



## HISTORY

**1990** Wihlborgs' B shares are listed on the O List of the Stockholm Stock Exchange.

**1993** Bergaliden becomes the new main owner of Wihlborgs.

**1996** In December Wihlborgs' B shares are listed on the A List of the Stockholm Stock Exchange.

**1997** In the spring Wihlborgs completes the acquisition of M2 Fastigheter. In September the Board of Wihlborgs submits a public offer to acquire Klövern Fastigheter AB.

**1998** At the beginning of the year Wihlborgs completes the acquisition of Klövern Fastigheter AB. On 13 April 1998 Wihlborgs puts in an offer for Fastighets AB Storheden. The merger is carried out in late summer the same year.

**2000** High voting A shares are converted into B shares.

**2001** The main owner Bergaliden sells its entire shareholding of 30.2 per cent in Wihlborgs. Wihlborgs acquires Postfastigheter along with its portfolio of 73 properties. In December Wihlborgs' shares are listed on the O List of the Stockholm Stock Exchange.

**2002** Wihlborgs sells 60 properties in nonpriority locations to Adcore, which is reorganised into a property company under the name of Klövern AB. In June Wihlborgs effects a 1:5 reverse split. In December Wihlborgs acquires the remaining 25 per cent of the shares in Klara Zenit.

**2003** Wihlborgs acquires shares in Drott AB (later divided into Bostads AB Drott and Fabege AB), and becomes the company's largest shareholder during the year. At the end of the year Wihlborgs sells Klara Zenit for SEK 2,950 million, generating a profit of SEK 400 million.

**2004** Wihlborgs completes its acquisition of Fabege AB after a public offer to other shareholders of the company, adding about 150 commercial properties to its portfolio. In December the company announces its proposal to spin off its Öresund properties to the shareholders and concentrate the business to the Stockholm region.

**2005** The Öresund business is distributed to the shareholders and listed on the O List of the Stockholm Stock Exchange under the name of Wihlborgs Fastigheter AB. "Old" Wihlborgs is thus concentrated to the Stockholm region and changes its name to Fabege AB. Fabege divests properties worth SEK 14 billion during the year. In December the company concludes an agreement to acquire 82.4 per cent of the shares of Fastighets AB Tornet.

**2006** Fabege acquires Fastighets AB Tornet along with its portfolio of 104 properties. Other acquisitions include the WennerGren Center and Solna Business Park. Fabege's property holdings in Kista and Täby are sold to Klövern for SEK 4 billion. Fabege's property transactions total SEK 28 billion, of which SEK 12 billion are sales and SEK 16 billion purchases.

**2007** Fabege continues to concentrate its business to its main markets, Stockholm Inner City, Solna and Hammarby Sjöstad. 17 properties are sold and 8 are acquired. In June the company effects a 2:1 share split, doubling the number of shares.

**2008** 13 properties were sold, while 2 were acquired. Fabege increased tempo of projects where existing properties are processed and developed to increase cash flow and value growth.

## 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.

**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 noninterest bearing liabilities and provisions.

**SURPLUS RATIO** Net operating income divided by rental income..

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The formal audited annual report concerns pages 35–61.

## ANNUAL GENERAL MEETING 2009

The AGM 2009 will be held at Nalen on Regeringsgatan 74 in Stockholm, on Tuesday 31st March at 4 p.m. CET. Registration for the AGM begins at 2.30 p.m. CET.

The notice of the AGM was published in Post- och Inrikes Tidningar, Svenska Dagbladet and at the company's website.

Shareholders who wish to attend the AGM must

- be registered in the share register maintained by Euroclear Sweden AB (former VPC AB) on Wednesday 25 March 2009,
- notify the Company of their intention to participate, stating the names of any assistants they wish to invite, no later than 4 p.m. on Wednesday 25 March 2009.

Notice of attendance at the AGM may be made in one of the following ways:

- by mail to Fabège AB (publ), "Fabeges Årsstämma", Box 7839, SE-103 98 Stockholm, Sweden
- by telephone on +46 (0)8 402 90 68
- by fax on +46 (0)8 20 56 85
- at Fabège's website, where further information about the AGM also can be obtained

## FINANCIAL REPORTS 2009

Interim report January-March: 28 April

Interim report January-June: 10 July

Interim report January-September: 27 October

# THIS IS FABEGE

Fabege is one of Sweden's leading property companies focusing on commercial premises and property development. The business is highly concentrated to fast growing sub-markets in the Stockholm region, with a particular concentration to the inner city of Stockholm, Solna and Hammarby Sjöstad.

Fabege manages and adds value to a well positioned property portfolio that is continuously developed through sales and acquisitions. At year-end 2008 Fabege owned 157 properties with an overall market

value of SEK 29.5 billion. Fabege's rental income in 2008 was SEK 2.2 billion.

The company's vision is to be the most proactive, innovative and competent commercial property company in Stockholm, and an important partner for its clients and for society as a whole. Fabege's operational activities

are conducted by the company's Property Management and Projects & Developments units.

## PROPERTY MANAGEMENT

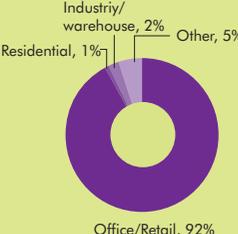
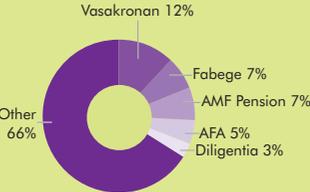
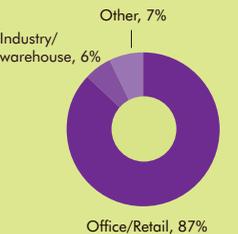
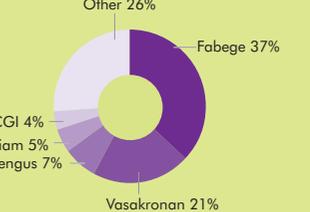
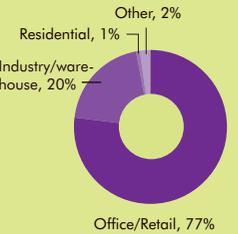
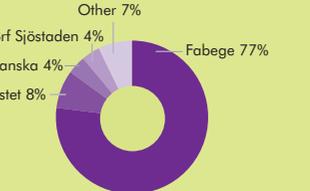
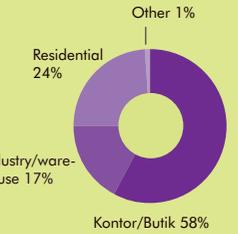
Fabege has chosen to administer the properties with its own staff to ensure a high level of involvement and proximity to customers, and to enable short decision paths.

In addition to the area manager, each property management area has designated individuals with responsibility for operations and lettings as well as building maintenance technicians and support staff.

## PROJECTS & DEVELOPMENT

Activities aimed at raising the value of existing properties are conducted in the Projects & Development unit, which is responsible for new construction and redevelopment projects, procurement and follow-up, as well as and marketing and letting of new projects.

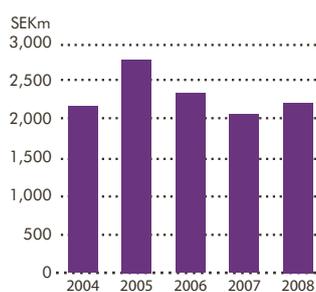
Projects & Development strives to be self-sufficient in respect of practically all the expertise required in the projects, including financial control.

		FABEGE'S PORTFOLIO IN BRIEF	BREAKDOWN OF RENTAL VALUE OF FABEGE'S PORTFOLIO	FABEGE'S LARGEST OFFICE TENANTS	THE LARGEST OFFICE PROPERTY OWNERS SHARE OF THE TOTAL OFFICE SUPPLY	
Stockholm city Solna Hammarby Sjöstad Other markets		<p>Most of Fabege's properties in the inner city are located in neighborhoods around Kungsgatan and Drottninggatan and at Norrtull and the western and eastern Kungsholmen. The property portfolio consists of, among others, two well-known profile properties as the DN-building (picture) and the Wenner-Gren Center.</p>	<p>Number of properties: 49                      Lettable space, '000 sqm: 551                      Market value, SEKbn: 16.9                      Rental value, SEKbn: 1.2                      Economic occupancy, %: 95</p>	<p>Industry/warehouse, 2%                      Residential, 1%                      Other, 5%                      Office/Retail, 92%</p> 	<p><b>Tenant</b> <b>sqm</b>                      NASDAQ OMX 34,000                      The Bonnier Group 27,978                      National Court Administration 18,678                      Sveriges Utbildningsradio 15,429                      LRF 12,240</p>	<p>Vasakronan 12%                      Fabege 7%                      AMF Pension 7%                      AFA 5%                      Diligentia 3%                      Other 66%</p>  <p>SOURCE: DTZ SWEDEN</p>
		<p>Arenastaden and Solna Business Park (picture) is Fabege's primary submarkets in Solna but the company also owns properties in Solna Strand, Järva and Bergshamra. Fabege is one of the stakeholders behind the new national stadium in Arenastaden, Swedbank Arena.</p>	<p>Number of properties: 34                      Lettable space, '000 sqm: 493                      Market value, SEKbn: 8.2                      Rental value, SEKbn: 0.7                      Economic occupancy, %: 90</p>	<p>Other, 7%                      Industry/warehouse, 6%                      Office/Retail, 87%</p> 	<p><b>Tenant</b> <b>sqm</b>                      Swedish Tax Agency 41,467                      Svenska Spel 17,945                      ICA 16,683                      EDB Business Partner 15,219                      Coop 11,150</p>	<p>Other 26%                      Fabege 37%                      CGI 4%                      Niam 5%                      Mengus 7%                      Vasakronan 21%</p>  <p>SOURCE: DTZ SWEDEN</p>
		<p>Fabege owns most of the commercial properties in Hammarby Sjöstad, an area with excellent communications, including the Södra Länken transit highway. The Luma-building (picture), with an attractive location by the water, is Fabege's largest building in Hammarby Sjöstad.</p>	<p>Number of properties: 13                      Lettable space, '000 sqm: 147                      Market value, SEKbn: 1.9                      Rental value, SEKbn: 0.2                      Economic occupancy, %: 83</p>	<p>Other, 2%                      Residential, 1%                      Industry/warehouse, 20%                      Office/Retail, 77%</p> 	<p><b>Tenant</b> <b>sqm</b>                      WSP 3,350                      MTG 3,171                      Point Transaction System 2,893                      Rösjötorp Education 2,343                      Strängbetong 2,059</p>	<p>Other 7%                      Fabege 77%                      Brf Sjöstaden 4%                      Skanska 4%                      Värtanästet 8%</p>  <p>SOURCE: DTZ SWEDEN</p>
		<p>Outside the three priority markets Fabege owns commercial properties primarily in Täby, Bromma and Järla Sjö in Nacka (picture). Moreover Fabege owns residential property in Tensta/Rinkeby.</p>	<p>Number of properties: 61                      Lettable space, '000 sqm: 263                      Market value, SEKbn: 2.5                      Rental value, SEKbn: 0.3                      Economic occupancy, %: 92</p>	<p>Other 1%                      Residential 24%                      Industry/warehouse 17%                      Kontor/Butik 58%</p> 	<p><b>Tenant</b> <b>sqm</b>                      Grönlunds Trafikskola, a driving school 5,553                      Islamic School Foundation 2,913                      Stockholm Property Management Office 2,460                      Stockholm County Healthcare District 2,220                      Competens i Götaland, a private training company 1,825</p>	<p>The properties are in a number of markets so market share can not be specified.</p>

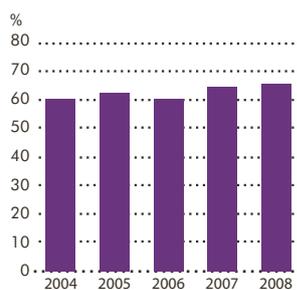
## THE YEAR IN BRIEF

- The operating activities developed well:
  - Rental income increased to SEK 2,214m (2,066) and
  - Net operating income grew to SEK 1,438m (1,312)
- The result was hit by unrealised changes in value, which do not affect cash flow:
  - Properties SEK –1,545m (+893)
  - Fixed income derivatives SEK –485m (+37)
  - Deferred tax SEK +826m (–247)
- The after-tax result was SEK –511m (1,812) and earnings per share were SEK –3.07 (9.98)
- Equity per share was SEK 60 (67)
- The Board proposes a dividend of SEK 2.00 per share (4.00)

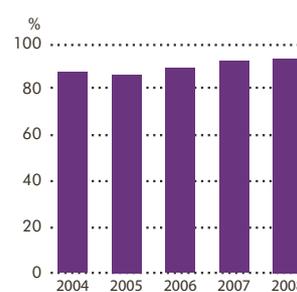
RENTAL INCOME 2004–2008



SURPLUS RATIO 2004–2008



FINANCIAL OCCUPANCY RATE 2004–2008



### KEY FIGURES

	2008	2007
Rental income, SEKm	<b>2,214</b>	2,066
Net operating income, SEKm	<b>1,438</b>	1,312
Profit/loss for the year, SEKm	<b>-511</b>	1,812
Return on equity, %	<b>-4.8</b>	15.4
Surplus Ratio, %	<b>65</b>	64
Equity/assets ratio, %	<b>32</b>	36
Interest coverage ratio, times	<b>1.9</b>	2.8
Earnings per share after dilution, SEK	<b>-3.07</b>	9.98
Dividend per share SEK	<b>2.00</b> <sup>1)</sup>	4.00

<sup>1)</sup> Proposed cash dividend for 2008.

## A YEAR WITH BOTH OPERATIONAL PROGRESS AND FINANCIAL TURBULENCE

**2008 WAS A** year of big swings and sharp turns in the economy and in financial markets, affecting businesses as well as other sectors of society. The strong economic climate continued into the new year but in the autumn a serious financial crisis evolved, sparking a recession which soon had a serious impact on Sweden's major exporters. Fixed income markets, which are crucial for Fabège, saw big swings – first up, then down. On the stock market, it was generally substantially down, and Fabège shares declined 55 percent during the turbulent stock market year 2008.

### OPERATIONAL GOALS ACHIEVED

For our operational activities 2008 was a year in which the lettings market remained stable, and Fabège was able to increase rental income by about SEK 150m and raise net operating income by almost ten per cent. We achieved our operational goals: the surplus ratio improved, the vacancy rate decreased, the project volume increased and we continued to make progress in the drive to concentrate activities to our main markets.

We continued to streamline our operations and developed our property management units and our human resources. An example of successful streamlining is an eight per cent reduction in energy use, which will benefit the environment as well as our bottom line.

### EARNINGS HIT BY ASSET IMPAIRMENT

Despite this, Fabège's earnings fell due to impairment of properties and fixed income derivatives. These impairment losses do not affect cash flow but have, in accordance with IFRS, yet a direct impact on the profit and loss account.

In response to the problems affecting credit markets and their consequences for the transaction market, yield requirements increased in 2008, putting downward pressure on property values. For Fabège this had the effect of reducing the value of the company's property portfolio by SEK 1.5bn, or by about five per cent. The biggest adjustments to values were made in class C locations while prime, class A locations, where Fabège has most of its properties, fared



### OUR FOCUS WILL BE ON CARING FOR AND DEVELOPING OUR RELATIONSHIPS WITH CUSTOMERS

better. This is a pattern which I, along with many other leading property analysts, believe is set to continue.

### SHARP FALL IN INTEREST EXPENSE

Fixed income markets were turbulent, pushing up Fabège's average interest rate from 4.3 per cent at the beginning of the year to 5.1 per cent before the financial crisis culminated and the measures taken to restore confidence brought rates back down again. At year-end Fabège's average interest rate had fallen to 3.3 per cent.

In early 2009 short-term interest rates have continued to fall. This will most likely significantly reduce our interest expense compared with 2008, strengthening our cash flow. Following a review of our funding requirements in the autumn, we now have good access to long-term capital.

### TRANSACTION MARKET SET TO REVIVE

In 2008 Fabège was a net seller of properties. We sold 13 properties for SEK 2.1bn and bought two properties for SEK 0.2bn. The activity, however, was generally low in the property market, with the exception of a few very large transactions. The gradual decline in market interest rates is now making returns on properties increasingly attractive, and it is likely that we will see a pick-up in activity and transactions.

