

# Fabege

## Year-end report 2007

- Strong net lettings of SEK 142m
- Surplus ratio developed very positively and was 64 per cent (60)
- Profit after financial items totalled SEK 2,066m (1,863)
- Profit after tax totalled SEK 1,812m (2,266) and earnings per share was SEK 9.98 (11.74)
- Rental income totalled SEK 2,066m (2,343) Rental income for like-for-like stock increased by 7.6 per cent
- The Board proposes a dividend of SEK 4.00 per share

### Fabege in summary

	2007 Oct-Dec	2006 Oct-Dec	2007 Jan-Dec	2006 Jan-Dec
Rental income, SEKm	532	544	2,066	2,343
Operating surplus, SEKm	344	331	1,312	1,401
Profit after financial items, SEKm	676	592	2,066	1,863
Profit after tax, SEKm	634	926	1,812	2,266
Diluted earnings per share, SEK	3.65	4.84	9.98	11.74
Equity/assets ratio, %	-	-	36	41
Occupancy rate, %	-	-	92	89

### The year in brief

In 2007 Fabege continued to focus its operations on a limited number of well-located sub-markets in the Stockholm area. 17 properties were sold, while eight were acquired, further strengthening market positions in the principal markets. At the

end of the year 88 per cent of the Group's rental value and 90 per cent of its property value were concentrated on the three principal markets of Stockholm inner city, Solna and Hammarby Sjöstad.

The rental market continued to develop positively during the year due to the

good economic conditions. Demand for office space was particularly strong in Stockholm inner city, with peak rents up from around SEK 4,000/sq.m to around SEK 4,500/sq.m.

Fabege's economic occupancy rate rose by three percentage points during the year to 92 per cent (89). The company's net lettings were strong, totalling SEK 142m. The surplus ratio rose by four percentage points to 64 per cent (60). Rental income for like-for-like stock rose by 7.6 per cent. The continuing work on concentrating the property stock and creating property clusters that allow for efficient management have contributed strongly to this growth.

The pace of project activity was increased, and decisions were taken during the year on major project investments totalling around SEK 2.4bn, of which SEK 2.1bn is in progress (excluding acquisitions). The projects have developed well, with a high letting rate in the favourable market, see table on page 4.

Profit for the year totalled SEK 1,812m (2,266) and earnings per share was SEK 9.98 (11.74) The equity/assets ratio was 36 per cent after cash dividend and redemptions totalling around SEK 2bn in 2007. The Board is proposing to the AGM a dividend of SEK 4.00 per share.



Trängkären 7 (DN-huset) was acquired at the end of the year. The property comprises around 76,000 sq.m of lettable space, of which 47,000 sq.m offices and 29,000 sq.m of warehousing, parking and other space.

Fabege has a good financial position, a property stock that is concentrated to growth areas and an attractive project portfolio. The company is very well positioned in a property and rental market that remains strong at the beginning of 2008.

### Developments during the fourth quarter

The continued strength of the rental market in Stockholm was a feature of the last quarter. Despite lower income, as a result of a smaller property stock, the operating surplus was better than in the corresponding period of the previous year. The surplus ratio rose by four percentage points to 65 per cent (61).

The economic occupancy rate rose by one percentage point to 92 per cent from the previous quarter. The occupancy rate for the property portfolio (including project and improvement properties) in Stockholm inner city rose by one percentage point during the quarter to around 95% and the occupancy rate for invest-

ment properties in the inner city is now 97%. A large proportion of the remaining vacancies in the stock consist of larger spaces in project properties where lettings often comes in bursts. New lettings during the fourth quarter amounted to a total contracted annual value of SEK 72m, while terminations totalled SEK 63m.

### Income and profit <sup>1) 2)</sup>

Profit after tax for the whole of 2007 was SEK 1,812m (2,266) and diluted earnings per share was SEK 9.98 (11.74) Profit after financial items totalled SEK 2,066m (1,863). Rental income was SEK 2,066m (2,343 and operating surplus SEK 1,312m (1,401). For comparable properties rental income and net operating income increased by 7.6 per cent and 8.2 per cent respectively. Realised and unrealised changes in the value of properties totalled SEK 446m (61) and SEK 893m (911) respectively. Change in value of interest-rate derivatives totalled SEK 37m

(230). Net interest income/expense improved to SEK -609m (-646m) as a result of net sale of properties at the start of the year. The profit includes dividends received of SEK 60m (-), of which SEK 59m came from Klöver AB.

