 million (11,415) and the equity/assets ratio 36 per cent (36).

At the end of the period, interest-bearing liabilities (including a deficit in the derivatives portfolio of SEK 2 million) were SEK 18,640 million (17,197) with an average interest rate of 4.46 per cent (4.28) excluding loan commitments and 4.48 per cent including costs for loan commitments. Out of total liabilities, SEK 47 million refers to a convertible bond loan and SEK 3,632 million to outstanding certificates. The total volume of loans at 31 March includes loan amounts for projects in progress of SEK 374 million, on which interest of SEK 3 million has been capitalised. The average fixed-rate term of the loans, including effects of exercised derivatives, at 31 March was 3 months (3).

### Loan maturity structure, 31 Mar 2008

	Credit agreements SEKm	Used SEKm
< 1 year	8,620	4,082
1–2 years	1,048	977
2–3 years	500	100
3–4 years	4,500	4,391
4–5 years	8,000	6,548
> 5 years	2,540	2,540
<b>Total</b>	<b>25,208</b>	<b>18,638</b>
Deficit, derivatives		2
<b>Total incl derivatives</b>		<b>18,640</b>

\*Including certificate programme, SEK 5,000m.

Out of the total volume of loans with variable interest rates of SEK 18,591 million, loans of SEK 6,450 million have been extended using interest rate derivatives with maturities of up to 2.1 years. The average maturity was 4.6 years (5.1). Out of total credit lines of SEK 25.2 million, SEK 18.6 million had been used. The turbulence in global financial markets has not affected Fabege's access to long-term funding.

### Net asset value per share

Equity per share at 31 March was SEK 69 (62). Net asset value per share, excluding deferred tax on goodwill properties, was SEK 78 (76).

### The rental and property market in Stockholm

Demand for modern offices in Stockholm remains strong. In attractive locations rents have continued to rise. Vacancy rates in Stockholm City are low, creating greater interest in the surrounding areas, Malmarna, and in suburbs close to the inner city. In Hammarby Sjöstad, Västra Kungsholmen and Arenastaden in Solna, all development areas where Fabege has a strong pre-

sence, the positive trend has remained intact, and interest is growing as the areas continue to be developed.

In the transaction market activity has slowed due to the turbulence in financial markets.

### Property holdings and management

At 31 March 2008 Fabege's property holdings comprised commercial and residential premises with a total rental value of SEK 2.4 billion, a lettable floor area of 1.5 million m<sup>2</sup> and a book value, including project properties, of SEK 30.5 billion. 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 92 per cent (90). For investment properties the occupancy rate was 95 per cent (93).

### Acquisitions and sales of properties

During the period Fabege acquired two properties for a total consideration of SEK 201 million and sold five properties for SEK 1,270 million. The sales resulted in a profit of SEK 139 million