### MANY NEW LETTINGS AT THE BEGINNING OF THE YEAR

In early 2009 the rental market remains stable in our main markets and the new year has got off to a good start, with several new lettings, including a number of major lettings in project properties. Vattenfall, a major energy company, will be renting about 43,000 sqm of space in a new office building to be built in Arenastaden in Solna. This is a very strong confirmation of the growing attraction of the area. The vision for Arenastaden is starting to take shape, and we look forward to a number of exciting years, as a new part of town emerges in Solna. In the Lindhagen/Paradiset 29 property in western Kungsholmen we have concluded a lease for a 2,300 sqm office with IFS, a provider of business systems. IFS will become the first office tenant in this new and attractive office and retail property, which stands in an excellent location for signage exposure as well as transport connections next to the Essingeleden motorway.

### WELL EQUIPPED FOR HARDER TIMES

All indications point to a substantially weakening economy but Fabège is well equipped, both organisationally and in

terms of stock, to face the challenges that this will bring.

Our goals for 2009 are to

- Increase tenant retention
- Improve the surplus ratio
- Maintain a strong balance sheet

Our focus will be on caring for and developing our relationships with customers. By taking good care of our tenants and offering them opportunities to develop within our property portfolio, we will build a good platform for our property management activities in an environment of weakening economic climate and market turbulence. We will also continue to streamline our operations and improve our net operating income and surplus ratio.

We will continue to take advantage of good opportunities as we did last year. Sales of low-yielding properties with limited development potential, and to invest in our high-yielding projects are fully in line with our business model.

#### **OUTLOOK FOR 2009**

Fabege has skilled and highly motivated staff and an organisation that can adapt rapidly to changing circumstances. With falling interest rates and secured access to capital, a strong cash flow, a high occupancy rate and properties and premises that will remain attractive regardless of the state of the economy, Fabege is in a good position for 2009, which will be a year of big challenges as well as interesting opportunities.



Christian Hermelin,  
Chief Executive Officer



## BUSINESS CONCEPT AND STRATEGIC FOCUS

**Fabege owns, manages and adds value to a significant property portfolio in the Stockholm region – the Nordic region’s most dynamic property and rental market. The company’s business model is designed to create business opportunities and values throughout the business cycle.**

Fabege’s property portfolio comprises 157 properties with a strong concentration to dynamic sub-markets with development potential in Stockholm’s inner city, Solna and Hammarby Sjöstad. The company offers efficient and flexible premises, primarily offices but also retail and other premises.

Fabege strives to create well contained clusters of properties to ensure that proximity to and knowledge about the market provides the best possible opportunities for efficient management and a high occupancy rate.

Fabege has built up a strong pool of expertise in project development and is running a number of property projects in attractive locations. The company also has a portfolio of potential project opportunities. We develop and add value to properties in response to changing market requirements, the demand situation and opportunities to generate a strong return. A new property project will be started only once the property has been fully let in advance. Fabege’s project investments are forward-looking and are designed to reduce vacancy rates and raise rents in the portfolio, thereby improving cash flows and adding value.

The business is concentrated to the Stockholm region, the Nordic region’s largest and most dynamic property and rental market, where Fabege’s business model – acquisitions, improvement, management and sales – has the potential to generate business opportunities and values throughout the business cycle. Stockholm is undergoing rapid development, and Fabege has a significant presence in several of the capital’s main up-and-coming development areas, including

### BUSINESS CONCEPT

Fabege’s business concept is focused on commercial properties in the Stockholm region with an emphasis on a limited number of fast-growing sub-markets. The aim is to create value by managing, improving and working actively with its property portfolio, both through sales and acquisitions. Accrued values should be realised at the right time.

### VISION

To be the most proactive, innovative and competent commercial property company in Stockholm, an important partner for our clients and for society as whole. The natural first choice.

### MISSION

To understand our customers’ needs and deliver services that exceed expectations. To continuously increase our company’s value and build a conscious position and profile in society.

the Norra Station district and western Kungsholmen. In Solna Fabege has a large property holding in the number one development area, Arenastaden.

### CLIENT FOCUS

Fabege has a flat organisation and a strong client focus that is clearly expressed in the company’s core values (Speed – Informality – Entrepreneurship – Business Orientation – Client Proximity, see below). Stockholm’s dynamic rental and property market and the high pace of business constantly create new challenges. As a client-oriented and entrepreneurial company,

Fabege is continually adapting to changing market requirements and our clients’ development. Each market area in Fabege operates as a company within the company with separate responsibility and the ability to react rapidly to changes and identify new business opportunities.

Fabege has about 2,000 leases in its commercial property portfolio. To minimise risk, the company strives to achieve a balanced mix of stable customers from different market segments. The ten largest tenants by value account for about 20 per cent of the total contract value and generally have significantly longer leases than average.

### FABEGE’S EMPLOYEES AND VALUES

Fabege’s 148 employees are its most important resource. The right expertise and a strong commitment among employees are crucial success factors. Fabege offers skills development and further education through its customised training programmes, which are arranged on a regular basis. The building blocks of Fabege’s company culture are its five core values: Speed, Informality, Entrepreneurship, Business Orientation and Client Proximity, and the company provides special training courses centred on these values for all employees to unite all staff around a common value basis.

For the future the company’s ability to attract and retain the right individuals will be a key success factor. Fabege works consistently to improve awareness of and strengthen the image of the company among potential future employees, especially university students.



## FABEGE'S BUSINESS MODEL

Fabège has a dynamic business model – covering acquisitions, improvements, property management and sales – that is designed to create values regardless of the economic climate. The emphasis of the business model varies over time in response to changing market conditions, and the organisation is therefore structured to be flexible and adaptable.

### ACQUISITIONS

Fabège aims to acquire properties offering better growth opportunities than its existing investment properties. The growth potential of a property is determined by a variety of factors, including condition, occupancy rates, location and the development potential of the area. As a significant player in a small number of selected sub-markets, Fabège has acquired broad and in-depth knowledge about the markets, development plans, and other players and properties. The company continuously monitors and analyses developments in the market to ensure that it is able to take advantage of opportunities to develop its property portfolio through purchases and sales.

### IMPROVEMENT

Fabège's portfolio includes improvement and project properties whose potential the company seeks to develop in line with changing market conditions. Fabège's Projects & Development unit conducts qualified property improvement activities in close partnership with the property management organisation. The project volume is adapted to market demand. At present, new property projects are initiated only when they have been fully let.

### PROPERTY MANAGEMENT

Property management is Fabège's largest area of activity. The unit works to increase occupancy rate and net operating income by working closely with customers and through continuous improvement. Fabège has chosen to manage its properties using its own staff to ensure a high degree of commitment in each property while remaining in close contact with clients, enabling rapid decisions. Organisationally, the unit is divided into property management areas with a high degree of individual responsibility.

### SALES

Under Fabège's business model, properties with limited growth potential may be sold. Location, condition and vacancy rates are key factors determining the growth potential of a property. A fully let property with modern and efficient premises that is deemed to have limited potential for rent increases and value growth could thus be put up for sale. Properties located outside the company's main markets and concentrated property management units shall be sold.

## A GOAL-ORIENTED BUSINESS

Fabege's operations are guided by defined goals at all levels of the company – from the company's overall goals to goals for individual units and departments. Management of objectives are based on several different business perspectives.

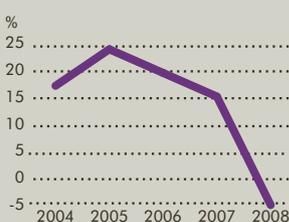


Goals from all perspectives get decomposed, developed and anchored on the activity and unit level. Measurement and monitoring the effectiveness regularly at all levels.

Fabege employees operates within the company's values – SPEAK. SPEAK characterizes also the efforts to bring and manage by objectives pursued.

The company's three main objectives from the financial perspective is the return on investment as measured by return on equity, equity ratio and interest cover.

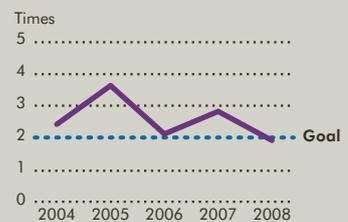
**RETURN ON EQUITY 2004–2008**



**EQUITY/ASSETS RATIO 2004–2008**



**INTEREST COVERAGE RATIO, 2004–2008**



## VALUE-CREATING STRATEGIES AND THE FABEGE BRAND

**To achieve its goals, Fabege has defined clear strategies for the development of its property portfolio and for adding value to properties. The Fabege brand should support the company's business and contribute to achieving the company's goals.**

### PORTFOLIO STRATEGY

Commercial properties and projects in the Stockholm region constitute Fabege's core business. Fabege seeks to concentrate its properties into units that can be managed efficiently. Anomalous properties that are located well beyond these units should be sold. Another key aspect of the strategy is to continually develop and improve the portfolio through acquisitions, sales and improvements. The aim is to consolidate and strengthen the company's market positions by concentrating on selected market segments.

During the years 2004-2006 Fabege implemented a comprehensive restructuring and a drive to concentrate its property portfolio to the Stockholm region. Since then the company has continued to gradually concentrate its holdings to office properties in its main markets, the inner city of Stockholm, Solna and Hammarby Sjöstad.

### VALUE-ADDING STRATEGY

Fabega aims to acquire properties that offer better growth opportunities than its existing investment properties. New projects should be 35 per cent financed by the company's funds and generate a return on equity of at least 20 per cent. The average turnaround time should be three to five years and properties should be sold at the right time to realise the accrued values.

In 2008 project investments worth SEK 462m were approved and SEK 1,963m was invested in existing properties and projects. Fabega's project investments are forward-looking and are designed to reduce vacancy rates and raise rents, thereby improving cash flows and adding value to the portfolio.

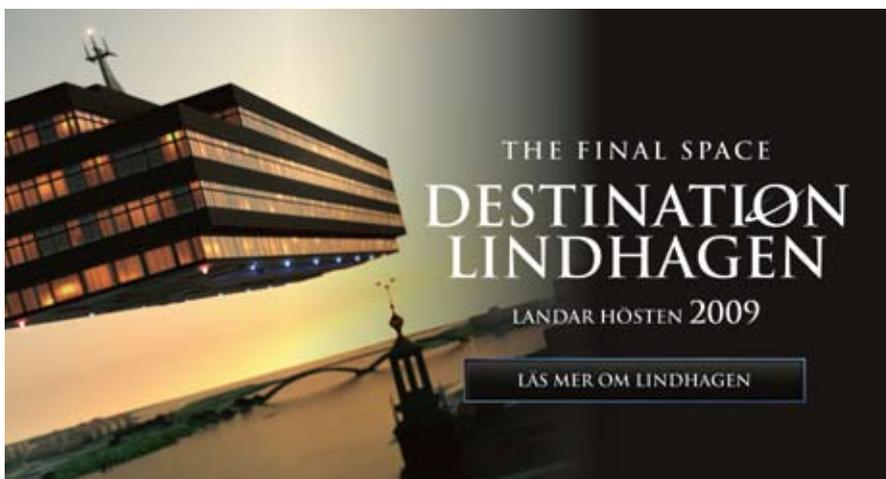
### CUSTOMER AND BRAND

Fabega strives to have a diversified customer portfolio with many different tenants representing a wide range of industries. Existing customer relationships are to be maintained and developed

while efforts shall be made to attract new customers and relationships and develop these.

The Fabege brand should support the company's business, create value and contribute to achieving the company's goals. Fabega's brand should be associated with the company's five core values (see page 23), which should inspire the organisation and company culture.

Developing the strength of the brand is crucial to the company's continued success. Developing Fabega's intangible assets also involves building strong brands in the company's prioritised areas, both for the area as a whole (e.g. Arenastaden in Solna) and for individual properties/concepts. Our employees are the best creators and carriers of the Fabege brand. The brand should be built from the inside out, and it is to a large extent our employees' expertise and conduct in contacts with clients, owners and other stakeholders that make up the Fabege brand.



Fabega's marketing shall support business and contribute to achievement of the company's objectives. The new office and commercial project Lindhagen in the Paradiset 29 property is marketed, among other places, at Fabega's website.

## MARKET OVERVIEW

by DTZ Sweden

**In 2006 and particularly in 2007 the rental market in Stockholm experienced strong growth, leading to falling vacancies and higher rents. The market remained buoyant in the first half of 2008 but stagnated in late autumn as a result of the repercussions of the global financial crisis.**

Office employment, which is the crucial determinant of demand for office space, increased at a rapid pace in 2008. The number of office employees in Stockholm is estimated to have increased by 6.0 per cent in 2008, according to Statistics Sweden's survey of employment. As a result of the financial crisis and sharp downward revisions to growth forecasts, employment in office-intensive sectors is now expected to fall over the next two years.

In late 2008 confidence indicators for office-intensive industries pointed to a growing sense of pessimism among business leaders. The indicator fell rapidly in the second half of the year and is now almost at the same low level as during the days of the dot-com crash at the beginning of the new millennium.

The number of people employed in office-intensive industries in the Stockholm market is expected to fall during the coming year, and DTZ's forecast for 2009-2010 is that 15,000 - 20,000 jobs will disappear from the market in the county as a whole. If we assume that each person uses on average 20 sqm of office space, this means that the demand for office space in Stockholm's sub-markets is set to fall by about 300,000-400,000 sqm over the next two years.

### SUPPLY, VACANCIES AND RENTS FOR THE TOTAL OFFICE MARKET IN STOCKHOLM

During the years 2005-2007 the amount of completed office space increased marginally by only 130,000 sqm. However, in the last few years activity in the construction market has picked up, with 110,000 sqm of new office space

being completed in 2008. For 2009-2010 some 250,000 sqm of new office space is expected to be built, which is equivalent to two per cent of the existing supply. Because of the long lead times, new builds are often countercyclical, with the largest number of square metres being completed only when the economy is already on the way down.

For projects scheduled for completion before 2010 some 40-60 per cent of the space has been contracted at present, but DTZ believes the risk of rising vacancies is greater in lower-quality premises than in this new office space. On the other hand, it is likely that there will be some downward pressure on rents in new premises.

In central Stockholm vacancy rates peaked at over 12 per cent in the first quarter of 2004 but have been falling since then. Today vacancy rates are just under 8 per cent in this sub-market. In the rest of Stockholm, outside the city centre, vacancies peaked somewhat later in 2004 and have since improved significantly. Despite this, vacancy rates are considerably above their previous troughs.

Modern premises in all sub-markets still have significantly lower vacancy rates compared with older premises, but the biggest improvement in vacancies in 2007 and at the beginning of 2008 occurred primarily in premises of a good to fairly good quality.

During the coming years vacancy rates in the Stockholm office market are expected to increase, partly as a consequence of the new supply being added to the market in 2009-2010 but primarily as a result of falling demand for premises in the wake of the financial

crisis. DTZ believes modern and efficient office premises will continue to show lower vacancy rates than the rest of the market, and that central locations and locations with good transport connections will fare better than other types of premises in the years ahead.

In the first few years of the new millennium rents fell sharply, largely in reaction to the hefty increases in the preceding years. Rents stabilised only in 2004 and 2005 and then started to rise slowly in 2006 for the most attractive office space. After rising by five to ten per cent in most sub-markets in 2007, rents remained largely flat in 2008 and even declined slightly for poorer-quality premises and non-prime locations. It is in the rental market, in particular, that activity fell in the second half of 2008, and the current trend is that it takes considerably longer for potential tenants to arrive at a decision.

For high-quality premises in the most central locations rents are currently about SEK 4,500/sqm, the same level as last year. As demand for office space slackens and vacancy rates rise, DTZ forecasts that rents will fall somewhat in coming years. However, rents are not expected to fall as much as in some western European markets due to the more stable trend in rents in Stockholm relative to London and other markets.

### SOME KEY SUB-MARKETS

With 12 million sqm of office space, Greater Stockholm is the largest office market in the Nordic region. The most central office market, known as the Central Business District (CBD),

accounts for about 1.85 million sqm.

Outside Stockholm City there are a number of large and important office sub-markets, of which Kista, western Kungsholmen, Frösunda, Solna and Marievik/Liljeholmen are the most established.