### Tax

Tax for the year (current and deferred) totalled SEK -254m (403). The difference between the book value of the properties and residual value for tax at 31 December 2007 totalled around SEK 10.5bn (8.9). Remaining tax losses at the same time totalled around SEK 3.8bn (4.3).

### Cash flow and financial position

Equity at the end of the year totalled SEK

<sup>1)</sup> The property stock has undergone significant changes since the corresponding period of 2006, which has had a material impact on income and profit.

<sup>2)</sup> The comparison figures for profit and loss items pertain to values for the period Jan-Sept 2006 and for balance-sheet items at 31.12.2006.

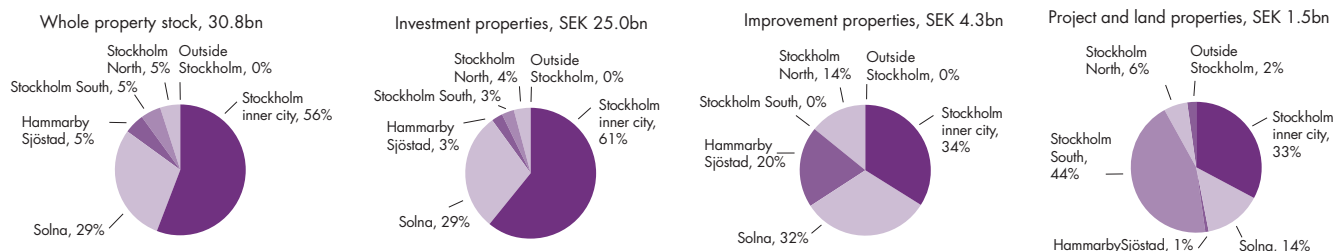
## Property stock

Market segment	31 Dec 2007					1 Jan-31 Dec 2007		
	Number of properties	Lettable Space 000 sq.m	Fair Value SEKm	Rental value SEKm	Economic occupancy, %	Rental income SEKm	Property expenses	Operating surplus
<b>Real estate holding</b>								
Investment properties <sup>1)</sup>	96	1,104	24,994	1,975	95	1,832	-497	1,335
Properties for improvement <sup>1)</sup>	39	353	4,354	418	83	339	-153	186
Land and Project properties <sup>1)</sup>	32	89	1,481	60	56	35	-28	7
<b>Total</b>	<b>167</b>	<b>1,546</b>	<b>30,829</b>	<b>2,453</b>	<b>92</b>	<b>2,206</b>	<b>-678</b>	<b>1,528</b>
Of which Inner City	53	557	17,125	1,199	95	1,122	-298	824
Of which Solna	34	519	8,980	786	92	692	-184	508
Of which Hammarby Sjöstad	13	156	1,586	170	88	140	-66	74
Of which Southern Stockholm	18	95	1,471	107	70	73	-36	37
Of which Northern Stockholm	47	216	1,641	189	86	178	-93	85
Of which Outside Stockholm	2	3	26	2	31	1	-1	0
<b>Total</b>	<b>167</b>	<b>1,546</b>	<b>30,829</b>	<b>2,453</b>	<b>92</b>	<b>2,206</b>	<b>-678</b>	<b>1,528</b>
Letting, project development and property adm. expenses								-85
<b>Total operating surplus after letting, project development and property adm.expenses</b>								<b>1,443</b> <sup>2)</sup>

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

<sup>2)</sup> The table relates to Fabege's property stock at 31.12.2007, and income and expenses are reported as though the properties had been owned throughout the period. The deviation between the reported operating surplus of SEK 1,443m and the operating surplus in the income statement of SEK 1,312m is explained by operating surplus from sold properties having been excluded and acquired/completed properties having been counted as though they were owned/completed throughout the period Jan-Dec 2007.