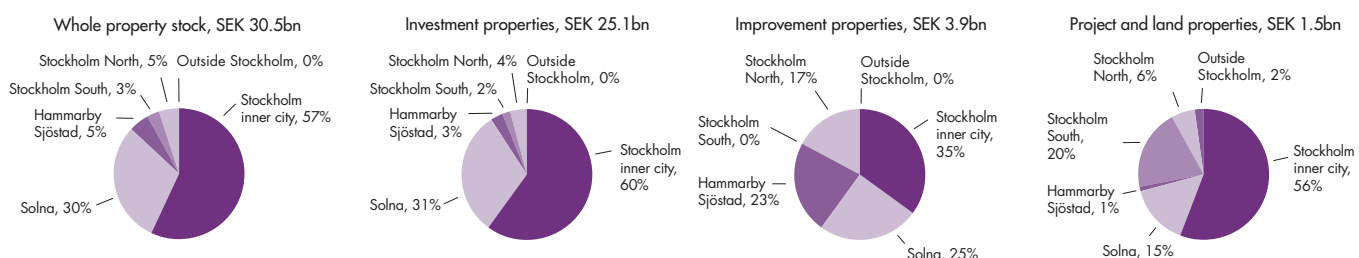
### Property portfolio

Market segment	31 March 2008					1 Jan–31 Mar 2008		
	No. of properties	Lettable area, '000 m <sup>2</sup>	Market value, SEKm	Rental value SEKm	Financial occupancy rate, %	Rental income, SEKm	Property expenses, SEKm	Net operating income, SEKm
<b>Property holdings</b>								
Investment properties <sup>1)</sup>	95	1,125	25,139	2,005	95	474	-135	339
Improvement properties <sup>1)</sup>	37	313	3,871	341	81	71	-37	34
Land and project properties <sup>1)</sup>	32	74	1,466	63	47	8	-7	1
<b>Total</b>	<b>164</b>	<b>1,512</b>	<b>30,476</b>	<b>2,409</b>	<b>92</b>	<b>553</b>	<b>-179</b>	<b>374</b>
of which, Inner City	51	556	17,233	1,176	94	284	-82	202
of which, Solna	35	524	9,128	804	92	177	-49	128
of which, Hammarby Sjöstad	13	156	1,615	171	85	36	-20	16
of which, South Stockholm	16	57	795	66	85	13	-4	9
of which, North Stockholm	47	216	1,679	190	88	43	-24	19
of which, outside Stockholm	2	3	26	2	37	0	0	0
<b>Total</b>	<b>164</b>	<b>1,512</b>	<b>30,476</b>	<b>2,409</b>	<b>92</b>	<b>553</b>	<b>-179</b>	<b>374</b>
Expenses for lettings, project development and property adm.								-28
<b>Total net operating income after expenses for lettings, project development and property adm.</b>								<b>346<sup>2)</sup></b>

<sup>1)</sup> See definitions on page 8.

<sup>2)</sup> The table refers to Fabege's property portfolio as at 31 March 2008. Income and expenses are reported as if the properties had been held during the whole period. The difference between the reported net operating income, SEK 346 million, and net operating income in the profit and loss account, SEK 344 million, 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–March 2008.

### Distribution of book value/market value



before tax and SEK 238 million after tax. Fabege's transactions in the first quarter resulted in a further concentration of the portfolio to the company's priority sub-markets.

### Changes in value

About 25 per cent of the properties were externally valued as at 31 March. The remaining properties have been valued internally based on the year-end valuations. The total market value at 31 March was SEK 30.5 billion. Unrealised changes in the value of properties during the quarter totalled SEK 88 million (210) and were primarily attributable to gains from added value in projects.

### Projects and investments

Investments in existing properties and projects were SEK 470 million (232) and referred to new builds, extensions and conversions. The largest investments referred to the properties Marievik 19, Lillsåtra 3 and Läraren 13.

### Staff

At the end of the period the Fabege Group had 141 employees (141).

### Parent company

Sales during the period were SEK 28 million (27) and the earnings before appropriations and tax were SEK –111 million (–89). Net investments in property, equipment and shares were SEK 1m (1). The parent company applies Recommendation RR 32 "Accounting for Legal Entities" of the Swedish Financial Accounting Standards Council. (See also the profit and loss account on page 7.)

### Share buyback programme

In the first quarter Fabege bought back 3,216,951 shares for a total of SEK 206 million (average share price SEK 63.93). At 31 March 2008 Fabege owned 10,852,573 shares, representing 6.08 per cent of the total number of shares in the company. 9,150,673 shares have subsequently been withdrawn, in accordance with the resolution passed by the AGM on 3 April 2008.

### 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 31 March 2008 the total in-

### Property acquisitions

Properties	Area	Category	Lettable area, m <sup>2</sup>
<b>Q1</b>			
Uarda 2	Arenastaden	Warehouse	5,586
Krejaren 2	Östermalm	Land	–
<b>Total property acquisitions, Jan–Mar 2008</b>			<b>5,586</b>

### Sale of properties

Properties	Area	Category	Lettable area, m <sup>2</sup>
<b>Q1</b>			
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	–
<b>Total property sales Jan–Mar 2008</b>			<b>40,294</b>