**CBD – CENTRAL BUSINESS DISTRICT**

The most central parts of Stockholm, CBD, are attractive to tenants for several reasons. The central location is highly sought after, transport connections are excellent and the level of local services in the area is very high. A move to CBD is generally seen as prestigious, and the addresses in the area are widely known. In many industries a central location is a very high priority, and price sensitivity is low, as reflected in the high rents.

In recent years CBD has expanded to also comprise the area around the Central Station and Blekholmen as well as the new office buildings around Norra Bantorget. The supply of office space in this area is estimated to have increased to about 1.85 million sqm. High-quality modern office properties and well planned office environments have been and continue to be in short supply, but in 2009 - 2011 at least 80,000 sqm of newly built office space will be added to the market at the same time as several properties have recently undergone or will undergo major renovation.

Market rents for the best office premises in the most attractive CBD locations increased somewhat at the beginning of 2008 and then retreated slightly to end the year at roughly the same level as in 2007. Top rents in the "Golden Triangle", the area of CBD bordered by Hamngatan, Norrlandsgatan and Birger Jarlsgatan, currently range from SEK 4,200 to 4,700/sqm with a few contracts priced at up to SEK 5,000/sqm.

In the sub-market as a whole rents range from SEK 2,500 to 4,700/sqm depending on location, size and quality. Vacancy rates for high-quality office space are estimated at five to eight per cent,

with higher levels for older premises. DTZ estimates that the expected decline in demand in the next few years will primarily affect poorer-quality, inefficient premises in the CBD district.

**REST OF THE INNER CITY**

The other parts of the inner city of Stockholm, i.e. central Kungsholmen, Östermalm and Södermalm, are also attractive in terms of location and local services. Transport connections are good and the areas are well known. The supply of offices varies both in terms of quality and age. There is a limited number of modern office buildings in these areas, and although some new builds and conversion projects are under way, it is clear that modern offices are in short supply also in these sub-markets.

Vacancy rates are about eight to ten per cent and rents range from SEK 2,000 to 3,400/sqm. DTZ expects that the above four districts will be affected by the decline in demand but outperform several other sub-markets.

**SOLNA/SUNDBYBERG**

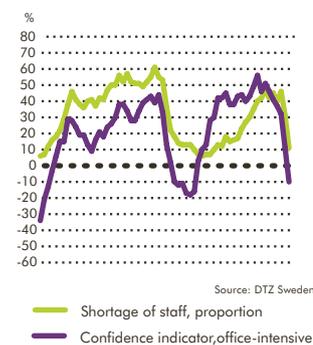
Solna's office market is estimated at 1 million sqm, accounting for about nine per cent of the total supply in Greater Stockholm. The Solna office market can be divided into five sub-markets: Solna Strand, Solna Centrum, Solna Business Park, Solna Station and Frösunda. The municipality of Sundbyberg includes the nearby, competing sub-markets Sundbybergs Centrum and Hallonbergen/Rissne.

Solna Strand is an area with a large concentration of big office buildings erected mostly in the 1970s and 80s. In the late 1990s the area experienced an upsurge, as a number of major tenants relocated to the area, pushing rents higher. Rents for good-quality office space soared from SEK 1,000/sqm to SEK 1,500-2,100/sqm in only a few years and have remained at these levels since then. Solna Strand's main competitive asset is its excellent transport location, with the

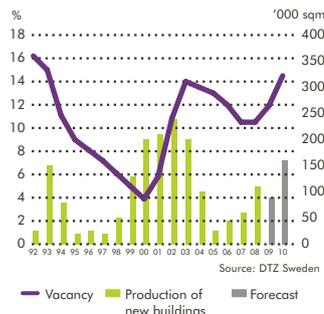
**OFFICE STAFF EMPLOYED, ANNUAL CHANGE STOCKHOLM MARKET**



**CONFIDENCE INDICATOR AND SHORTAGE OF STAFF FOR OFFICE-INTENSIVE INDUSTRIES, STOCKHOLM MARKET**



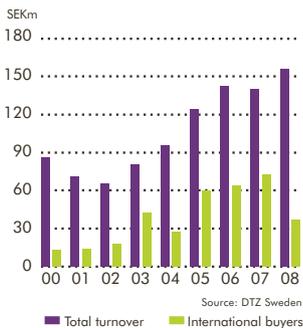
**ANNUAL PRODUCTION OF NEW BUILDINGS AND DEGREE OF VACCANCY, STOCKHOLM MARKET**



**ANNUAL RENTAL GROWTH AND OFFICE RENTAL LEVELS AT PRIME LOCATION**



**TOTAL ANNUAL TURNOVER IN THE SWEDISH TRANSACTION MARKET**



**PRIME OFFICE YIELD, STOCKHOLM**



nearby Vreten metro station and access to commuter trains. The local property owners have also joined forces to market the area in an effort to attract more tenants. Vacancy rates range from 8-12 per cent.

Solna Business Park (Vireberg) has a number of high-class office properties that have been upgraded in recent years, but there are also a number of office properties of considerably lower standard. In the last five to six years the office park has established itself as a strong office location, following decisions by attractive tenants such as ICA, EDB, Coop and IFS to move their head offices to the area. As in Solna Strand, rent levels in the area have increased from SEK 1,000/sqm a few years ago to SEK 1,200-2,000/sqm today. Vacancies are concentrated almost entirely to poor-quality offices, but for the area as a whole the vacancy rate is about 8-14 per cent.

Like Solna Strand, Solna Station was built largely in the 1970s and 80s. Here, too, there are large office units of varying quality. Previously, property owners in the area have suffered from high vacancy rates, but the local lettings market has picked up considerably in recent years. Planning and preparations for the new national arena and surrounding blocks are currently under way. As this work progresses the area's attractiveness will increase. The area has good transport connections thanks to the commuter train services, with a station centrally located in the area. Rents are similar to those in Solna Business Park.

Frösunda is another strong office district in Solna. The area's location close to the E4 motorway and Solna station ensures good access to transport and provides excellent locations for billboards and signage. The area is home to modern office properties of a very high standard. Although created relatively recently, the area has rapidly established itself as one of Greater Stockholm's most popular office locations. Rents range from SEK 1,700 - 2,600/sqm for modern office

space, with older premises fetching SEK 1,500 - 1,800/sqm. The area's supply of offices is still growing, and if the space currently under construction is included, the vacancy rate would be about 15 per cent.

**HAMMARBY SJÖSTAD AND SÖDRA HAMMARBYHAMNEN**

In the last decade Hammarby Sjöstad has been one of the most interesting development areas in Greater Stockholm. An entirely new part of town has been built and 20,000 people have moved here as the area has been transformed. Södra Hammarbyhamnen, an adjoining area that was previously home to light industry, has also undergone a transformation into an alternative place of establishment for office tenants. Transport connections have improved considerably with the extension of the Tvärbanan light rail line, and a number of property owners have invested capital and time in raising the standard of their properties in the area. The supply of office space in the area is highly varied, modern standards mixed with old. This situation is reflected in the wide price range, with rents ranging from SEK 700 - 2,000/sqm. Vacancy rates are expected to be 12-15 per cent, and a large share of the space is of a character that requires major investments.

**THE INVESTMENT MARKET**

In recent years the Swedish investment market for properties has seen high transaction volumes and a large influx of foreign investors. 2008 was no exception, with properties worth SEK 155bn changing hands. This is a significant increase on 2007, which saw total transactions of SEK 135bn. However, about one third of the total volume was in some way linked to the big Vasakronan deal in July. The Swedish government's sale to AP Fastigheter, which then sold a large part of the portfolio to Niam, and a couple of swap deals with other government-owned companies earlier in the year accounted for SEK 53bn of the total.

In the fashion world there is a tradition of letting the office serve as a crystal-clear reflection of the brand. Every detail here should be a manifestation of what Tiger of Sweden represents: the unexpected stylish fashion company! So the whole office had to be tailor-made, which we and Fabège has put a lot of commitment and energy into. Our new office on Norra Bantorget is a meeting place for the whole fashion industry chain, taking in design and product development as well as the function of the premises as showroom for the customers who visit us to place their orders. All of which makes Tiger of Sweden a classic fashion house.

**Jonas Nyström** Retail Manager, Tiger of Sweden



Despite the seemingly high volume for the full year, the Swedish property market has been widely affected by the financial crisis in 2008. A number of transactions, including the very large Vasakronan and Steen & Ström deals, which were initiated before the summer, were successfully completed in late summer before the transaction market ground to halt. In the fourth quarter turnover fell sharply, and total transaction volumes were 55 per cent and 45 per cent lower than in the same quarters in 2007 and 2006. A worrying trend is that a shrinking number of transactions and transaction prices were announced in late autumn, creating greater uncertainty for valuers and investors.

Interest from foreign investors has also diminished appreciably in 2008 due to the serious problems affecting the investors' home markets. UK investors, in particular, who have been very active in recent years, have been forced to concentrate on managing their existing holdings at home and also see significantly better investment opportunities in the UK where prices have fallen sharply. Norwegian and Danish investors, who had also been very active in Sweden, have sharply curtailed their activities.

Stockholm has long been the most attractive and largest property market in Sweden in terms of transaction volume. If one includes Stockholm's share in the Vasakronan portfolio, the Stockholm market set a new transaction record in 2008. Properties worth SEK 78bn changed hands, which is slightly more than half the volume for the country as a whole. The corresponding figure for both 2006 and 2007 was SEK 58bn. The office sector remained the single largest sector, accounting for just over 50 per cent of the total volume in Stockholm.

As in the overall Swedish market, the share of foreign buyers was significantly lower than in previous years. In 2008 this category of investor bought properties worth SEK 12bn, against SEK 29bn in

#### THE LARGEST OFFICE PROPERTY OWNERS

##### Stockholm inner city

Property company	Sqm
Vasakronan	730,000
Fabege	413,000
AMF Pension	390,000
AFA	270,000
Diligentia	175,000

##### Solna

Property company	Sqm
Fabege	370,000
Vasakronan	205,000
Mengus	71,000
Niam	45,000
CGI	40,000

##### Hammarby Sjöstad

Property company	Sqm
Fabege	85,000
Värtanästet	9,000
Skanska	4,000
Brf Sjöstaden	4,000

Source: DTZ Sweden

2007. The single largest transaction was US-based Pembroke's purchase of properties in the Putten and Hästen blocks in central Stockholm from CIC Partners, also of the US, for SEK 7bn in July 2008.

Yield requirements for property investments increased steadily during the year as a result of the financial crisis and the consequent shortage of liquidity in the banking system and widespread concerns about the economic outlook. Interest margins have increased but the most notable impact is that banks have more or less cut off funding for all types of properties, particularly in non-prime locations or areas with high vacancies. Nor is it uncommon today to find that banks refuse to provide funding altogether to investors that do not already have a strong relationship with the bank.

After hitting a bottom in mid-2007 yield requirements have increased and are now estimated to be about 5.00 per cent, or slightly more, for prime property, after increasing by 50–75 basis points during the year. For poorer-quality office

properties, but still in CBD locations, yield requirements are about 5.75 per cent with variations depending on the standard and contract situation.

DTZ estimates that yield requirements for office properties will continue to increase in 2009, albeit at a slower pace. The key fundamental reason is of course the slowdown in the real economy but a tough financing market is another factor. Previous high expectations for rent increases, which were factored into yield requirements, are set to decline in line with an expected increase in vacancies over the next few years. The low interest rates have the opposite effect but because of the banks' high margins and reluctance to lend the impact is small.

Globally, a clear trend is evident, with rising yield requirements in the large European investment markets since the second half of 2007. Historically, yield requirements in the Stockholm market have mirrored the London market with a lag of about one quarter, and this, too, suggests that we can expect a further rise.

## FABEGE'S BUSINESS

**Fabege's operational activities comprise property management and project development. The company's portfolio of 157 properties includes fully developed investment properties as well as potential improvement and project properties.**

Fabege is one of Sweden's leading property companies focusing on commercial premises. The company's properties are located in the Stockholm region with a strong concentration to Stockholm's inner city, Solna and Hammarby Sjöstad. Fabege owns and manages 157 properties.

The Stockholm region is the single largest rental and property market in Sweden, with some 12 million sqm of office space. As the owner of about 8 per cent of the total supply of office space, Fabege is one of the largest players in the Stockholm market.

Fabege currently has a well contained portfolio in which a majority of properties

are located within a radius of 5 km from Kungsgatan in the centre of Stockholm. The portfolio contains stable properties with good cash flows as well as properties with good development potential.

### PROPERTY MANAGEMENT

Creating or finding the right premises for the customer is the heart of the business. This is achieved through long-term work coupled with daily contacts with the customer, which builds trust and loyalty on both sides.

Fabege's approach to property management has built a robust platform with a high occupancy rate and stable tenants. The area manager is responsible for operations and development as well as

for the financial statements of each property management area. A team of operations managers, marketing officers, building maintenance technicians, support and lettings staff are assigned to each management area. About 85 of Fabege's 148 employees work in property management.

Active management also involves solving big and complex moves. This can involve helping a customer find new premises, or providing support for a move and then initiating a project to add value to the vacated premises. Before Fabege initiates an improvement project the property must be fully let.

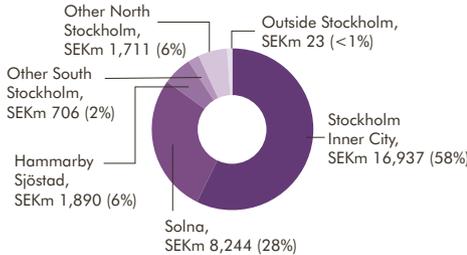
### PROPERTY PORTFOLIO, 31 DECEMBER 2008

	31 Dec 2008					1 Jan-31 Dec 2008		
	No. of properties	Lettable area, '000 sqm	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>	92	1,072	23,769	1,963	95	1,853	-477	1,376
Improvement properties <sup>1)</sup>	35	283	3,827	342	86	273	-126	147
Land and project properties <sup>1)</sup>	30	99	1,915	64	54	53	-38	15
<b>Total</b>	<b>157</b>	<b>1,454</b>	<b>29,511</b>	<b>2,369</b>	<b>93</b>	<b>2,179</b>	<b>-641</b>	<b>1,538</b>
Of which, Inner City	49	551	16,937	1,217	95	1,152	-295	857
Of which, Solna	34	493	8,244	722	90	651	-160	491
Of which, Hammarby Sjöstad	13	147	1,890	175	83	141	-76	65
Of which, South Stockholm	14	46	706	60	89	54	-20	34
Of which, North Stockholm	46	217	1,711	195	93	181	-90	91
Of which, outside Stockholm	1	0	23	0	0	0	0	0
<b>Total</b>	<b>157</b>	<b>1,454</b>	<b>29,511</b>	<b>2,369</b>	<b>93</b>	<b>2,179</b>	<b>-641</b>	<b>1,538</b>
Expenses for lettings, project development and property administration.								-97
<b>Total net operating income after expenses for lettings, project development and property administration.</b>								<b>1,441</b> <sup>2)</sup>

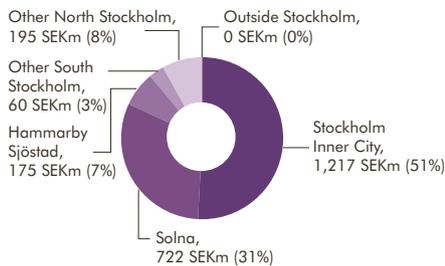
<sup>1)</sup> See definitions on the cover flap.

<sup>2)</sup> The table refers to Fabege's property portfolio at 31 December 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 1,441 m, and net operating income in the profit and loss account, SEK 1,438 m, 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–December 2008.

**MARKET VALUE BY GEOGRAPHICAL REGION, TOTALLY SEKbn 29.5**



**RENTAL VALUE BY GEOGRAPHICAL REGION, TOTALLY SEKm 2,369**



**RENTAL VALUE BY PROPERTY, TOTALLY SEKm 2,369**



Fabège's properties in the inner city of Stockholm.

**STOCKHOLM INNER CITY**

Fabège is one of the largest property owners in Stockholm's inner city. The portfolio is dominated by modern office and retail properties in the best possible locations around Drottninggatan, Kungsgatan/Stureplan, Norra Bantorget and Norrtull.