## Breakdown of book value/market value



11,415m (12,177) and the equity/assets ratio was 36% (41). Interest-bearing liabilities (excluding the value of the derivatives portfolio of SEK 13m) at the end of the period totalled SEK 17,210 (14,978) with an average interest rate of 4.28% (3.72) excl. loan commitments and 4.31% (3.85) including costs of loan commitments. Of the total liabilities, SEK 47m consists of convertible debenture loan and SEK 3,540m of outstanding certificates. The total volume of loans at 31 December includes loans for projects in progress of SEK 323m, interest on which of SEK 8m has been capitalised. The average fixed-rate interest term of the loans including effects of utilised derivative instruments at 31 December was 3 months (10). Fabege increased the average term of its loan agreements during the year, and capital tie-up period at the end of the year was 5.1 years (4.2). Of total credit agreements of SEK 25.2bn, SEK 17.2bn has been utilised. During the fourth quarter increased long-term credit agreements were entered into for SEK 2.5bn on the same terms as previous credit agreements. Fabege's access to long-term financing has not been affected by the international financial turmoil.

The profit resulted in a contribution to liquidity of SEK 1,142m (646). After decrease in working capital of SEK 491m, which principally varies due to the impact of taking possession of/final settlement for purchased and sold properties, operating activities produced a change in liquidity of SEK 1,633m (3,843). Investments and acquisitions exceeded property sales by SEK 2,653m (-1,513). Operations thus altogether produced a decrease in liquidity of SEK 1,020m (-5,356). Payment of dividend to shareholders and buy-back of own shares totalled SEK 761m (754) and SEK 543m (706) respectively. Group cash and cash equivalents, after increase in liabilities, totalled SEK 75m (164).

### The rental and property market in Stockholm

Fabège's property management and project development activities are highly concentrated on a small number of sub-markets with good growth opportunities in and around Stockholm. The inner city of Stockholm, Solna and Hammarby Sjöstad are Fabège's principal markets.

The Swedish economy and growth were strong in 2007, particularly in the capital re-

gion. Increased employment has led to increased demand for office space and other premises. Both occupancy rate and rent levels have developed positively. At the beginning of 2008 the rental market in Fabège's principal markets continues to look strong.

In Stockholm there is a high level of demand for offices with a market rental value of SEK 3,500-4,000/sq.m and peak rents around SEK 4,500/sq.m for modern and efficient offices. In Södermalm and Kungsholmen there is good demand for premises with rent levels for modern offices of SEK 2,000-2,500 and 2,500-3,200 (eastern Kungsholmen). The trend in rents and reduced vacancy levels in City locations is expected to lead to a further increase in interest in the 'Malms' and inner suburbs.

In Solna there is strong interest in the development area of Arenastaden (the area around Solna Station), which is likely to increase further as the start of construction of the national arena approaches. In Solna Business Park, where Fabège owns most of the properties and is continuing to improve the stock, there is continued strong interest in premises. Rent levels are expected to remain stable above SEK 2,000/sq.m.

Demand for offices remains very good in Hammarby Sjöstad. Refurbishment and modernisation are making the area increasingly attractive, with a positive impact on rents, with peak rents today a little over SEK 2,000/sq.m.

The financial turmoil has led to some decrease in property market activity, but interest among investors are judged still to be strong.

### Property stock and management

Fabège's property stock at 31 December 2007 consisted of commercial and residential properties with a rental value of SEK 2.5bn. lettable space of 1.5 million sq.m and a book value including project properties of SEK 30.8bn. Of the rental value, 97% related to commercial premises while 3% related to residential properties. The economic occupancy rate was 92% (89). The average term of contracts in the commercial stock was 3.62 years.

New lettings were made during the period to an aggregate annual value of SEK 327m, while terminations totalled SEK 185m. Lettings included 13,500 sq.m to Carnegie and Max Matthiessen in

### Structure of interest maturities at 31-12-2007

	Amount, SEKm	Av. interest rate, %	Proportion, %
<1 year	15,413	4.29	89
1-2 years	1,497	4.10	9
2-3 years	0	0.00	0
3-4 years	300	4.43	2
4-5 years	0	0.00	0
>5 yrs	0	0.00	0
<b>TOTAL</b>	<b>17,210</b>	<b>4.28</b>	<b>100</b>
Derivatives	-13		
<b>TOTAL incl. derivatives</b>	<b>17,197</b>		

### Structure of loan maturities at 31-12-2007

	Credit agreements, SEKm	Utilised, SEKm
<1 year*	8,621	3,678
1-2 years	47	47
2-3 years	1,500	680
3-4 years	4,500	4,500
4-5 years	8,000	5,765
>5 yrs	2,540	2,540
<b>TOTAL</b>	<b>25,208</b>	<b>17,210</b>
Derivatives		-13
<b>TOTAL incl. derivatives</b>		<b>17,197</b>

\*Including certificates programme SEK 5,000m

Bocken 35 and 46 (City), 11,500 sq.m to Hennes & Mauritz in Marievik 19 (Marievik), and 10,000 sq.m to Ica in Paradiset 29 (western Kungsholmen).

