



Faberge AB (publ)

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Increasing rental growth and rising values

Profit after tax for the period increased to SEK 4,346m (2,054), corresponding to earnings per share of SEK 26.28 (12.42). Profit before tax for the period rose to SEK 5,166m (2,637). Rental income amounted to SEK 1,573m (1,493) and net operating income to SEK 1,125m (1,080). In an identical portfolio, rental income rose by around 9 per cent and net operating income increased by roughly 10 per cent. The average yield requirement declined during the period to a rounded off figure of 4.70 per cent (4.94 at year-end).

The effect of new lettings and renegotiations at good levels has gradually had a greater impact on valuations during the year.

All three parts of the business model contributed positively to earnings. Property Management generated net operating income of SEK 1,044m (1,035), corresponding to a surplus ratio of 73 per cent (73). The occupancy rate was 94 per cent (92). Profit from property management was SEK 663m (515). Unrealised changes in the value of properties amounted to SEK 3,312m (1,631).

Property Development reported net operating income of SEK 81m (45), making a surplus ratio of 56 per cent (58). Earnings from property management totalled SEK –26m (1). Unrealised changes in the value of properties amounted to SEK 1,166m (339).

Transactions realised changes in value of SEK 182m (4) through property sales during the period.

- The favourable conditions, with rising rent levels, falling yield requirements and persistently very low interest rates are enduring, and we are seeing continued strong demand and rising values for quality properties, which is also reflected in earnings for the period, comments Christian Hermelin, CEO Faberge.

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This information is information that Faberge AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:02 CET on October 20 2016.

Faberge AB (publ) is one of Sweden's leading property companies focusing on letting and managing office premises as well as city district development. Faberge owns properties with a total carrying amount of SEK 44.7bn. The property portfolio, which is concentrated in the Stockholm region, has a rental value on an annualised basis amounting to SEK 2.3bn and a lettable area of 1.1 million sqm. Faberge's shares are listed on Nasdaq OMX Stockholm, in the Large Cap segment. For further information, visit www.faberge.se