



Fabege AB (publ)

PRESS RELEASE

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Fabege sells Uarda 5, Arenastaden

Fabege has signed an agreement to sell the Uarda 5 property, Vattenfall's head office in Arenastaden, to Union Investment Real Estate GmbH. The sale represents the first confirmation that the area is attractive to institutional investors. Fabege will continue to manage the property, retain the customer relationship with Vattenfall and drive the development of Arenastaden.

The property is located at the centre of Arenastaden, with the address Evenemangsgatan 13. It comprises approximately 44,000 sqm of office space and is currently fully let to Vattenfall, and to an external restaurant. Annual net operating income amounts to nearly SEK 100m. The property is certified at the SGBC GOLD level and is one of Sweden's most energy-efficient office buildings.

The sale will occur in the form of a company with an underlying property value of SEK 2,257 m. The transaction will generate a gain of SEK 159m before tax and SEK 420m after tax, which will be recognised in the first quarter of 2016. The transfer of ownership will occur on March 1, 2016.

“The property favourably matches the demand in the investor market, meaning that it is fully developed, fully let and has a long-term tenant. The sale creates scope for additional value-generating investments. I am delighted with this transaction, which is completely in line with our long-term strategy and am also gratified to be entrusted to continue managing the property and to take care of the relationship with Vattenfall,” comments Christian Hermelin, CEO of Fabege.

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Fabege is one of Sweden's leading property companies, focusing mainly on letting and managing office premises as well as property development. The carrying amount of the company's property portfolio is SEK 40.3bn. The property portfolio is concentrated in the Stockholm region and has an annualised rental value of SEK 2.3bn and a lettable area of 1.1m sqm. Fabege's shares are listed on Nasdaq Stockholm, Large Cap segment.