### Property acquisitions and sales

Eight properties were acquired during the year for a total of SEK 4,018m, while 17 were sold for SEK 2,919m. The sales yielded a profit after tax of around SEK 506m.

### Projects and investments

The pace of sales increased sharply and decisions were taken on major project investments totalling around SEK 2.4m, of which SEK 2.1m was in progress at the end of the year, see table. Total investments of SEK 966m (934) were made in existing properties and projects, and related to land, new construction, extensions and conversions. The largest investments related to Luma 1 (Hammarby Sjöstad), Käkenhusen 38 (Stockholm City) and Marievik 14 (Marievik).

### Changes in value of properties

Fabège's property stock was externally valued at 31 December 2007. Its estimated market value totalled SEK 30.8bn. Unrealised changes in value of properties during the year totalled SEK 893m (911). The weighted average yield requirement in the valuation at 31 December was 5.5 per cent (5.8). The change in value during the fourth quarter was SEK 283m (369) and was principally attributable to rising rent levels in

the inner city of Stockholm and improvement profits in current projects.

### Net worth per share

Equity per share at 31 December was SEK 67 (64). Excluding deferred tax on the surplus value of properties, net worth totalled SEK 76 (73).

### Acquisition of own shares

During the year 7,635,622 shares were bought back for SEK 543m (average price SEK 71.05). At 31 December Fabège owned 7,635,622 of its own shares, equivalent to 4.28% of the total number of shares in the company. It is proposed that the bought-back shares be withdrawn through a resolution at the 2008 AGM.

### Commission-free trading

Shareholders in Fabège AB (publ) with holdings that are not equally divisible by 100 (one round lot) were offered the opportunity during the period 15-30 November, free of commission, either to make the holding up to the nearest round lot or to sell shares down to the nearest round lot. The take-up rate on the offer was 44% as around 10,900 shareholders out of a total of around 24,900 who received the offer registered for purpose or sale. 8,900 (82%) of the registrations related to purchase and 2,000 (18%) to sale. The registrations resulted in a net purchase of 184,611 shares.

### Employees

At the end of the year there were 140 employees (145) in the Fabège Group. A number of project managers were added to the project organisation during the year in order to take advantage of the potential of the project portfolio.

### Parent Company

Revenues during the period totalled SEK 108m (147) and profit before appropriations and tax SEK 1.048m (1,955). Net investments in properties, equipment and participations totalled SEK 32m (3,856).

### The Board's proposals to the 2008 AGM

The Board will propose that the 2008 Annual General Meeting resolve:

- that a cash dividend be paid of SEK 4.00 per share, total SEK 683m
- to authorise the Board by the next Annual General Meeting to buy back Fabège shares equivalent to a maximum of 10% of outstanding shares
- to authorise the Board to implement an offer to Fabège shareholders to purchase or sell shares free of commission to obtain even numbers of round lots

### Nomination Committee proposals to the 2008 AGM

The Nomination Committee proposes re-election of Erik Paulsson as Chairman of the Board and re-election of all the other Board members:

## Projects in progress >50 Mkr at 31 Dec 2007, SEKm

Name of property	Property type	Area	Completed	Lettable space, sq.m	Occupancy rate%, Space**	Rental value excl. supplements	Book value 31.12.2007	Estimated investment	Of which accrued at 31.12.2007
Lillsätra 3	Warehouse	Sätra	Q2 2008	9,000	100	10	35	75	21
Lammet 17	Office	City/Gamla Klara	Q3 2008	6,800	52	20	150	60	1
Läraren 13	Office	Norrmalm	Q3 2008	6,800	53	19	270	85	18
Marievik 19	Office/Parking	Marievik	Q3 2008	24,700	67	40	400	170	38
Paradisets 29 (50%)	Retail/Office/Parking	Stadshagen	Q3 2009	18,100	50	29	100	380	120
Rovan 1	Office/Retail	Huvudsta	Q3 2009	16,400	0 *	21	57	181	7
Hammarby Gård 7	Office	Hammarby Sjöstad	Q4 2008	8,900	0 *	20	37	185	2
Bocken 35 and 46	Office	Norrmalm	Q4 2009	15,300	90	55	373	390	2
Skvaltkvarnen 1 etc	Residential	Tensta/Rinkeby	2007-2011	95,300	96	102	487	600	115
<b>Total</b>				<b>201,300</b>	<b>79</b>	<b>316</b>	<b>1,909</b>	<b>2,126</b>	<b>324</b>
Other Project&Land properties							619		
Other Properties for improvement							3,307		
<b>Total Projects, Land and Properties for improvement</b>							<b>5,835</b>		