### Projects in progress >50 SEKm 31 Mar 2008, SEKm

Property name	Property type	Area	Completed	Lettable area, m <sup>2</sup>	Occupancy rate %, Area**	Rental value	Book value 08-03-31	Estimated investment	Of which, accrued 08-03-31
Lillsåtra 3	Warehouse	Såtra	Q2 2008	9,000	100	10	78	75	62
Lammet 17	Office	City/Gamla Klara	Q3 2008	6,800	64	20	250	60	23
Läraren 13	Office	Norrmalm	Q3 2008	6,800	95	20	330	85	42
Paradiset 29 (50%)	Retail/Office/ Garage	Stadshagen	Q3 2009	18,100	50	29	124	380	167
Rovan 1	Office/Retail	Huvudsta	Q3 2009	16,400	0 *	24	62	181	12
Hammarby Gärd 7	Office	Hammarby Sjöstad	Q4 2008	8,900	6 *	20	40	185	5
Bocken 35 and 46	Office	Norrmalm	Q4 2009	15,300	90	55	387	390	16
Skvaltkvarnen 1 et al.	Residential	Tensta/Rinkeby	2007-2011	95,300	96	102	528	600	155
<b>Total</b>				<b>176,600</b>	<b>79</b>	<b>280</b>	<b>1,799</b>	<b>1,956</b>	<b>482</b>
Other Project & land properties							622		
Other Improvement properties							2,916		
<b>Total Project, land and improvement properties</b>							<b>5,337</b>		

\* During the period of redevelopment the property has rental income from existing tenants that are expected to remain in the building during the redevelopment.

\*\* Operational occupancy rate, 30 Apr 2008

The annual rent for the largest projects in progress can increase to SEK 280 million (fully let) from SEK 86 million currently as of 31 March 2008.

crease in taxable income is SEK 4,045 million. The decisions have resulted in total tax demands of SEK 1,132 million plus a tax penalty of SEK 170 million, i.e. a total demand of SEK 1,302 million 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).

### 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

#### *Annual General Meeting on 3 April 2008*

At Fabege's Annual General Meeting on 3 April 2008 the shareholders approved the Board's proposal for a dividend for 2007 of SEK 4.00 per share. The shareholders also voted to withdraw 9,150,673 treasury shares. For information about other resolutions and AGM documents, see Fabege's website.

### 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 prepares its accounts in accordance with the Swedish Annual Accounts Act and has applied the same accounting principles and valuation methods as in the last annual report.

Stockholm, 6 May 2008

Christian Hermelin  
Chief Executive Officer



Arenastaden in Solna is being rapidly developed, and Fabege is planning to make improvements to its existing properties in the area. Farao 14, a property on Pyramidvägen, will undergo an external and internal renovation and is expected to be ready for occupation in spring 2009.

### 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, SEKm

	2008 Jan–Mar	2007 Jan–Mar	2007 Jan–Dec	Rolling, 12 months Apr 2007–Mar 2008
Rental income	561	517	2,066	2,110
Property expenses	-217	-211	-754	-760
<b>Net operating income</b>	<b>344</b>	<b>306</b>	<b>1,312</b>	<b>1,350</b>
Surplus ratio, %	61	59	64	64
Central administration and marketing	-17	-14	-60	-63
Realised changes in value, properties	139	60	446	525
Unrealised changes in value, properties	88	210	893	771
<b>Operating profit</b>	<b>554</b>	<b>562</b>	<b>2,591</b>	<b>2,583</b>
Dividends	-	-	60	60
Net interest income	-192	-149	-609	-652
Change in value, interest rate derivatives	-15	7	37	15
Change in value, equities	1	-	-13	-12
<b>Profit after financial items</b>	<b>348</b>	<b>420</b>	<b>2,066</b>	<b>1,994</b>
Current tax	-1	-	-7	-8
Deferred tax	41	-64	-247	-142
<b>Profit for the period/year</b>	<b>388</b>	<b>356</b>	<b>1,812</b>	<b>1,844</b>
Parent company's share of profit for the period/year	388	356	1,812	1,844