In Stockholm City the emphasis is on the area around Kungsgatan and Drottninggatan. A well contained area is located around Stureplan, where Fabège owns eight properties in the area Kungsgatan–Norrländsgatan–Lästmakargatan. Our holdings around Drottninggatan comprise twelve properties. In the area around Kungsgatan Fabège has

consolidated its position among tenants requiring modern and efficient offices.

Another priority area for Fabège is Norrtull/Norra Station, where the company now owns five properties, including the landmark Wenner-Gren Center.

In Malmarna, the areas of central Stockholm surrounding the city centre, Fabège's main priority areas are east and west Kungsholmen. Fabège owns the well known DN building and also has properties on Kungsholms torg and in Lindhagen, an area that is currently undergoing rapid development attracting major international companies.

East Kungsholmen, especially the area around Kungsbrolan and the east end of

**BREAKDOWN BY LETTABLE AREA, 31 DEC 2008**

	Office, '000 sqm	Retail, '000 sqm	Industrial/wareh., '000 sqm	Hotel, '000 sqm	Other, '000 sqm	Residential, '000 sqm	Garage, '000 sqm	Total, '000 sqm
Stockholm inner city	412,606	31,831	30,962	7,674	2,552	13,452	51,973	551,050
Solna	370,220	30,961	46,151	15,264	5,523	568	23,777	492,464
Hammarby Sjöstad	84,827	13,398	44,609	0	127	691	3,007	146,659
Rest of South Stockholm	11,138	20,962	11,327	0	46	94	2,818	46,385
Rest of North Stockholm	72,177	14,441	37,471	0	1,915	87,136	3,825	216,965
<b>Total</b>	<b>950,968</b>	<b>111,593</b>	<b>170,520</b>	<b>22,938</b>	<b>10,163</b>	<b>101,941</b>	<b>85,400</b>	<b>1,453,523</b>

Personal, safe, inspiring, simple and modern - these are ICA's watchwords, and we live by them here at the head office too! For us this dynamic building, where there are new things happening all the time, embodies our business concept. Here, what we do really is based on the ICA brand. The fact that Fabege has the same attitude to us and to our customers makes our partnership all the more easy. Because that's what we have here: a partnership based on our wonderful building, where Fabege has ensured, efficiently and with a lot of commitment, that we have what we need to care for and develop the property. The location in Solna Business Park couldn't be better. The good transport connections for our staff and the proximity to Arlanda Airport really help."

**Ingrid Jonasson Blank**, Deputy CEO, ICA



**FABEGE'S LARGEST OFFICE TENANTS BY FLOOR AREA****Stockholm Inner City**

Tenant	sqm
NASDAQ OMX	34,000
The Bonnier Group	27,978
National Courts Administration	18,678
Sveriges Utbildningsradio	15,429
LRF	12,240

**Solna**

Tenant	sqm
Swedish Tax Agency	41,467
Svenska Spel	17,945
ICA	16,683
EDB Business Partner	15,219
Coop	11,150

**Hammarby Sjöstad**

Tenant	sqm
WSP	3,350
MTG	3,171
Point Transaction System	2,893
Rösjörp Education	2,343
Strängbetong	2,059

**LARGEST TENANTS BY VALUE**

NASDAQ OMX
The Bonnier Group
Swedish Tax Agency
ICA
National Courts Administration
National Insurance Office
Coop
EDB Business Partner
AFA
Svenska Spel

At 31 December 2008 the ten largest tenants by value represented a total contract value of SEK 452m, or 21 per cent of total contract value.

Fleminggatan, is also seeing a rise in demand for premises, and this area links up with the area around the Central Station, Norra Bantorget and the historic Klara district, which is also undergoing rapid development.

In Stockholm City financial companies, law firms, management consultancies and other consulting firms feature prominently among our tenants. Consultancies, financial companies and brokerages are also well represented in Norra Stationsområdet, while the area around the Central Station is not dominated by any particular industries. Our largest tenant is OMX in Frihamnen, and among other major tenants include the Financial Supervisory Authority, the Stockholm District Court and the Bonnier Group.

In total Fabège owns 49 properties with a total floor space of 551,000 sqm in the inner city of Stockholm.

**RENTAL MARKET**

In the strong economic climate of the last

few years Fabège has focused on attracting solid tenants and signing long contracts. Rents in the inner city are balanced and the risk of a sharp fall in rents is low. To further increase stability, Fabège strives to extend the term of leases.

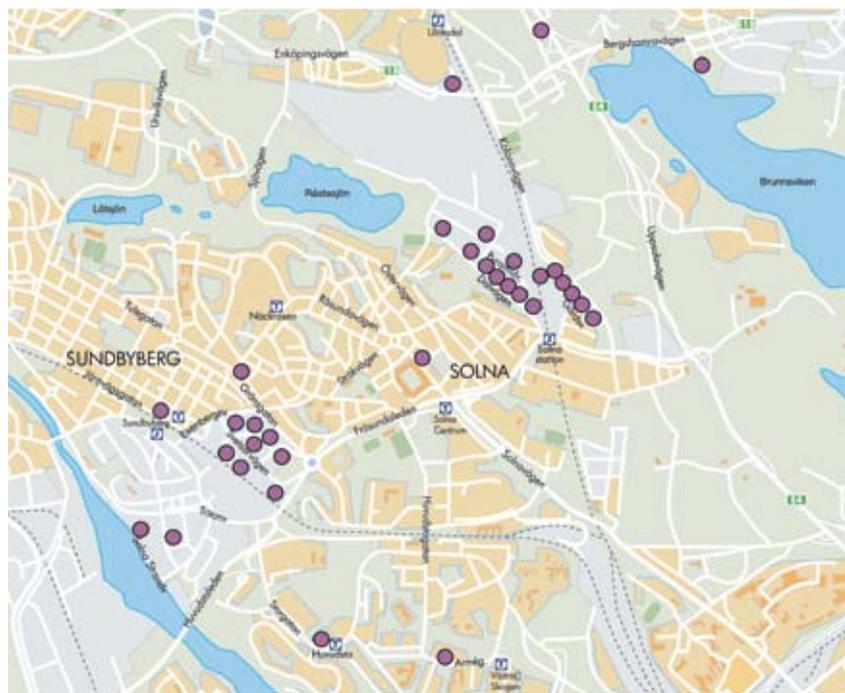
The rental value is SEK 1,2bn, which is about 51 per cent of the Group's total rental value.

**PROPERTY MARKET**

In 2008 Fabège sold five properties in the inner city and acquired one property (Krejaren 2, which was subsequently sold). The single largest sale was Polacken 25, a finished 2,500 sqm office property on Kungsgatan.

**SOLNA**

Solna is probably the most dynamic development area in the Stockholm region. Fabège's Solna property management area is divided into Solna Business Park and Arenastaden. As Solna's largest owner of commercial



Fabège's properties in Solna.

properties with a market share of about 40 per cent on offices, Fabege is in a unique position to take part in shaping entirely districts.

Solna Business Park is today a largely finished property district that forms an established business park with large and stable customers, especially in the food industry. The occupancy rate is 97 per cent, which ensures stable cash flows and creates good development opportunities for the future.

In Arenastaden a new part of town is emerging around Solna Station centred around the future Swedbank Arena. Here Fabege sees a big potential to create an attractive and living district with office, retail and residential properties in an attractive environment. Thanks to its good transport connections and proximity to airports, Arenastaden is in the same position as Solna Business Park a few years ago. The ambition is to create an area with head offices for companies which due to their size have chosen not to

establish themselves in central Stockholm. Even today, Arenastaden is home to businesses from a variety of sectors, with an emphasis on offices and light industry.

Fabege also has ten properties in other parts of Solna – Solna Strand, Huvudsta, Järva and Bergshamra.

In all, Fabege owns 34 properties with a total floor space of 493,000 sqm in Solna. The rental value is about SEK 700m, representing 31 per cent of the company's total rental value.

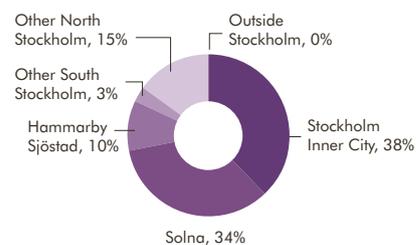
**RENTAL MARKET**

Rents remained stable during the year and are expected to remain balanced in 2009. Fabege's tenants in Solna Business Park are stable customers with long leases. In Arenastaden, which is still being developed, rents are lower than in SBP and vacancies are higher.

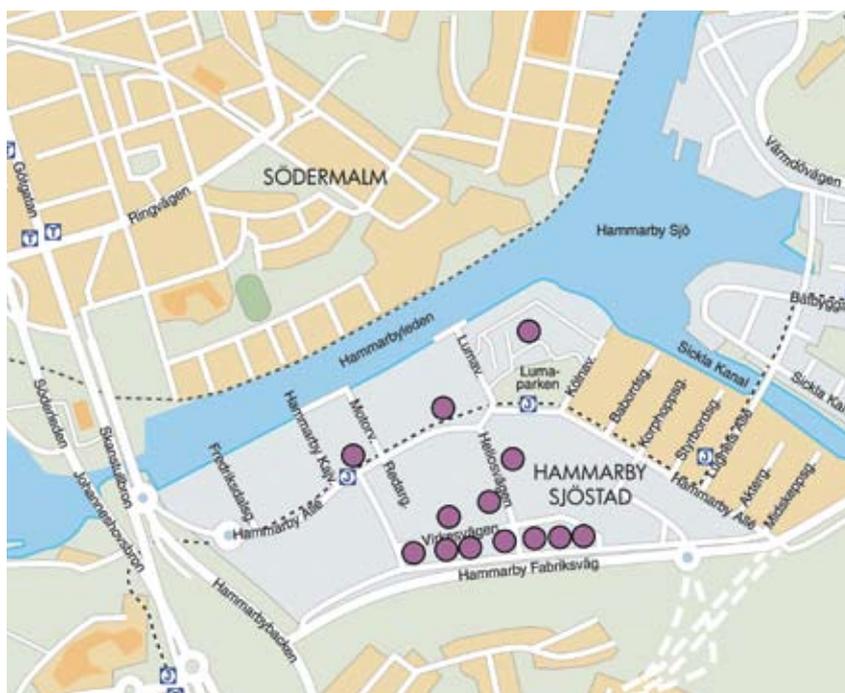
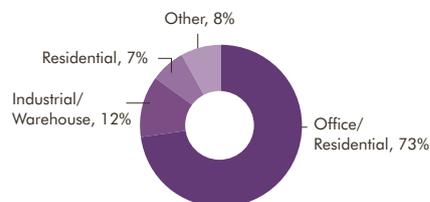
**PROPERTY MARKET**

The biggest change in the portfolio in 2008 was the sale of the 32,000 sqm

**LETTABLE AREA BY SUB-MARKET, TOTAL 1,454,000 SQM**



**LETTABLE SPACE BY PROPERTY TYPE, TOTAL 1,454,000 SQM**

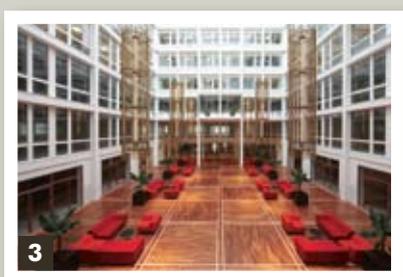


Fabège's properties in Hammarby Sjöstad.

**LEASE TERMS, 31 DECEMBER 2008, COMMERCIAL PREMISES**

Year of Expiry	Contract value, SEKm	Share of value, %
2009	343	17
2010	375	18
2011	340	17
2012	209	10
>2013	792	38
<b>Total</b>	<b>2,059</b>	<b>100</b>

The total contract value at 31 Dec 2008 (incl. residential and parking space) was SEK 2,191m. The 2,000 contracts in Fabege's commercial portfolio have an average term of 3.82 years, weighted by rental value.



## COMPLETED MAJOR PROJECTS 2008

### 1. LÄRAREN 13, STOCKHOLM CITY

The property, which is attractively located next to Norra Bantorget, a recently developed square in the heart of Stockholm, underwent a complete internal renovation in 2007/2008. The façade has also been renovated. Läraren 13 has a lettable floor area of 6,900 sqm and is almost fully let.

### 2. LAMMET 17, STOCKHOLM CITY

In 2008 Fabège made adaptations for its new tenant in Lammet 17, Unionen, which moved in during the summer and occupies most of the building. A few smaller spaces remain to be let in this strategically located property between the Central Station and the commercial centre of Stockholm City.

### 3. MARIEVIK 19, LILJEHOLMEN

Marievik 19, a 20,700 sqm office property, was sold in 2008 upon completion of the renovation. Fabège have thus left the submarket Marievik.

### 4. STIGBYGELN 5, ARENASTADEN

In 2008 Fabège renovated the façade and made adaptations for Balance Gym, which has now moved into its 2,400 sqm premises in the Stigbygeln 5 property in Arenastaden in Solna.

IF-huset property (Axet 1 & Bladet 1) in Bergshamra to Vasakronan. During the year Fabege strengthened its presence in Arenastaden through the acquisition of the 5,600 sqm Uarda 2 property.

### HAMMARBY SJÖSTAD

In the space of only a few years Hammarby Sjöstad has evolved into a new part of town providing housing as well as commercial premises. Fabege is the biggest commercial player in the area and has 77 per cent of the office market. Good transport connections and the closeness to Stockholm's inner city are attracting a growing number of service-sector companies to the area, which is currently home to about 380 businesses, a number that is expected to double once the area has been fully developed.

As the single largest manager of office properties in the area, Fabege is in a good position to influence the character of the area, where light industries are now giving place to service companies and housing. The location, good transport links and waterfront buildings give the area a special character that is attracting creative service-sector companies such as architect firms, advertising agencies and TV production companies.

### RENTAL MARKET

Today 58 per cent of Fabege's premises in the area are offices, with warehouses and light industry accounting for the rest. The outlook for Hammarby Sjöstad is good as the expansion of local services and improved transport connections further increase the attraction of the area. In all, Fabege owns 13 properties with a total floor space of 147,000 sqm in Hammarby Sjöstad. The rental value is about SEK 175m, representing seven per cent of the company's total rental value. The portfolio consists of a large number of small customers. Rents have increased in the last two to three years and are forecast to grow in the longer term. The vacancy rate in the area in 2008 was about 15 per cent.

### PROPERTY MARKET

No changes to Fabege's portfolio in Hammarby Sjöstad were made during the year, either purchases or sales.

### OTHER PROPERTIES

In the rest of the Stockholm area Fabege has 60 properties with a total lettable area of 263,000 sqm. Most of the commercial properties are located in Täby, Bromma and Järla Sjö (Nacka). In Tensta/Rinkeby Fabege owns a portfolio of residential properties.

In 2008 Fabege continued to sell properties that are located outside the company's priority markets. The largest sales were two properties comprising a total floor space of 37,600 sqm in Marievik, as a result of which the company left the Marievik sub-market.

### PROJECTS AND DEVELOPMENT

Qualified improvement activities that add value to Fabege's properties are a cornerstone of the company's business. Fabege has long experience of running extensive improvement projects and strives to attract long-term tenants to properties that have not yet been fully developed and can be redesigned based on the customer's requirements. Responsibility for new builds and redevelopment projects, procurement and follow-up as well as marketing and lettings of new projects rests with the Projects & Development unit.

To maximise its ability to influence developments, Fabege has concentrated its property holdings to areas that are deemed to have a strong development potential. As the dominant player in a specific area, Fabege can take an active role in redeveloping the area, working in close partnership with the local authority from the planning stage onwards.

### PROJECTS IN PROGRESS >50 SEKm 31 DEC 2008, SEKm

Property name	Property type	Area	Completed	Lettable floor area sqm	Occupancy rate, % area <sup>*</sup>	Estimated rental value	Book value 08-12-31	Estimated investment	Of which accrued 08-12-31
Risinge 1 et al.	Residential	Tensta/Rinkeby	Q2 2009	53,400	100	53	403	328	256
Paradiset 29 (50%)	Retail/Office/Garage	Stadshagen	Q3 2009	18,100	58	29	288	390	311
Bocken 35 and 46	Office	Norrmalm	Q4 2009	15,300	90	55	607	390	186
Päronet 8	Office	Solna Strand	Q1 2010	24,125	97	39	262	305	51
Rovan 1	Office/Retail	Huvudsta	dormant	16,400	82	24	163	121	61
Hammarby Gård 7	Office	Hammarby Sjöstad	dormant	8,900	20	20	121	185	86
<b>Total</b>				<b>136,225</b>	<b>85</b>	<b>220</b>	<b>1,844</b>	<b>1,719</b>	<b>951</b>
Other project & land properties							736		
Other improvement properties							3,162		
<b>Total project, land and improvement properties</b>							<b>5,742</b>		

\* Operational occupancy rate, 4 Feb 2009

For the largest projects in progress the annual rent can increase to SEK 220m (fully let) from SEK 77m at 31 Dec 2008.