\* The property has rental income during refurbishment from existing tenants who it is expect will stay during the conversion.

\*\* Operating occupancy rate at 05.02.2008

Göte Dahlin, Christian Hermelin, Sven-Åke Johansson, Märtha Josefsson, Helen Olausson, Svante Paulsson and Mats Qviberg.

In accordance with a resolution of the 2007 AGM, the Nomination Committee comprises representatives of the four largest shareholders: Anders Silverbåge (Brinova Fastigheter AB), Peter Lindh (Maths O. Sundqvist), Per Ovrén (Investment AB Öresund) and Carl Rosén (Andra AP-fonden).

### Appeal against tax ruling

As reported previously, the Swedish National Tax Agency has decided to raise the tax assessment of the Fabège Group with regard to a number of property sales made through limited partnerships (see also press release dated 7 December 2006). The aggregate increase in tax assessment at 31 December 2007 is SEK 4,045m. The decisions have meant combined tax demands of SEK 1,132m plus a tax surcharge of SEK 170m, i.e. a total of SEK 1,302m excluding interest. Fabège has strong reasons to challenge the Swedish tax agency's decision and it has been appealed. Fabège is also contesting the ruling of the Administrative

Court of Appeal that we reported on in our 2006 Annual Report (see pp. 44-45).

### Risks and uncertainty factors

In addition to the information provided in the year-end report, there is a detailed description of the risks faced by the Group on pages 40-41 and 59 of the 2006 annual report. No significant changes in the company's risk assessments have been made since then.

### Accounting policies

Fabège prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS). This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting. The Group applies the same accounting policies and valuation methods as in the last annual report. With effect from 1 January 2007 Fabège applies IFRS 7 Financial Instruments: Disclosures and additions to IAS 1 Presentation of Financial Statements. This signifies expanded disclosure requirements with regard to financial instruments and disclosure of capital management. In addition to these, four interpretation statements from

IFRIC have come into effect which are applied from 1 January 2007, IFRIC 7, 8, 9 and 10. The new standards and interpretations have not had any impact on Fabège's income statement and balance sheet, cash flow statement and equity. The Parent Company prepares its accounts in accordance with the Annual Accounts Act and applies the same accounting policies and valuation methods as in the most recent annual report.

Stockholm, 5 February 2008

Fabège AB (publ)  
The Board of Directors

This interim report has not been reviewed by the company's auditors.

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### Acquired properties

Property	Area	Category	Lettable space, sq m
<b>Quarter 1</b>			
Mimer 5	Vasastan	Office	11,997
Planen 4	Solna	Office	4,985
<b>Quarter 2</b>			
Söderbymalm 3:405	Haninge	Office	10,000
<b>Quarter 3</b>			
Valnöten 8	Kungsholmen	Office/Retail/Residential	3,032
<b>Quarter 4</b>			
Apotekaren 22	Vasastan	Office	29,301
Getingen 15	Norrull	Office/Retail	26,511
Grönlandet Södra 13	Norrmalm	Office	8,193
Trängkären 7	Marieberg	Office	76,446
<b>Total acquired properties Jan-Dec 2007</b>			<b>170,465</b>