Earnings per share before dilution, SEK	2.29	1.87	10.03	10.51
Earnings per share after dilution, SEK	2.28	1.86	9.98	10.47
No. of shares at end of period before dilution, millions	167.6	190.3	170.8	167.6
No. of shares at end of period after dilution, millions	168.7	191.4	171.9	168.7
Average no. of shares before dilution, millions	169.2	190.3	180.7	175.5
Average no. of shares after dilution, millions	170.3	191.4	181.8	176.5

## Balance sheet, SEKm

	31 Mar 2008	31 Mar 2007	31 Dec 2007
<b>Assets</b>			
Properties	30,476	27,531	30,829
Other tangible fixed assets	3	8	6
Financial fixed assets	356	1,973	387
Current assets	1,672	1,402	458
Cash and cash equivalents	74	121	75
<b>Total assets</b>	<b>32,581</b>	<b>31,035</b>	<b>31,755</b>
<b>Equity and liabilities</b>			
Equity	11,597	11,752	11,415
Provisions	1,306	1,066	1,393
Interest-bearing liabilities	18,640	16,071	17,210
Non-interest-bearing liabilities	1,038	2,146	1,737
<b>Total equity and liabilities</b>	<b>32,581</b>	<b>31,035</b>	<b>31,755</b>
Equity/assets ratio	36	38	36

## Change in equity, SEKm

	Share- holders' equity	Of which, attributable to parent company shareholders	Of which, attribut- able to minority
<b>Shareholders' equity, 1 Jan 2007</b>	<b>12,177</b>	<b>12,156</b>	<b>21</b>
New shares, conversion of debt instruments	2	2	-
Change in minority share through pre-emption rights to the shares in 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	-543	-543	-
Profit for the year	1,812	1,812	-
<b>Shareholders' equity, 31 Dec 2007</b>	<b>11,415</b>	<b>11,415</b>	<b>-</b>
New shares, conversion of debt instruments	0	0	-
Share buybacks	-206	-206	-
Profit for the year	388	388	-
<b>Shareholders' equity, 31 Mar 2008</b>	<b>11,597</b>	<b>11,597</b>	<b>-</b>

## Consolidated Cash Flow Statement, SEKm

	2008 Jan–Mar	2007 Jan–Mar	2007 Jan–Dec
<b>Operating profit excl. depreciation and changes in value, existing property holdings</b>	<b>469</b>	<b>353</b>	<b>1,706</b>
Net financial items paid	-204	-158	-557
Income tax paid	-1	-	-7
Change in other working capital	-1,947	-1,155	491
<b>Cash flow from operations</b>	<b>-1,683</b>	<b>-960</b>	<b>1,633</b>
Investments and acquisitions of properties	-671	-711	-4,984
Property sales, book value of divested properties	1,113	578	2,231
Other investments (net)	18	-29	100
<b>Cash flow from investing activities</b>	<b>460</b>	<b>-162</b>	<b>-2,653</b>
Dividend to shareholders	-	-	-761
Share buybacks	-206	-	-543
Change in interest-bearing liabilities	1,428	1,079	2,235
<b>Cash flow from financing activities</b>	<b>1,222</b>	<b>1,079</b>	<b>931</b>
Change in cash and cash equivalents	-1	-43	-89
Cash and cash equivalents at beginning of period	75	164	164
<b>Cash and cash equivalents at end of period</b>	<b>74</b>	<b>121</b>	<b>75</b>

## Key figures<sup>1)</sup>

	2008 Jan–Mar	2007 Jan–Mar	2007 Jan–Dec
<b>Financial</b>			
Return on capital employed, %	7.4	8.4	9.9
Return on equity, %	13.5	11.9	15.4
Interest coverage ratio, times	2.4	2.3	2.8
Equity/assets ratio, %	36	38	36
Leverage properties, %	61	58	56
Debt/equity ratio, times	1.6	1.4	1.5
<b>Share-related</b>			
Earnings per share for the period, SEK	2.28	1.86	9.98
Equity per share, SEK	69	62	67
Cash flow per share, SEK	1.62	1.07	6.32
No. of outstanding shares at end of period before dilution, '000	167,608	190,317	170,823
No. of outstanding shares at end of period after dilution, '000	168,676	191,399	171,893
Average no. of shares before dilution, '000	169,216	190,305	180,730
Average no. of shares after dilution, '000	170,285	191,399	181,801
<b>Property-related</b>			
No. of properties	164	174	167
Book value of properties, SEKm	30,476	27,531	30,829
Lettable area, m <sup>2</sup>	1,512,000	1,599,000	1,546,000
Financial occupancy rate, %	92	90	92
Surplus ratio, %	61	59	64

<sup>1)</sup> Dilution effects of potential ordinary shares have been taken into account in calculating key figures per share. As at 31 March 2008, Faberge 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 1,067,883 shares.