\*\* The total value of properties was written down by SEK 209m in 2008.



At Solna Strand a new project is implemented in the fully let property Päronet 8. The building of about 24,000 sqm lettable area will be rebuilt and reconditioned for the tenant, the Swedish Tax Agency. Completion is estimated for the first quarter of 2010.

In 2008 Fabege focused on adding value to its existing portfolio. The unit was involved in ten major improvement projects in the Stockholm area, representing an investment volume of about SEK 2bn (2007: SEK 1.4bn).

The improvement of land and properties is a long-term project, often with a time horizon of 10-15 years. In many cases the planning work is initiated in partnership with the local authority in the municipality where the property or land is located. Visions are created for how to develop the area in the best way for the residents, society at large and Fabege. Sometimes land is earmarked for new builds and sometimes a property

with development potential is acquired with the intention of adding value in order to sell it on completion or add it to the management portfolio.

Fabège's Projects & Development business area is divided into Development, Project implementing and Tenant adaptations. One of the strengths of Fabège's business model is that the business is self-sufficient in project expertise, while construction services are procured externally.

#### FOCUS IN 2009

The focus in 2009 will be to secure tenants for the properties in the project portfolio. A key aspect of this work is the

marketing of Arenastaden in Solna.

In 2009 Fabege will prioritise cost-effectiveness, and one way of achieving this is to strengthen the working relationship between Projects & Development and Property Management.

The environment is another focus area for the coming year. New properties will be required to meet the standards of the EU's GreenBuilding programme (read more about this under Responsible enterprise).

“MTV is young, flexible and has a high ceiling, metaphorically and literally. For instance, one requirement is that the premises we rent, in addition to offices, can accommodate a large studio. When we moved into the Luma property in Hammarby Sjöstad Fabege really did a lot to help, and gave a hundred per cent to ensuring that everything went as smoothly as possible. As we work a lot with agencies around Stureplan, we wanted to be within 30 minutes' travel time of Stockholm City. Luma Park suits us perfectly thanks to the light rail line, and being able to travel to and from Nybrokajen by boat in the summer is a big bonus. This historic building, an old lightbulb factory, is in an incredibly dynamic and expanding area that has completely changed character over the last few years. MTV really is in the right place!”

**Lars Mossing**, CEO MTV



## RESPONSIBLE ENTERPRISE

**Fabege's vision includes being an important partner for our customers and for society at large. This requires responsible enterprise. To achieve long-term profitability, Fabege must take social and environmental responsibility as well as economic responsibility.**

Offering our customers premises with strong environmental and energy efficiency credentials improves our competitiveness and good relationships with our main stakeholders improves our overall ability to run a successful business. In a longer-term perspective Fabege's conscientious approach to doing business thus helps to build shareholder value.

Social and environmental responsibility are a natural part of Fabege's business. This covers issues such as our impact on the climate, ethics in business relations, equal opportunities and social commitment. Fabege has therefore adopted a set of ethical guidelines for its activities which, together with our clearly defined values and policies, govern Fabege's efforts to ensure that it conducts its business in a socially responsible manner. The United Nations Global Compact Code of Conduction and other standard-setting initiatives serve as a guide for corporate responsibility at Fabege.

Fabege's company culture should be marked by openness, truthfulness, honesty and responsible behaviour.

Responsibility includes being an

attractive employer, working to improve the environment and supporting social initiatives at a local level.

### RESPONSIBILITY FOR EMPLOYEES

Fabege has 148 employees, whose expertise and commitment are crucial to the company's future development. A key factor in ensuring that Fabege achieves its goals is to develop the company's human resources and build a strong commitment among employees. As part of its ambition to be an attractive employer, a key goal for Fabege in 2008 was to give concrete expression to the company's core values throughout the company.

### IMPLEMENTING FABEGE'S CORE VALUES

Fabege's vision is to "be the most proactive, innovative and competent commercial property company in Stockholm, and an important partner for our clients and for society as whole. The natural first choice." This requires a high degree of commitment from our employees.

Shared values and a strong company culture are hallmarks of successful businesses.

In 2008 Fabege assembled all employees on five occasions for the purpose of strengthening our shared commitment to Fabege's core values: Speed, Informality, Entrepreneurship, Business Orientation and Client Proximity. Fabege will continue this work in 2009.

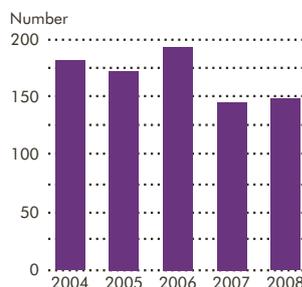
### AN ATTRACTIVE EMPLOYER

Staff mobility in the property industry is relatively high. To be able to recruit and retain skilled staff, a company must be an attractive employer. During the year Fabege initiated several interdepartmental projects aimed at creating a sense of togetherness among staff.

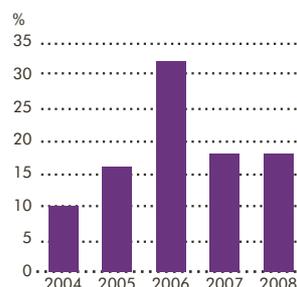
### WORK-LIFE BALANCE AND EQUAL OPPORTUNITIES

An important part of our ambition to be an attractive employer is the ability to offer a good balance between work and free time. Our health and fitness initiative will continue. 2009 will also see the launch of a major new partnership with a newly opened fitness facility that is aimed at improving the health of employees through fitness activities and a healthy diet.

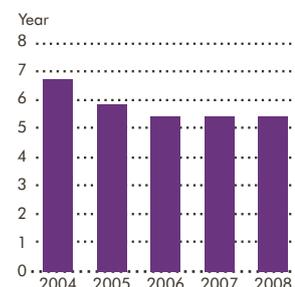
**AVERAGE NO. OF EMPLOYEES  
2004-2008**



**STAFF TURNOVER  
2004-2008**



**AVERAGE PERIOD OF  
EMPLOYMENT 2004-2008**



Fabege encourages both mothers and fathers to go on parental leave. Employees receive 90 per cent of their salary for a period of 120 days, regardless of salary level. Equal opportunities is a key parameter in new recruitment and appointments to executive positions. In 2009 Fabege will continue its project partnership with Solna Municipality on diversity and integration at workplaces.

**SKILLS DEVELOPMENT**

An attractive employer must be able to offer its employees good career paths. Fabege has therefore initiated a skills inventory that is aimed at promoting internal mobility and identifying new career paths. Work on developing leaders will continue in 2009, and the new year will kick off with a coaching programme for all managerial staff.

A major employee survey was conducted in 2008. The response rate was good and the results very encouraging. Factors that scored high included a strong sense of togetherness and good equal opportunities work. Confidence in managers is high and cooperation among and within departments is good. Each unit has drawn up an action plan, and the survey will be followed up in 2009.

To increase employees' stake in the company's future, Fabege has a profit-sharing scheme, introduced in 2000. Allocations are made in the form of Fabege shares based on the company's

profitability and return on equity. Shares are tied up for five years after allocation.

Fabege has continued to position itself at universities and by taking part in graduate recruitment events. During the year the company has also worked actively to strengthen its image as an employer, focusing on the younger generation.

The company continually offers traineeships and exam topics, which in several cases have resulted in an offer of employment. To increase awareness of the company's business while at the same time helping young people to enter the labour market, Fabege has over the last three years been offering holiday work to young people in Tensta/Rinkeby, a suburb of Stockholm.

**A CUSTOMER-FOCUSED ORGANISATION**

Most of Fabege's 148 employees have daily contacts with the company's stakeholders, such as customers or shareholders. The company's operational activities are divided into Property Management and Projects & Development. In Property Management most of the work is performed at the various local offices. Each team is assigned customer responsibility and remains in close contact with customers so that they can quickly pick up on any new requests and requirements.

Projects & Development is responsible for new construction and development

**OUR CORE VALUES**

**SPEED**

- We are efficient, prioritise fast decisions, provide prompt feedback and offer simple solutions.
- We act with clarity, have drive and make sure we keep our deadlines.

**INFORMALITY**

- We show respect by being open and attentive to our colleagues, customers and suppliers.
- We are more important than I. We are team players and strive to work together and ensure cohesion in the team.
- We are humble and show courage by daring to ask for help and sharing our knowledge with others.

**ENTREPRENEURSHIP**

- We see opportunities and do not get bogged down in the problems.
- We are creative, inspire new ideas and dare to try unconventional solutions.
- We show our commitment by ensuring that adopted decisions are implemented.

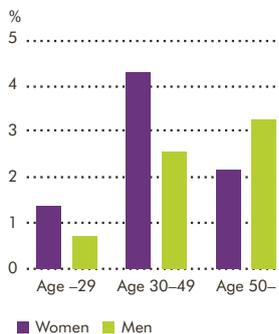
**BUSINESS ORIENTATION**

- We set clear goals, ensure that everyone is behind them and actively follow them up.
- We act with competence and look for win-win-solutions.
- We make sure we use the resources we have access to in the form of knowledge, skills and tools.

**CLIENT PROXIMITY**

- We build trust and long-term customer relationships by arriving in time, doing our homework and providing the best possible service based on the customer's requirements.
- We get to know customers, employees and suppliers through an open, responsive and personal service.

**SICK LEAVE JANUARY-DECEMBER 2008**  
Leave in relation to ordinary working time



**EMPLOYEES, AGE STRUCTURE**

Age	Women	Men
20-29	7	6
30-39	21	32
40-49	19	30
50-59	9	10
60-69	6	8
<b>Total</b>	<b>62</b>	<b>86</b>

projects, environmental issues, purchasing and operational optimisation, and for coordinating activities with Property Management. The unit brings together all of Fabege's talent in development and financial control of projects. In addition to the operational units, Fabege has five support functions: Business Development, Accounting & Finance, Marketing, Corporate Communications & IR and Human Resources.

#### A SAFE WORK ENVIRONMENT

All employees have the right to work in an environment that is safe, both physically and mentally. Fabege has worked continuously on work environment issues for several years.

In 2008 the company increased awareness of fire and safety issues through customised training programmes in risk management, risk analysis, protection planning and fire protection. The courses will continue in 2009, with a particular focus on fire protection.

#### Work environment policy

Fabège seeks to ensure a safe work environment in order to:

- Strengthen employees' commitment and collaboration
- Promote personal and professional development
- Prevent and eliminate risks to property and health
- Ensure that business trips using company cars can be made in a safe manner.

#### ENVIRONMENTAL RESPONSIBILITY

The purpose of Fabège's environmental responsibility is to reduce and prevent any negative impact on the environment, and thus promote a sustainable development. Since 2002 Fabège has worked systematically to optimise energy use in its properties. In every year since then the company has succeeded in cutting energy use by at least five per cent.

In 2008 we reduced heat consumption by ten per cent and resource consumption

#### HIGH-RANKING BY THE CARBON DISCLOSURE PROJECT

In 2008 Fabège received top placement in the highly prestigious rankings conducted by the Carbon Disclosure Project for the second year in a row. Behind the study lies 475 of the world's largest institutional investors.

After years of environmental initiatives Fabège was appointed in 2008 to one of the 100 most sustainable companies in the world by the British research firm Innovest.

by an average of eight per cent, partly through successful optimisation of operations and activities identified in energy assessments, and partly through investments in energy-efficient technology.

Three major environmental initiatives were conducted during the year: energy assessments of all properties, the introduction of green electricity in all properties and the launch of the GreenBuilding certification concept.

#### ENERGY ASSESSMENTS

In 2007 the Swedish National Board of Housing, Building and Planning introduced a new regulation requiring property owners to conduct energy assessments of their properties. In practical terms, this involves reviewing each property's energy use and issuing certificates showing how much energy is used in the property. In 2008, work has been carried out by external experts, which also had the task of creating a more comprehensive basis for action than the law requires, for reducing energy consumption.

The results can then be compared with those of similar properties to identify ways in which energy costs can be reduced. The assessments have proved to be a valuable tool for defining concrete measures to further cut energy costs.

#### GREEN ELECTRICITY

Another aspect of environmental

responsibility concerns the use of electricity that has been produced in an environmentally friendly manner. Starting in 2008, Fabège has chosen to use only "green" electricity, i.e. electricity produced from renewable energy sources. In 2008 the company concluded an agreement with Vattenfall under which Vattenfall will deliver only certified renewable hydro-generated electricity from their Nordic power plants. The certification is made in compliance with the international Environmental Product Declaration (EPD) system. During the year Fabège converted its last oil-fired boilers to district heating.

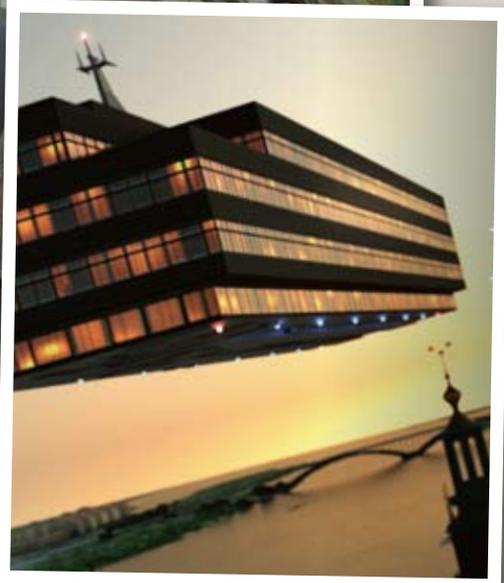
As a result of the recent work on systematic energy optimization, conversion from oil to district heating, switch to green electricity, improved environmental performance of district heating and cooling and to some extent changes in property stock, development has been very positive and carbon dioxide emissions have decreased from 39,447 tonnes in 2002 to 5,989 tonnes in 2008.

#### GREENBUILDING CERTIFICATION OF PROPERTY PORTFOLIO IN 2009

Customers and other stakeholders are demanding an ever higher standard of energy efficiency in new buildings. Fabège has therefore set a goal of obtaining GreenBuilding certification for its property portfolio in 2009. To qualify, 30 per cent of the portfolio must meet the GreenBuilding requirements.

At year-end 2008 Fabège had obtained GreenBuilding certification for one property: the Lindhagen project in Paradiset 29 on Kungsholmen.

In 2008 Fabège decided to sign up to the Climate Pact, a partnership between the City of Stockholm and local business that provides a platform for collaboration on climate-related issues. The partnership agreement, which is designed to reduce greenhouse gas emissions, will be signed in early 2009. A similar partnership exists with the Municipality of Solna.



## LINDHAGEN – FABEGE'S FIRST GREENBUILDING-CERTIFIED PROJECT

Peab and Fabege are building the Lindhagen office and retail centre in Paradiset 29, a former bakery in western Kungsholmen in Stockholm. The project forms part of a major renewal of the area that involves building about 3,500 new residential units and 350,000 sqm of commercial space.

Lindhagen will comprise 13,000 sqm of retail space and about 10,500 sqm of offices and parking space. Work on letting out the premises is currently underway, and

the project is expected to be ready for occupancy in autumn 2009.

Tenants that have already signed agreements include IFS, Apoteket, Systembolaget, Espresso House and ICA.

Cooling in the building will be provided through a district cooling system, except for ICA, which will provide its own cooling for its refrigerated counters. The excess heat generated in the process will be used to heat a large part of the ICA store. Heating and hot water in

the offices will be provided through a district heating system.

The building is estimated to use 89 kWh/sqm per year, which is 75 per cent of the level defined in the building rules of the Swedish National Board of Housing, Building and Planning for this specific building.

During the third quarter the Lindhagen project was certified in accordance to the European Commission GreenBuilding program, initiated to stimulate energy-saving measures for

commercial properties.