### Property sales

Property	Area	Category	Lettable space, sq m
<b>Quarter 1</b>			
Racketen 10	Alvik	Office	38,378
<b>Quarter 2</b>			
Botvidsgymnasium 3	Botkyrka	Industrial/warehouse/office	55,810
Ostmästaren 3	Årsta Park	Office/industrialwarehouse	18,467
Ostmästaren 4	Årsta Park	Office/industrialwarehouse	36,149
Ostmästaren 5	Årsta Park	Office/industrialwarehouse	10,427
Ostmästaren 6	Årsta Park	Office	7,254
Packrummet 10	Årsta	Office	2,100
Packrummet 12	Årsta	Industrial/warehouse/office	36,386
Varuhissen 1	Årsta	Industrial/warehouse/office	15,271
<b>Quarter 3</b>			
Bacchus 3	Old Town	Residential	1,350
<b>Quarter 4</b>			
Orgelpipan 5	Norrmalm	Office	2,579
Visthusboden 1	Johanneshov	Office/Warehouse/Retail	4,087
Visthusboden 2	Johanneshov	Office/Warehouse/Retail	4,740
Visthusboden 3	Johanneshov	Office/Warehouse/Retail	5,560
Marievik 31	Marievik	Land	0
Kurland 18	Norrmalm	Office	893
Luma 1 part of	Hammarby Sjöstad	Residential	0
<b>Total property sales Jan-Dec 2007</b>			<b>239,451</b>

### Fabège's operations and development

Fabège is one of Sweden's leading property companies focusing on commercial premises and is also a significant project and property developer. Its operations are heavily concentrated on a small number of sub-markets with a high rate of growth in the Stockholm region. Fabège manages and improves a well-positioned property stock, while the property portfolio is constantly developed through sales and acquisitions. According to Fabège's property improvement strategy, acquired properties are to have better growth opportunities and greater future potential than existing managed properties.

## Income statements, SEKm

	2007 Oct-Dec	2006 Oct-Dec	2007 Jan-Dec	2006 Jan-Dec
Rental income	532	544	2,066	2,343
Property expenses	-188	-213	-754	-942
<b>Operating surplus</b>	<b>344</b>	<b>331</b>	<b>1,312</b>	<b>1,401</b>
Surplus ratio, %	65	61	64	60
Central administration and marketing	-15	-16	-60	-109
Realised changes in value of properties	239	11	446	61
Unrealised changes in value of properties	283	369	893	911
<b>Operating profit</b>	<b>851</b>	<b>695</b>	<b>2,591</b>	<b>2,264</b>
Dividends	-	-	60	-
Net interest income	-165	-151	-609	-646
Change in value of interest-rate derivatives	-1	33	37	230
Change in value of shares	-9	15	-13	15
<b>Profit after financial items</b>	<b>676</b>	<b>592</b>	<b>2,066</b>	<b>1,863</b>
Current tax	-3	-3	-7	-8
Deferred tax	-39	337	-247	411
<b>Profit for period/year</b>	<b>634</b>	<b>926</b>	<b>1,812</b>	<b>2,266</b>
Share of Parent Company in profit for period/year	634	926	1,812	2,257

Earnings per share before dilution effect, SEK	3.67	4.87	10.03	11.80
Earnings per share after dilution effect, SEK	3.65	4.84	9.98	11.74
Number of shares at end of period before dilution effect, million	170.8	190.3	170.8	190.3
Number of shares at end of period after dilution effect, million	171.9	191.4	171.9	191.4
Average number of shares, before dilution effect, million	172.6	190.3	180.7	191.3
Average number of shares, after dilution effect, million	173.7	191.4	181.8	192.5

## Balance sheets, SEKm

	2007-12-31	2007-09-30	2006-12-31
<b>Assets</b>			
Properties	30,829	27,288	27,188
Other property, plant and equipment	6	8	11
Financial assets	374	669	1,889
Current assets	458	386	757
Cash and cash equivalents medel	75	44	164
<b>Total assets</b>	<b>31,742</b>	<b>28,395</b>	<b>30,009</b>
<b>Equity and liabilities</b>			
Equity	11,415	11,027	12,177
- of which minority interest	-	-	21
Provisions	1,393	1,024	1,001
Interest-bearing liabilities	17,197	15,242	14,999
Non-interest-bearing liabilities	1,737	1,102	1,832
<b>Total equity and liabilities</b>	<b>31,742</b>	<b>28,395</b>	<b>30,009</b>
Equity/assets ratio	36%	39%	41%