## PARENT COMPANY Profit and loss account, SEKm

	2008 Jan–Mar	2007 Jan–Mar	2007 Jan–Dec
Income	28	27	108
Expenses	-58	-68	-196
Net financial items	-67	-55	1,112
Change in value, interest rate derivatives	-15	7	37
Change in value, equities	1	-	-13
<b>Profit before tax</b>	<b>-111</b>	<b>-89</b>	<b>1,048</b>
Tax	28	22	-10
<b>Profit for the period/year</b>	<b>-83</b>	<b>-67</b>	<b>1,038</b>

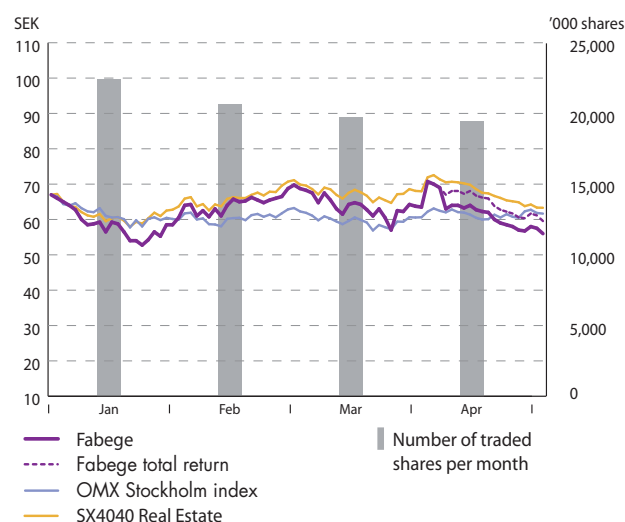
## Balance sheet, SEKm

	31 Mar 2008	31 Mar 2007	31 Dec 2007
Interests in Group companies	15,116	15,092	15,116
Other fixed assets	34,286	28,116	32,313
Other current assets	17	30	3
Cash and cash equivalents	56	83	58
<b>Total assets</b>	<b>49,475</b>	<b>43,321</b>	<b>47,490</b>
Equity	10,542	11,340	10,831
Provisions	63	54	62
Long-term liabilities	34,376	27,104	32,776
Current liabilities	4,494	4,823	3,821
<b>Total equity and liabilities</b>	<b>49,475</b>	<b>43,321</b>	<b>47,490</b>

## Largest shareholders, 31 March 2008

Shareholder	No. of shares	Share of capital and votes, %
Brinova	23,291,092	13.9
Mats O Sundqvist	19,527,800	11.6
Öresund	7,274,626	4.3
SHB	4,446,503	2.7
Second AP Fund	4,228,090	2.5
SEB fonder	3,335,819	2.0
Mats Qviberg and family	2,358,786	1.4
SHB/SPP fonder	1,903,044	1.1
DFA Funds (USA)	1,540,020	0.9
Carnegie Investment Bank	1,259,079	0.8
Other foreign owners	54,898,595	32.8
Other owners	43,544,875	26.0
<b>Total no. of outstanding shares</b>	<b>167,608,329</b>	<b>100.0</b>
Share buybacks	10,852,573	
<b>Total no. of registered shares</b>	<b>178,460,902</b>	

## Share price performance



## Financial reports

Interim Report January–June	10 July
Interim Report Jan–Sep	4 November
Year End Financial Statement Jan–Dec	5 February 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.

### 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.

### Fabège AB (publ)

Box 730, 169 27 Solna, Visits: 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 Corporate identity number: 556049-1523, Registered office: Stockholm