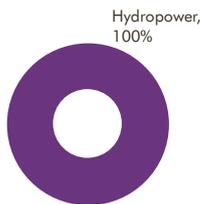
The certification was made possible by fulfillment of the requirement that new buildings should use 25 percent less energy than construction rules provide. The certification led to Fabege being admitted as an official partner with the GreenBuilding program.

READ MORE ON [WWW.FABEGE.SE](http://WWW.FABEGE.SE)

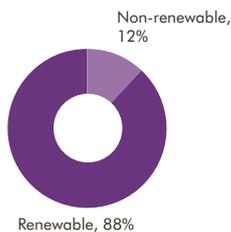
**TOTAL CONSUMPTION DATA**

<b>Water use, m3</b>	893,037
<b>Energy use, mwh</b>	203,509
Of which	
Heating	106,113
Cooling	21,111
Electricity	76,285
<b>Renewable energy, mwh</b>	183,047
<b>Co. emissions, tonnes</b> (heating, electricity, cooling)	5,300

**ENERGY SOURCES IN ELECTRICITY PRODUCTION**



**ENERGY TYPES FOR DISTRICT HEATING, TOTAL**



**HAZARDOUS SUBSTANCES**

Under a 2007 regulation on polychlorinated biphenyls (PCBs), owners of industrial or apartment buildings built between 1956-1973 are required to conduct PCB assessments for these buildings. Fabege is taking the measures required under the regulation and is also conducting surveys assess the presence of radon in residential and school buildings, in compliance with regulatory requirements.

**CONTINUOUS IMPROVEMENT OF WASTE MANAGEMENT**

When making an acquisition or adapting premises for tenants, Fabege explores which areas can be used for sorting of waste for recycling, both centrally and in the premises of each tenant. We also look at where the areas are located within the property in relation to goods flows, transports, floor plans, etc. At year-end 2008 an average of nine different types of waste were being sorted and recycled at Fabege's properties.

**ENVIRONMENTAL PROGRAMMES FOR BUILDING SITES AND SUPPLIERS**

In projects and development activities Fabege's general environmental programme has now been integrated into the Framework Programme as regards the choice of materials, waste management and building methods. The aim is to give concrete expression to Fabege's environmental policy through environmental control of the building process. When a building is converted or renovated a demolition plan is drawn up. In new builds and redevelopment projects only building materials and products with limited environmental impact may be

used. In all projects a plan for handling of waste products is prepared together with the building contractor and waste management contractor.

**FABEGE'S REQUIREMENTS ON SUPPLIERS**

Purchasing activities and suppliers' and contractors' environmental performance constitute a cornerstone of Fabege's environmental work. Fabege strives to conclude sound deals in all respects. Our purchases and supplier agreements should secure strong commercial terms and prices, good quality and high delivery reliability and should be inspired by concern for human beings and the environment. The general principle is that suppliers should comply with applicable employment laws and other applicable laws, rules and regulations. Suppliers must also permit Fabege to verify such compliance. Fabege supports the United Nations Convention on the Rights of the Child, Article 32:1.

To clarify the company's views to suppliers/contractors, the company's own staff and other stakeholders, Fabege has defined a number of requirements in its procurement policy, which is available on the company's website, [www.fabega.se](http://www.fabega.se)

**ACQUISITIONS AND SALES**

Energy consumption and improvement potential are becoming increasingly important factors in acquisitions and sales of properties. As part of the acquisition process, Fabege or an environmental specialist analyses the property's energy consumption and environmental risks to assess their value.

## RESPONSIBILITY IN THE LOCAL COMMUNITY



### SOS CHILDREN'S VILLAGE IN CIBITOKÉ, BURUNDI

An example of social responsibility at the local level well beyond our home market but still within the company's field of business is Fabège's support to SOS Children's Villages and the building of a family house in Cibitoke, Burundi. The children's village will receive 120 children, giving them a home, a family and an education. There will also be built a preschool, a school and a medical clinic which both the children in the Children's Village and the children in the neighborhood will have access to.

### SOLNA VIKINGS – GIRL POWER

Fabège is the lead sponsor for Solna Vikings basket team and their girl power project. Girl power is aimed at strengthening girls' self-esteem and self-reliance through mentoring, physical activities and exercises that are designed to strengthen the group and the individual. In Solna the Solna Vikings women's team represents success, a healthy lifestyle and pride.

**CSR**  
sweden



### FAIRPLAY ICE HOCKEY

The Stockholm Ice Hockey Association teaches young ice hockey players aged 8 to 15 the rules of fair play and how to behave with respect and sportsmanship both in and outside the rink. Fabège is a sponsor behind the project.



### ZERO TOLERANCE IN FOOTBALL

Fabège is also a sponsor behind the Stockholm Football Association's Zero Tolerance project. The project is aimed at preventing violence and unacceptable language between referees, players, leaders and parents. The project covers the teams for 12-year-olds supervised by the Association, providing coaching to 4,000 players under the Zero Tolerance project using literature provided by Sila Snacket (Mind Your Language).



### CSR SWEDEN

As of 2008 Fabège has been a member of CSR Sweden, a corporate network that uses dialogue to encourage businesses to perform corporate social responsibility activities.

## FABEGE'S ENVIRONMENTAL POLICY

**Faberge will create value for the company's shareholders, and concern for the environment should be a natural and integrated part of Faberge's activities in property management, project development and property transactions. Faberge will offer attractive properties with a low environmental impact and high level of user comfort. To achieve this, Faberge will:**

Area	WASTE AND POLLUTION	RESOURCE OPTIMISATION	TRANSPORTS
Activities	<ul style="list-style-type: none"> <li>• Offer sorting of waste for recycling and facilitate efficient, environmentally friendly waste management.</li> <li>• Strive to reduce the total amount of waste.</li> <li>• Prevent the generation and spreading of pollution.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that energy, water and other natural resources are used in an efficient and environmentally sound manner.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the environmental impact of transports in service assignments and goods deliveries.</li> </ul>
Results	<ul style="list-style-type: none"> <li>• Enable tenants to obtain specially adapted waste management solutions.</li> <li>• Conduct PCB surveys in all buildings built or renovated between 1956 and 1973.</li> </ul>	<ul style="list-style-type: none"> <li>• Set a goal of annual reduce of resource consumption by an average of five per cent.</li> <li>• Perform energy assessments of the properties.</li> <li>• Plan new builds in way that makes it possible to meet the criteria for Green-Building certification.</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage sustainable travelling.</li> <li>• Company car policy requires the use of green cars.</li> </ul>
	<ul style="list-style-type: none"> <li>• Reviews of waste management procedures in the properties have been initiated, and Faberge works with tenants to identify and implement improvements that benefit the environment and cut costs.</li> <li>• PCB survey performed.</li> <li>• Bin rooms and waste management are planned and designed to ensure a good work environment, facilitate sorting of waste and minimise the number of transports.</li> </ul>	<ul style="list-style-type: none"> <li>• Total resource consumption has been cut by an average of 8 per cent, representing a cost saving of SEK 14m.</li> <li>• Paradiset 29 obtains GreenBuilding certification.</li> <li>• Planning for systems with low energy and water consumption and low running costs.</li> <li>• Systematic work on energy optimisation in the properties.</li> </ul>	<ul style="list-style-type: none"> <li>• Travelcards for local public transport are available for all employees.</li> <li>• Hållbart resande (Sustainable Travelling), a project in Solna Business Park that is being run in partnership with Solna Municipality, Stockholm Transport and the National Road Administration.</li> <li>• 50 percent green cars within the vehicle fleet in 2008.</li> </ul>

**ENVIRONMENTAL REQUIREMENTS FOR BUILDING MATERIALS AND METHODS**

- Choose building methods and materials with green credentials and in compliance with Fabege’s framework programme.
- Replace hazardous chemicals with less hazardous alternatives where possible.
- Set clear environmental requirements for the purchase of goods and services

**INTERNAL ENVIRONMENTAL AWARENESS**

- Raise the level of environmental expertise among employees through training and communicate environmental issues internally and externally.
- Regularly document, follow up, evaluate and improve our environmental work.

**ENVIRONMENTAL LAWS**

- Comply with or exceed applicable environmental legislation and other requirements affecting the business.

- Assess building products from a lifecycle perspective.
- Compile building product declarations
- All materials are checked against the Swedish Chemical Inspectorate’s PRIO list.
- Substances that do not comply with BASTA\* should not be used in materials or products
- Demand that suppliers and contractors have a set of systematic quality and environmental procedures covering the whole chain of suppliers
- Ask questions when procuring cleaning and other services. In new builds we use assessment databases such as Byggvarubedömningen (Building Product Assessment)

- Fabege works continuously to increase knowledge about the company’s environmental impact.
- Three full-time employees work on environmental and energy issues. The work is documented in Fabege’s Nyckelknippan database

- Environmental legislation can be accessed by all employees on Fabege’s Intranet.
- Fabege’s self-assessment programme is called Nyckelknippan (Bunch of Keys). It is a database containing environmental status reports and legally required monitoring and inspection reports for all properties.
- Self-assessment activities are followed up continuously by Fabege’s environmental coordinators.

\* BASTA = The construction industry’s settlement of particularly dangerous substances. The products are judged on the chemical content. The products that pass the criteria is contained in a database.

- The gathering and compilation of product declarations facilitate traceability and minimise the use of hazardous materials, improving the health and wellbeing of customers, employees and suppliers

- Awareness encourages a more environmentally minded approach throughout the organisation.
- Fabege’s environmental initiatives are presented to the management team on a regular basis throughout the year.

- Implemented procedures to continuously work with regulatory requirements and other requirements affecting the business.

## THE FABEGE SHARE

Fabege's shares are quoted on the NASDAQ OMX Nordic Exchange Stockholm in the Large Cap segment.

During the turbulent stock market year of 2008 when the Stockholm Stock Exchange plunged by 42.0 per cent and the OMX Real Estate index lost 29.4 per cent Fabege's shares declined by 55 per cent, from SEK 66.25 to SEK 30.00. The total return on the Fabege share, including reinvested dividends of SEK 4.00, was -52.3 per cent. At year-end the company had a market capitalisation of about SEK 5bn.

### TURNOVER AND TRADING

In the last few years turnover in Fabege's shares has increased steadily, to 244m shares in 2008 (248), representing a total value of SEK 11.5bn (22.6). This is equivalent to a turnover rate of 144 per cent (139) of the average number of outstanding shares. The turnover rate on the Stockholm Stock Exchange as a whole in 2008 was 132 per cent. On an average day of trading 969,000 Fabege shares

(990,000) exchanged hands in 685 transactions (729).

### SHARES AND SHARE CAPITAL

The 2008 Annual General Meeting resolved to reduce the company's share capital by SEK 261m through the withdrawal of 9,150,673 treasury shares. In order to restore the share capital after the withdrawal of shares, the AGM also approved an increase in the share capital to be effected through a bonus issue of SEK 271m. As a result of these decisions, the company now has a share capital of SEK 5,096m (5,086), represented by 169,311,554 shares (178,458,921). All shares carry the same voting rights and entitle the holder to the same share of the company's capital.

The 2008 AGM also voted to authorise the Board to buy back shares during the period until the 2009 Annual General

Meeting. Acquisitions must be made by purchase on the Stockholm Stock Exchange and are subject to the provision that the company's share of the total number of outstanding shares not exceed 10 per cent. The authorisation was aimed at enabling the company to continuously adapt its capital requirements and thereby improve shareholder value. In 2008 6,441,451 shares (7,635,622) were acquired for SEK 360m (average share price SEK 55.91). At year-end Fabege had bought back 4,929,400 shares, or 2.9 per cent of the total number of shares in the company.

The number of outstanding shares during the year has also been affected by continued conversions of convertibles into Fabege shares (see below).

### CONVERTIBLES

When the "old" Wihlborgs acquired the "old" Fabege in 2004 many shareholders

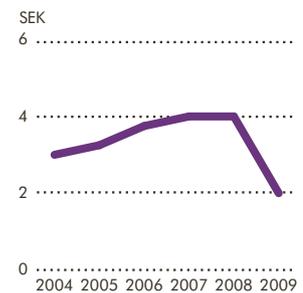
TOTAL RETURN 2001-2008



SHARE TREND 2008



CASH DIVIDENDS PER SHARE 2003-2009\*



\* Proposed cash dividend

opted to receive payment for the shares in the form of a convertible bond loan (convertibles). A total of 6,055,578 convertibles worth SEK 639m were issued. At 31 December 2008, there were convertibles with a book value of SEK 47m (nominally SEK 45m). The convertibles bear interest at 5.25 per cent and mature on 1 October 2009. They can be converted until 1 September 2009 at a price of SEK 41.80. Full conversion would result in an increase of 1,066,558 shares. In 2008 conversions resulting in the issue of 3,306 new shares were made. If all remaining convertibles are converted into shares the additional shares would result in a dilution of 0.6 per cent.

#### DIVIDEND POLICY AND DIVIDENDS TO THE SHAREHOLDERS

Fabège aims to pay a dividend to its shareholders comprising that part of the

company's profit which is not required for the consolidation or development of the business. In current market conditions this means that the dividend will comprise at least 50 per cent of the profit from the management of the company's property portfolio and realised gains from the sale of properties after tax. The Board proposes that the 2009 AGM resolve to pay a dividend of SEK 2.00.

#### OWNERSHIP STRUCTURE

On 31 January 2009 Fabège had 33,152 (32,663) shareholders. The largest owners were Brinova, with 13.8 per cent of the number of shares, followed by Maths O Sundqvist and Öresund with 11.5 and 6.5 per cent, respectively. The ten largest shareholders held 42.7 per cent of the shares. Foreign share ownership in Fabège was 30.1 per cent.

#### INFORMATION FOR SHAREHOLDERS

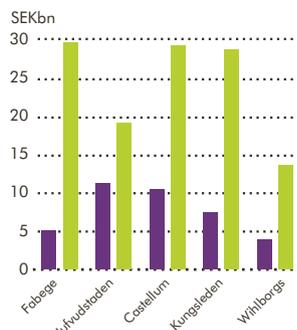
All shareholders of Fabège have been asked whether they wish to receive printed financial information by mail. To shareholders requesting this Fabège sends interim reports for the first, second and third quarters as well as the annual report. The year-end financial statement is not printed.

All financial reports and press releases are available in Swedish and English on the company's website, [www.fabège.se](http://www.fabège.se). The website also provides information about Fabège's share price.

#### NET ASSET VALUE PER SHARE

Equity per share at 31 December 2008 was SEK 60 (67). Net asset value per share, excluding deferred tax on surplus value – properties, was SEK 67 (76).