## Change in shareholders' equity, SEKm

	Equity	Of which attributable to Parent Company shareholders	Of which attributable to minority
<b>Equity at 01/01/2006</b>	<b>10,727</b>	<b>10,727</b>	<b>-</b>
New share issue, conversion of debt instruments	6	6	-
Minority interest in acquisition of subsidiaries	665	-	665
New share issue	723	723	-
Acquisition of minority in part-owned subsidiary	-723	-77	-646
Cash acquisition, minority interest in shares in subsidiaries	-6	-	-6
Exchange-rate differences	-21	-20	-1
Cash dividend	-754	-754	-
Buy-back of own shares	-706	-706	-
Net profit for the year	2,266	2,257	9
<b>Equity at 31/12/2006</b>	<b>12,177</b>	<b>12,156</b>	<b>21</b>
New share issue, conversion of debt instruments	2	2	-
Change in minority interest through right of pre-emption to the shares in Fastighets AB Tornet	-21	-	-21
Redemption of shares with settlement in the form of shares in Klövern	-1,251	-1,251	-
Cash dividend	-761	-761	-
Buy-back of own shares	-543	-543	-
Net profit for the year	1,812	1,812	-
<b>Equity at 31.12.2007</b>	<b>11,415</b>	<b>11,415</b>	<b>-</b>

**Cash flow statements, SEKm**

	2007 Jan-Dec	2006 Jan-Dec
Operating profit excluding depreciation and changes in value of existing stock	1,706	1,311
Net financial income paid	-557	-657
Income tax paid	-7	-8
Change in other working capital	491	3,197
<b>Cash flow from operating activities</b>	<b>1,633</b>	<b>3,843</b>
Acquisition of subsidiaries	--	-2,536
Investments and acquisition of properties	-4,984	-8,014
Property sales, book value sold properties	2,231	12,112
Other investments (net)	100	-49
<b>Cash flow from investing activities</b>	<b>-2,653</b>	<b>1,513</b>
Dividend payable to shareholders	-761	-754
Buy-back of own shares	-543	-706
Change in interest-bearing liabilities	2,235	-3,803
<b>Cash flow from financing activities</b>	<b>931</b>	<b>-5,263</b>
Change in cash and cash equivalents	-89	93
Liquid assets at start of period	164	71
<b>Cash and cash equivalents at end of period</b>	<b>75</b>	<b>164</b>

**Key ratios<sup>1)</sup>**

	2007 Jan-Dec	2006 Jan-Dec
<i>Financial</i>		
Return on capital employed, %	9.9	9.0
Return on equity, %	15.4	19.8
Interest coverage ratio, multiple	2.8	2.1
Equity/assets ratio, %	36	41
Mortgage ratio properties, %	56	55
Debt/equity ratio, multiple	1.5	1.2
<i>Share-related</i>		
Profit for the period per share, SEK	9.98	11.74
Equity per share, SEK	67	64
Cash flow per share, SEK	6.32	3.94
Number of outstanding shares at end of period before dilution effect, thousands	170,823	190,316
Number of outstanding shares at end of period after dilution effect, thousands	171,893	191,398
Average number of shares, before dilution effect, thousands	180,730	191,332
Average number of shares, after dilution effect, thousands	181,801	192,460
<i>Property-related</i>		
Number of properties	167	174
Book value of properties, SEKm	30,829	27,188
Lettable space, sq.m	1,546,000	1,624,000
Economic occupancy rate, %	92	89
Surplus ratio, %	64	60

<sup>1)</sup> Dilution effects of potential ordinary shares have been taken into account in calculating key ratios per share. At 31.12.2007 there is a convertible debenture loan with a book value of SEK 47m (nom. SEK 45m). The loan runs at an interest rate of 5.25% and matures on 01.10.2009. Conversion can take place until 01.09.2009. Conversion price SEK 41.80. On full conversion there will be an additional 1,069,864 shares.

**PARENT COMPANY****Income statement, SEKm**

	2007 Jan-Dec	2006 Jan-Dec
Income	108	147
Expenses	-196	-239
Net financial items	1,112	1,856
Change in value int. rate deriv.	37	176
Change in value of shares	-13	15
<b>Profit before tax</b>	<b>1,048</b>	<b>1,955</b>
Tax	-10	16
<b>Net profit for year</b>	<b>1,038</b>	<b>1,971</b>

**Balance sheet, SEKm**

	2007-12-31	2006-12-31
Participations in Group companies	15,116	15,092
Other fixed assets	32,300	28,480
of which Receivables from Group companies	32,089	2,7014
Other current assets	3	32
Cash and cash equivalents	58	93
<b>Total assets</b>	<b>47,477</b>	<b>43,697</b>
Equity	10,831	12,167
Provisions	62	52
Non-current liabilities	32,763	26,405
of which Liabilities to Group companies	19,243	16,320
Current liabilities	3,821	5,073
<b>Total equity and liabilities</b>	<b>47,477</b>	<b>43,697</b>