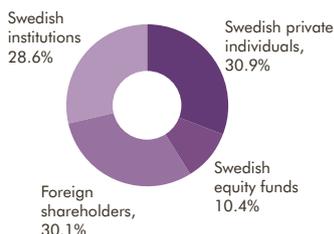
#### THE LARGEST LISTED PROPERTY COMPANIES



Source: SIX and Year-end reports for 2008

■ Marketing capitalisation at 31 december 2008  
■ Market value properties at 31 december 2008

#### DISTRIBUTION OF SHAREHOLDING PER CATEGORY AT 31 JANUARY 2009



Source: SIS Ägarservice/Euroclear

#### BREAKDOWN OF OWNERSHIP BY COUNTRY, 31 JANUARY 2009

Country	Share capital, %
Sweden	69.9
USA	10.4
Netherlands	6.3
United Kingdom	5.6
Luxembourg	1.9
Switzerland	1.5
France	1.0
Ireland	0.6
Belgium	0.5
Denmark	0.5
United Arab Emirates	0.4
Other countries	1.4

100

Source: SIS Ägarservice/Euroclear

## ANALYSTS COVERING FABEGE

ABG Sundal Collier	Jonas Andersson
ABN AMRO Bank N.V.	Jan Willem van Kranenburg
D. Carnegie	Fredrik Skoglund Erik Granström
Deutsche Bank	Hans Derninger
DnB NOR	Simen Mortensen
HQ Bank	Olof Nyström
Handelsbanken Markets	Tobias Kaj
Kaupthing Bank Sverige	Erik Nyman
Kempen	Robert Woerdeman
Merrill Lynch	Bernd Stahl
SEB Enskilda	Bengt Claesson
Swedbank	Andreas Daag
UBS Investment Bank	Albin Sandberg

## SHARE DATA

Stock symbol: FABG
ID: SSE861
ISIN code: SE0000950636
Listed since 1990
Marketplace: NASDAQ OMX Nordic Exchange
Segment: Large Cap

## DISTRIBUTION BY SIZE OF SHAREHOLDING AT 30 JANUARY 2008

	No. of Shareholders	Share of Number Shareholders, %	No. of Shares	Share of Capital and Votes, %
1–500	22,185	66.9	4,242,380	2.6
501–1,000	5,106	15.4	3,930,495	2.3
1,001–5,000	4,704	14.2	10,110,060	5.9
5,001–10,000	563	1.7	4,046,309	2.4
10,001–100,000	444	1.3	12,556,916	7.5
100,001–1,000,000	128	0.4	38,964,817	23.3
1,000,001–	22	<0.1	95,460,577	56.0
<b>Total</b>	<b>33,152</b>	<b>100.00</b>	<b>169,311,554</b>	<b>100.00</b>

Source: SIS Ägarservice/Euroclear

## THE 15 LARGEST SHAREHOLDERS AT 30 JANUARY 2009

Name	Share of Capital (%)	No. of Shares
Brinova AB	13.80	23,291,092
Sundqvist Maths O company	11.50	19,527,800
Öresund Investment AB	6.50	11,050,036
Danske fonder	3.20	5,401,427
Swedbank Robur fonder	2.50	4,168,191
Qviberg Mats and family	1.60	2,703,636
SEB fonder	1.20	2,010,995
Länsförsäkringar fonder	0.90	1,570,451
Nordea Fonder	0.80	1,333,752
Folksam försäkring	0.70	1,131,128
ENA Fastighets AB	0.70	1,100,000
Lannebo fonder	0.60	1,006,713
Sjunde AP-fonden	0.50	871,849
SEB-Trygg Försäkring	0.50	846,420
Foreign shareholders	30.10	50,931,398
Other	22.00	37,437,266
<b>Total</b>	<b>97.10</b>	<b>164,382,154</b>
Share buybacks by Fabege AB	2.90	4,929,400
<b>Total, including treasury stock</b>	<b>100.00</b>	<b>169,311,554</b>

Source: SIS Ägarservice/Euroclear

## MARKET VALUATION OF FABEGE'S PROPERTY PORTFOLIO

**At 31 December 2008 Fabege's property portfolio comprised 157 properties, which was ten less than the year before. The estimated market value of the portfolio totalled SEK 29.5bn (30.8).**

Unrealised changes in the value of properties during the year totalled SEK -1,545m (893). The writedown represents a decline in value of about five per cent.

The average yield requirement in Fabege's property portfolio has increased by 0.5 per cent since year-end 2007. The increase is larger in the outer suburbs than in the inner suburbs and Stockholm City. However, the net effect is significantly smaller due to improved cash flows from the properties. The investments made in the portfolio will eventually lead to lower vacancy rates and higher rents, and thereby stronger cash flows and value growth.

All properties in Fabege's portfolio are externally valued at least once a year by independent valuers with recognised qualifications. In 2008 the properties were valued by DTZ Sweden AB and Newsec Analys AB. Market value refers to



Apotekaren 22, Rödmandsgatan 42

the most likely price that each property would obtain in a sale in an open and free property market at the time of valuation.

The data provided by Fabege on leases, vacant areas, operations and

maintenance costs and investments was used as a basis for the valuation. On-site inspections were performed for all properties during the period 2006-2008.

The property valuation is based on cash flow statements, where the present value of net operating incomes is normally calculated for a five-year calculation period, while the residual value of the property is calculated at the end of the calculation period. The discount rate for Fabege's property portfolio is 7.9 per cent (7.3) and is based on the nominal yield on five-year government bonds plus a premium for property-related risk. The weighted yield requirement at the end of the calculation period is 6.0 per cent (5.5). The property valuation was performed in accordance with the Valuation Guidelines of the Swedish Property Index.

### YIELD PER SUB-MARKET BASED ON ASSUMPTIONS USED IN EXTERNAL VALUATION

Sub-market	Market value at 31 Dec 2008, SEKbn	Yield, %
Inner City	16.9	5.6
Solna	8.3	6.5
Hammarby Sjöstad	1.9	6.9
South Stockholm	0.7	6.8
North Stockholm	1.7	6.6
<b>Total</b>	<b>29.5</b>	<b>6.0</b>

## TAX SITUATION

### CURRENT TAX

Unused tax loss carry-forwards, which are expected to reduce the Group's tax expense in future years, are estimated at SEK 4.7bn (3.8) as at 31 December 2008.

Payment of income tax can also be delayed through tax depreciation of the properties. In case of a direct sale of property a tax profit defined as the difference between the selling price and the tax residual value of the property is realised. In case of a sale of property that is made in the form of the sale of a business this effect can be mitigated.

Overall, it is estimated that deferred tax will remain low during the next few years.

### DEFERRED TAX LIABILITY/ASSET

As at 31 December 2008, the difference between the carrying amounts and tax bases of the properties was approximately SEK 8.8bn (10.5). Under IFRS rules on deferred tax, differences between carrying amounts and tax bases should be recognised at the nominal tax rate (26.3%) with no discount. Exceptions can be made for business combinations, which can be classified as asset acquisitions. See also Accounting principles on page 48 and Note 29 on page 57 as regards deferred tax.

At 31 December 2008 net deferred tax liabilities were SEK 0.2bn (-0.6), in accordance with the following specification, see table.

### ONGOING TAX CASES

The Administrative Court of Appeal in Stockholm has decided to reject Fabege's appeal in the ongoing and previously reported tax case concerning a review of Fabege Storstockholm AB's income tax assessment for 2002. The increase in Fabege's taxed income is based on the Tax Agency's view that a dividend paid by a subsidiary to Fabege Storstockholm AB is taxable. The reason for this is that the Tax Agency has reclassified Fabege

Storstockholm AB as property trading company, whereas it was previously classified as a property management company. The ruling of the Administrative Court of Appeal means that the Tax Agency's decision to increase Fabege's taxable income by SEK 346m has been upheld, resulting in a tax expense, including interest, of approximately SEK 118m. The company is contesting the ruling and has applied for the case to be reviewed by the Supreme Administrative Court. No provision has been made in Fabege's balance sheet, but the amount has been recognised as a contingent liability, as in previous financial statements.

The Tax Agency has in several decisions announced that companies in the Fabege Group will have their taxable incomes increased in respect of a number of property sales made through limited partnerships. As at 31 December 2008 the total increase in taxable incomes 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 tax demand including penalties of SEK 1,302m excluding interest.

Fabège strongly contests the tax demands made by the Tax Agency and has appealed the decisions. It is the company's firm opinion that the sales were reported and declared in accordance with applicable rules, and no provisions have therefore been made in Fabège's balance sheet.

Fabège's assessment is shared by external legal experts and tax advisors who

have analysed the sales and the Tax Agency's reasoning. The partners of the limited partnerships reported and declared their share of the proceeds in full compliance with applicable tax rules. The sales resulted in a low income tax, but it should be pointed out that in the Tax Agency's own opinion it is perfectly permissible and acceptable to sell commercial properties tax-free in packaged form, i.e. the small amount of tax resulting from the sales was neither unexpected nor controversial. The way in which the properties were sold was chosen exclusively for business reasons, and not to reduce the amount of tax payable. The most immediate alternative option, which was to sell the properties through limited liability companies, would not have resulted in a higher tax charge for any company in the Group.

The type of property sale through a trading/limited partnership to which the Tax Agency's decision relates has been widely used in the industry. For companies in the Fabège Group the Tax Agency's decision relates to the single largest transactions and, to the company's best knowledge, a significant share of the total potential amount. Information about any further decisions made by the Tax Agency and the reasoning behind the decisions will be presented in Fabège's interim reports. Any changes in current assessments and any court rulings will be announced through press releases.

#### DISTRIBUTION OF DEFERRED TAX LIABILITY, 31 DECEMBER 2008, SEKm

<i>Deferred tax attributable to</i>	
- tax loss carry-forwards	1,241
- difference between carrying amounts and tax bases of properties	-1,136
- deficit, derivatives	124
- other	15
<b>Net asset, deferred tax</b>	<b>244</b>

## DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Fabège AB (publ), corporate identity number 556049-1523, hereby present their 2008 report for the Group and parent company.

### THE BUSINESS

Fabège is one of Sweden's leading property companies focusing on commercial premises. The business is concentrated to a small number of fast-growing priority sub-markets in the Stockholm region. Fabège manages and improves its existing properties while continuously developing its portfolio through sales and acquisitions. Realising value is an integral and key part of the business.

The deals and investments made in 2008 continued the process of concentrating the Group's property holdings to the inner city of Stockholm, Solna and Hammarby Sjöstad. As at 31 December 2008 Fabège had a rental value of SEK 2.4bn, a lettable area of 1.5 million sqm and a book value, including project properties, of SEK 29.5bn. At 31 December 2008 Fabège's property portfolio in the inner city of Stockholm, Solna and Hammarby Sjöstad represented 89 per cent (88%) of the total rental value.

Commercial premises represented 97 per cent (97%) of the rental value and residential premises 3 per cent (3%).

### INCOME AND EARNINGS

The loss after tax was SEK -511m (1,812) and earnings per share were SEK -3.07 (9.98). The loss after financial items was SEK -1,340m (2,066).

Rental income was SEK 2,214m (2,066) and net operating income SEK 1,438m (1,312). The increase in rental income was due to a net increase in properties and higher rents in existing properties. For comparable properties rental income grew by 3 per cent.

Realised changes in the value of properties totalled SEK 143m (446). Unrealised changes were SEK -1,545m (893) due to increased yield requirements. Changes in the value of the Group's fixed income derivatives were SEK -485m (37) as a result of a sharp decline in market interest rates at the end of year.

The net interest expense increased to SEK -804m (-609) due to net investments in properties and higher interest rates.

Tax (current and deferred) for the year was SEK 829m (-254). The big change is due to elimination of deferred tax as a result of property sales and asset impairment as well as valuations of additional tax loss carry-forwards. At 31 December 2008, differences between the carrying amounts and tax bases of the properties were approximately SEK 8.8bn (10.5). At the same date the Group had valued tax loss carry-forwards of SEK 4.7bn (3.8).

### CASH FLOW

The result increased liquidity by SEK 640m (1,142). After an increase of SEK 1,104m (-491) in working capital, which varies primarily as a result of occupancy/final settlement for acquired and divested properties, operating activities resulted in a change in liquidity of SEK -464m (1,633). Investments and acquisitions exceeded property sales by SEK 217m (2,653). The total change in liquidity resulting from operating activities was thus SEK -681m (-1,020). Dividends to shareholders and share buybacks totalled SEK 670m (761) and SEK 361m (543), respectively. After the increase in debt, consolidated cash and cash equivalents were SEK 54m (75).

### FINANCING

Fabège employs long-term credit lines with fixed terms and conditions and an average maturity by year-end of 5.4 years. The company's creditors are major Nordic banks. Interest-bearing liabilities at year-end were SEK 18,902m (17,210). The financial turbulence during the year has not affected the company's access to long-term capital. However, the gradual rise in market interest rates up to November had a negative impact on the net interest expense. The decline in market rates during the fourth quarter has affected Fabège's average interest rate, which fell by 1.83 percentage points during the period to 3.27 per cent excluding the cost of unused committed lines of credit at year-end, or 3.29 per cent including this cost.

Approximately 40 per cent of Fabège's loan portfolio was fixed through fixed income derivatives. The average fixed-rate period was 24 months, including the effect of derivatives. At 31 December the company's derivatives portfolio had a value of SEK 7,700m with maturities of up to 10 years. Out of this, SEK 5,950m refers to callable swaps, which are expected to increase to SEK 7,550m in the first quarter of 2009. The derivatives contracts were concluded in summer 2008 to improve cash flow in a situation where the market was expecting interest rates to rise. The aim was to obtain a discount on interest rates or fix rates at a level that was attractive from a long-term perspective.

In compliance with the accounting rules contained in IAS 39, the derivatives portfolio has been valued at market value and the change has been passed through the profit and loss account. Following the sharp fall in market interest rates the value of the portfolio declined during the fourth quarter. At 31 December the deficit in the portfolio was SEK 471m. The derivatives portfolio has been valued at the present value of future cash flows. The change in value is of an accounting character and does not affect cash flow or leverage. The portfolio had a positive impact of

SEK 54m on the net interest expense for the year.

The average fixed-rate period for variable-rate loans is 32 days. Future changes in interest rates will thus quickly affect 60 per cent of the loan portfolio.

At 31 December 2008 the company had unused committed lines of credit of SEK 2,446m. SEK 1,468m was refinanced in the fourth quarter.

Fabege has available long-term credit facilities covering all outstanding commercial paper at any given time. Due to falling demand in the commercial paper market during the period, the company has shifted its funding to these. Outstanding commercial paper at 31 December 2008 were nominally SEK 740m.

The total loan volume includes loans for projects worth SEK 1,766m, on which the interest of SEK 41m has been capitalised.

#### FINANCIAL POSITION AND NET ASSET VALUE

Shareholders' equity was SEK 9,873m (11,415) and the equity/assets ratio 32 per cent (36%).

Equity per share was SEK 60 (67). Net asset value per share, excluding deferred tax on the surplus value of properties, was SEK 67 (76).

#### ACQUISITIONS AND SALES

Investments in 2008 were SEK 2,164m (4,984), of which SEK 201m (4,018) refers to property acquisitions and SEK 1,963m (966) to investments in existing properties and projects. Two properties were acquired for a total consideration of SEK 201m and 13 properties were sold for SEK 2,095m. The sales resulted in a profit of SEK 143m before tax, or SEK 333m after tax.

Major sales refers to two properties in Marievik (SEK 975m) and one property in Solna (SEK 570m). The deals concluded during the year resulted in a further concentration of the Group's property portfolio to Fabege's priority sub-markets, which accounted for 92 per cent of the total value of the Group's properties at 31 December.

#### INVESTMENTS IN EXISTING PROPERTIES AND PROJECTS IN PROGRESS

In 2008 the Group continued its active efforts to add value through improvements to properties, and major project investments of approximately SEK 462bn were approved. Investments of SEK 1,963m (966) in existing properties and projects referred to land, new builds, extensions and conversions. Major investments during the year were Bocken 35 and 46 (Norrholm), Paradiset 29 (Stads-hagen) and Marievik 19 (Marievik), which was sold in April 2008.

#### PARENT COMPANY

Turnover during the year was SEK 108m (108) and earnings before appropriations and tax were SEK -25m (1,048). Net investments in property, equipment and shares were SEK -140m (32). At 31 December the company had cash and cash equivalents of SEK 43m (58).

#### SHARES AND SHARE CAPITAL

Fabege's share capital at year-end was SEK 5,096m (5,086m), represented by 169,311,554 shares (178,458,921). All shares carry the same voting rights and entitle the holder to the same share of the company's capital. Full conversion of all outstanding convertible debentures would result in an increase of 1,066,558 shares.

The following indirect or direct shareholdings in the company as at 31 January 2009 represent one tenth or more of the votes for all shares in the company:

Shareholder	Share of votes, %
Brinova	14.2
Maths O Sundqvist	11.9

Through Fabege's profit-sharing fund and the Wihlborgs & Fabege profit-sharing fund the employees own a total of 566,766 shares in the company.

#### SHARE BUYBACK PROGRAMME

The 2008 AGM passed a resolution authorising the Board, during the period up to the next AGM, to buy back and assign shares to other parties. Share buybacks are subject to a limit of 10 per cent of the total number of outstanding shares at any time. With the aim of continuously adapting the company's capital requirements and improving shareholder value, the Board of Directors has decided to use its authorisation to buy back shares. 6,444,451 shares (7,635,622) were repurchased during the year. At 31 December 2008 the company owned 4,929,400 treasury shares (7,635,622), which is equivalent to 2.9 per cent of the total number of registered shares. The average price paid for shares in buyback transactions was SEK 55.91. The quota value is SEK 30.10 per share.

#### RISKS AND UNCERTAINTIES

Risks and uncertainties relating to cash flow from operations are primarily attributable to changes in rents, vacancies and interest rates. Another uncertainty relates to changes in the value of properties. A detailed description of the impact of these changes on consolidated cash flow and key figures is given in the sensitivity analyses.