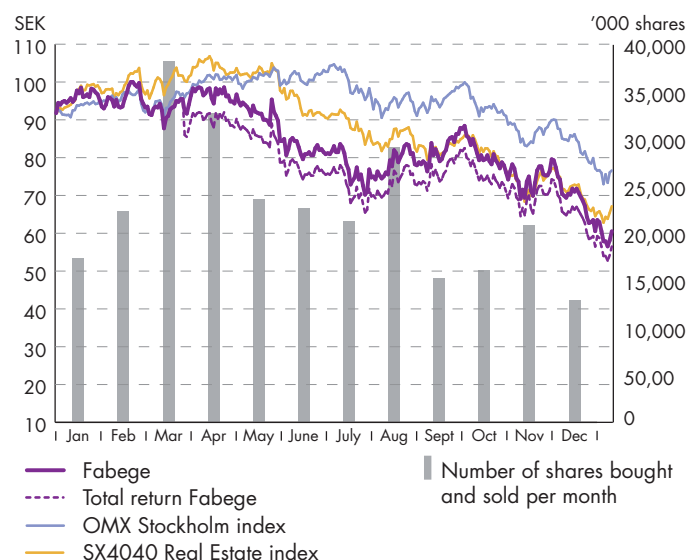
## The largest shareholders at 31 December 2007

	Number of shares	Proportion of capital and voting rights, %
Brinova	23,291,092	13.6
Maths O. Sundqvist	21,306,292	12.5
Öresund	7,274,626	4.3
Andra AP-fonden	3,383,047	2.0
SEB funds	2,726,009	1.6
Mats Qviberg and family	2,358,786	1.4
DFA funds (USA)	1,921,850	1.1
Swedbank Robur funds	1,548,228	0.9
SHB/SPP funds	1,275,134	0.7
Cogent funds (Australia)	885,400	0.5
Other foreign shareholders	66,107,563	38.7
Other shareholders	38,745,272	22.7
<b>Total number outstanding shares</b>	<b>170,823,299</b>	<b>100.0</b>
Buy-back of own shares	7,635,622	
<b>Total number of registered shares</b>	<b>178,458,921</b>	

## Financial reporting in 2008

Annual report 2007	March
(The annual report will be published on Fabège's website on 11 March)	
Annual General Meeting	3 April
Interim report Jan-Mar	6 May
Interim report Jan-June	10 July
Interim report Jan-Sept	4 November

## Trend in share price



## Definitions

### Return on equity

Profit for the period/year divided by average equity. In interim accounts return is converted to a full-year basis without taking account of seasonal variations.

### Return on capital employed

Profit before tax plus interest expenses divided by average capital employed. In interim accounts return is converted to a full-year basis without taking account of seasonal variations.

### Mortgage ratio, properties

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

### Yield, shares

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

### Equity per share

The Parent Company equity holders' share of equity according to the balance sheet divided by number of shares at end of period.

### Economic occupancy rate

Contract value divided by rental value at end of period.

### Investment properties

Properties under continuous and active management.

### Properties for improvement

Properties with conversion or extension in progress or planned which materially affect the operating surplus of the property. The operating surplus is affected either directly by the project or by restrictions on letting ahead of improvement.

Recently acquired properties (within one year) with work in progress to substantially improve the property's operating surplus in relation to the time of acquisition

### Rental value

Contact value and estimated annual rent for vacant premises after reasonable general refurbishment work.

### Cash flow per share

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

### Contract value

Stated as annual value. Basic rent according to rental contract after indexation and rent surcharges.

### Land & Project properties

Land and development properties and properties with new production/complete conversion in progress.

### Net lettings

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

### Earnings per share

Parent company equity holders' share of profit for the period after tax divided by average number of outstanding shares in the period.

### Interest coverage ratio

Profit after financial items plus financial expenses plus/less unrealised changes in value divided by financial expenses.

### Debt/equity ratio

Interest-bearing liabilities divided by equity.

### Equity/assets ratio

Equity (including minority interest) divided by balance-sheet total.

### Capital employed

Balance-sheet total less non-interest-bearing liabilities and provisions.

### Surplus ratio

Net operating income divided by rental income.

## Fabège AB (publ)

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