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 Note 3.

The sensitivity analysis is based on Fabege's property holdings and balance sheet as at 31 December 2008. The sensitivity analysis shows the effects on the Group's profit after financial items on an annualised basis after taking account of the full effect of each parameter.

The result will also be affected by realised and unrealised changes in the value of properties.

**SENSITIVITY ANALYSIS, CASH FLOW**

SEKm	Change	SEKm
Rents, commercial	1%	21.2
Rents, residential	1%	0.8
Financial occupancy rate, %	1% point	23.7
Property expenses	1%	7.8
Interest expenses 2009 1)	1% point	113.0
Interest expenses, longer-term perspective	1% point	189.0

<sup>1)</sup> The effect of the change on interest expenses in 2009 is based on the assumption of a change in the yield curve of 1 per cent, an unchanged loan volume and fixed-rate term, with effect from 1 January 2009.

**RENTAL INCOME**

Fabege's business in property management and project development is highly concentrated to sub-markets with good growth prospects in and around Stockholm. Occupancy rates and rent levels have continued to improve. Out of Fabege's total rental income, 97 per cent refers to commercial premises and 3 per cent to residential premises. As the commercial leases run for a certain number of years, the full impact of changes in rents will not be felt in any single year. New contracts normally run for three to five years, with an index clause linked to inflation, and are subject to nine months' notice. At 31 December 2008 the average term of commercial leases was 3.8 years. Normally, about 20 per cent of the contract portfolio is renegotiated each year. The risk of increased vacancies in the investment property portfolio is estimated to be small thanks to the properties' central locations and stable customers. The largest tenants in terms of value make up a small share of the total number. Rent losses are insignificant.

**PROPERTY EXPENSES**

Property expenses include operations and maintenance expenses, property tax, ground rent and expenses for administration and lettings. Running costs largely consist of tariff-based expenses such as heating, electricity, water, etc. Fabege conducts contract negotiations and works continuously to minimise running costs. A large share of the Group's expenses is passed on to the tenants, which reduces the exposure. The standard of the investment properties portfolio is deemed to be high.

**INTEREST EXPENSES**

The fixed-rate term of the loan portfolio was about 24 months as at 31 December 2008. Fabege employs financial instruments to limit interest risk and as a flexible means of adjusting the average fixed-rate term of the loan portfolio. Changes in the value of derivatives are reported in the profit and loss account. A detailed description of financial risks is presented in Note 3.

**SENSITIVITY ANALYSIS, PROPERTY VALUE**

Change in value before tax %	Impact on earnings, SEKm	Equity/assets ratio	Leverage
+1%	212	32.7 %	63.4 %
0	-	32.3 %	64.1 %
-1%	-212	31.9 %	64.7 %

**PROPERTY VALUES**

Properties are valued at fair value and changes in value are recognised in the profit and loss account. Fabege's properties are concentrated to central Stockholm and neighbouring areas. Thanks to its stable customers and modern premises in good locations, Fabege's prospects for maintaining property values even in a weaker economic climate are good. Continued development of our project properties will increase long-term value growth. The table above shows the effect of a one per cent change in the value of a property on profits, the equity/assets ratio and leverage.

**ASSET MANAGEMENT****CAPITAL STRUCTURE**

Fabege manages its capital for the purpose of generating the best overall return among property companies listed on the Stockholm Stock Exchange. The company seeks to optimise the equity/debt ratio to ensure that its capital base is sufficient in relation to the nature, scope and risks of the business. Under its adopted targets for capital structure, the company aims to have an equity/assets ratio of at least 30 per cent and an interest coverage ratio of at least 2 (including realised changes in value). Current key figures are shown in the five-year summary on page 72.

**DEBT MANAGEMENT**

The main task of Fabege's debt management activities is to ensure that the company maintains at all times a stable, well balanced and cost-efficient financial structure through borrowing in the bank and capital markets. The company's financial policy defines how financial risks should be managed, which is described in greater detail in Note 3.

**DIVIDEND**

Under its dividend policy, Fabege aims to distribute that part of the company's profit which is not required for the consolidation or development of the business as dividends to shareholders. Based on current market conditions, this means that the dividend payment will be at least 50 per cent of the profit from the management of the company's property portfolio and realised gains from sales of properties after tax.

**ONGOING TAX CASES**

The Swedish Tax Agency has in a series of decisions announced that it intends to increase the taxable incomes of companies in the Fabege Group as a result of a number of property sales made through limited partnerships. The total increase in taxable incomes is SEK 4,045m. The decisions have resulted in a total tax demand of SEK 1,132m plus a tax penalty of SEK 170m, i.e. a total demand including penalties of SEK 1,302m excluding interest. The companies have been granted deferment for payment of the demands. Fabege strongly contests the tax claims made by the Swedish Tax Agency and intends to appeal the decisions. It is the company's firm opinion that the sales were reported and

declared in compliance with applicable rules, and no provisions have therefore been made in Fabege's balance sheet (reported as contingent liability). Fabege's assessment is shared by external legal experts and tax advisors that have analysed the sales and the Tax Agency's reasoning. See also Fabege's tax situation on page 34.

The Administrative Court of Appeal in Stockholm has decided to reject Fabege's appeal in the ongoing and previously reported tax case concerning a review of the 2002 income tax for Fabege Storstockholm AB. The adopted increase in Fabege's taxable income is due to the fact that the Tax Agency takes the view that a dividend paid by a subsidiary to Fabege Storstockholm AB is taxable. The reason for this is that the Tax Agency has reclassified Fabege Storstockholm AB from a property management company to a property trading company. The ruling of the Administrative Court of Appeal means that the Tax Agency's decision to increase Fabege's taxable income by SEK 346m has been upheld, resulting in a tax expense, including interest, of approximately SEK 118m. The company does not accept the ruling of the Administrative Court of Appeal and has so far not made any provision for the expense in its balance sheet (reported as contingent liability). The company's assessment is shared by external legal experts and tax advisors that have analysed the sales and the ruling of the Administrative Court of Appeal. Fabege has applied for the case to be reviewed by the Supreme Administrative Court.

There were no new developments in the above cases in 2008.

#### THE WORK OF THE BOARD OF DIRECTORS

A separate description of the work of the Board of Directors is given in the Corporate Governance Report on page 63.

#### ENVIRONMENT

Fabege does not conduct activities that are subject to permit and notification requirements under Chapter 9, Section 6 of the Environmental Code. Out of Fabege's tenants, only a few conduct such activities. More information about Fabege's environmental work is given in the section on the Responsible enterprise on page 22.

#### STAFF

The average number of employees in the Group during the year was 149 (146), of which 58 (60) were women and 91 (86) were men. Out of these, 34 were employed in the parent company (33). At year-end the number of employees was 148, of which 62 were women. See also page 52, Note 5.

#### GUIDELINES FOR COMPENSATION AND EMPLOYMENT TERMS FOR COMPANY MANAGEMENT

The term 'company management' refers to the Chief Executive Officer and other members of Group management. The entire Board of Directors (except the CEO) is responsible for drawing up a draft statement of principles governing compensation and other terms of employment for company management and for

preparing decisions on the CEO's compensation and other terms of employment.

The 2008 AGM resolved to adopt the following guidelines for compensation and other employment terms for company management:

Compensation should be market-based and competitive, and should reflect responsibilities and performance that are in the interest of the shareholders. The fixed salary should be reviewed each year. Fabege has a profit-sharing fund covering all employees of the company. Allocations to the profit-sharing fund should be based on the achieved return on equity and are subject to a ceiling of one base amount per year per employee. Any compensation in addition to the fixed salary should be subject to a ceiling and related to the fixed salary. Any other benefits should constitute a limited part of the compensation. The retirement age is 65. Pension benefits should correspond to the ITP occupational pension plan or be contribution-based with a maximum contribution of 35 per cent of the pensionable salary. Termination salary and severance pay must not exceed 24 months in total.

Information about compensation paid to senior executives in 2008 is provided in Note 5.

The Board's proposal to the 2009 AGM is that the guidelines remain unchanged.

#### EVENTS AFTER THE END OF THE PERIOD

##### MAJOR LETTING TO VATTENFALL IN ARENASTADEN

Vattenfall has concluded a rental agreement with Fabege for 43,000 sqm of office space as well as garage and parking space in Arenastaden in Solna. Vattenfall's Nordic business area will be moving into a new office building located next to the Swedbank Arena and Mall of Scandinavia. Construction is scheduled to begin in 2009, subject to completion of the planning process. The contract runs for 12 years and has an annual rental value of about SEK 100m. The total cost of the project is SEK 1,150m and funding has been arranged through a new SEK 875m facility. Vattenfall Nordic's new office building is expected to be completed in the third quarter of 2012.

#### OUTLOOK FOR 2009

At the start of 2009 the rental market in Fabege's main markets in Stockholm remains stable, and Fabege has since year-end 2008 concluded agreements on the rental of premises representing a contracted annual value of approx SEK 120m. With falling interest rates and good access to capital, a strong cash flow, a high occupancy rate and properties and premises that will remain attractive regardless of the state of the economy, Fabege is in a good position for 2009, which will be year of big challenges as well as interesting opportunities. Overall, there are good prospects for a balanced development of Fabege's operations and earnings in 2009.

**PROPOSED ALLOCATION OF PROFITS**

The following amounts are at the disposal of the AGM:

Retained earnings	1,790,066,989
Profit for the year	229,209,367
Total	2,019,276,356

The Board of Directors and Chief Executive Officer propose that the amount be allocated as follows:

Dividend to the shareholders SEK 2 per share	328,764,308
Carried forward	1,690,512,048
Total	2,019,276,356

The dividend amount is based on the total number of outstanding shares at 31 January 2008, i.e. 164,382,154 shares. The total dividend amount is subject to alteration up to and including the record date, depending on conversions of debentures and share buybacks.

**STATEMENT OF THE BOARD OF DIRECTORS ON THE PROPOSED DIVIDEND****FOUNDATIONS**

The Group's equity has been calculated in accordance with the EU-approved IFRS standards, the interpretations of these (IFRIC) and Swedish law through the application of Recommendation RFR 1:1 (Supplementary Accounting Rules for Corporate Groups) of the Swedish Financial Accounting Standards Council. Equity in the parent company has been calculated in accordance with Swedish law, applying Recommendation RFR 2:1 (Accounting for Legal Entities) of the Swedish Financial Accounting Standards Board.

The Board of Directors has established that the company will have full coverage for its restricted equity after the proposed dividend.

The Board of Directors considers that the proposed dividend is defensible based on the criteria contained in the second and third paragraphs of Section 3 of Chapter 17 of the Swedish Companies Act (Nature and scope of the business and associated risks, Consolidation requirements, Liquidity and other financial circumstances). The Board would like to make the following comments pertaining thereto:

**NATURE, SCOPE AND RISKS OF THE BUSINESS**

The Board estimates that the company's and Group's equity after the proposed dividend will be sufficient in view of the nature and scope of the business and the associated risks. In this connection the Board has taken account of the company's equity/assets ratio, historical and budgeted performance, investment plans and the general economic situation.

**CONSOLIDATION REQUIREMENTS, LIQUIDITY AND OTHER FINANCIAL CIRCUMSTANCES****Consolidation requirements**

The Board of Directors has made a general assessment of the company's and Group's financial position and its ability to meet its commitments. The proposed dividend constitutes 3.2 per cent of the company's equity and 3.3 per cent of consolidated equity. The stated target for the Group's capital structure is a minimum equity/assets ratio of 30 per cent and an interest coverage ratio of at least 2.0, and it is estimated that the Group will be able to maintain this also after the proposed dividend. In view of the current situation in the property market, the company and Group have a good equity/assets ratio. Against this background, the Board considers that the company and Group are in a good position to take advantage of future business opportunities and ride out any losses that may be incurred. Planned investments have been taken into account in the proposed dividend payment. Nor will the dividend adversely affect the company's or Group's ability to make further commercially motivated investments in accordance with the adopted plans.

In the parent company assets and liabilities have been valued at fair value in accordance with Chapter 4, Section 14 of the Annual Accounts Act. The effect of this valuation on parent company equity (SEK -485m) has been taken into account.

**Liquidity**

The proposed dividend will not affect the company's and Group's ability to meet its payment obligations at the right time. The company and Group have good access to liquidity reserves in the form of short- and long-term credit. Agreed credit lines can be drawn at short notice, which means that the company and Group are well prepared to deal with variations in liquidity and any unexpected events.

**Other financial circumstances**

The Board of Directors has assessed all other known circumstances that may be significant for the company's and Group's financial position and that have not been addressed in the above. No circumstance has been discovered in the course of the assessment that would cast doubt on the defensibility of the proposed dividend.

Stockholm, March 3, 2009

The Board of Directors

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

SEK million	Note	2008	2007
Rental income	7	2,214	2,066
Property expenses	8	-776	-754
<b>Net operating income</b>		<b>1,438</b>	<b>1,312</b>
Central administration and marketing	9	-60	-60
Realised changes in value, investment properties	10, 15	143	446
Unrealised changes in value, investment properties	10, 15	-1,545	893
<b>Operating profit/loss</b>	1-6, 16, 19, 45	<b>-24</b>	<b>2,591</b>
Profit/loss from other securities and assets that are fixed assets	11	16	75
Interest income	12	21	18
Share in profit/loss of associated companies	17	-8	-
Interest expenses	12	-839	-642
Changes in value, fixed income derivatives	28	-485	37
Changes in value, equities	13	-21	-13
<b>Profit/loss after financial items</b>		<b>-1,340</b>	<b>2,066</b>
Tax on profit for the year	14	829	-254
<b>Profit/loss for the year</b>		<b>-511</b>	<b>1,812</b>
<b>Attributable to parent company shareholders</b>		<b>-511</b>	<b>1,812</b>
Earnings per share before dilution, SEK		-3.07	10.03
Earnings per share after dilution, SEK		-3.07	9.98
No. of shares at end of period before dilution, millions		164.4	170.8
No. of shares at end of period after dilution, millions		165.4	171.9
Average no. of shares before dilution, millions		166.5	180.7
Average no. of shares after dilution, millions		167.5	181.8

## CONSOLIDATED BALANCE SHEET

SEK million	Note	2008	2007
<b>ASSETS</b>			
Investment properties	15	29,511	30,829
Equipment	16	3	6
Interests in associated companies	17	21	-3
Receivables from associated companies	18	59	-
Other long-term securities holdings	20	82	76
Derivatives	28	-	13
Deferred tax	29	244	-
Other long-term receivables	21	180	301
<b>Total fixed assets</b>		<b>30,100</b>	<b>31,222</b>
Trade receivables	22	42	54
Other receivables	23	297	351
Prepaid expenses and accrued income		49	53
Cash and cash equivalents	36	54	75
<b>Total current assets</b>		<b>442</b>	<b>533</b>
<b>TOTAL ASSETS</b>		<b>30,542</b>	<b>31,755</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		5,096	5,086
Other contributed capital		3,017	3,017
Translation reserves		0	-23
Retained earnings incl. profit/loss for the year		1,760	3,335
<b>Total equity</b>	24	<b>9,873</b>	<b>11,415</b>
Liabilities to credit institutions	26	17,925	13,485
Convertible debentures	26,27	47	47
Derivatives	28	471	-
Deferred tax liability	29	0	580
Provisions	30	478	645
<b>Total long-term liabilities</b>		<b>18,921</b>	<b>14,757</b>
Liabilities to credit institutions	25,26	930	3,678
Trade payables		91	21
Provisions	30	146	168
Tax liabilities		25	-
Other liabilities	31	92	1,082
Accrued expenses and deferred income	32	464	634
<b>Total current liabilities</b>		<b>1,748</b>	<b>5,583</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,542</b>	<b>31,755</b>
<b>Commitments</b>	33	<b>15,760</b>	<b>15,606</b>
<b>Contingent liabilities</b>	33	<b>1,901</b>	<b>1,735</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Attributable to parent company shareholders				Total	Minority interest	Total Shareholders' equity
	Share capital	Other contributed capital	Translation reserve	Retained earnings incl profit/loss for year			
<b>Opening balance, 1 January 2007</b>	<b>5,030</b>	<b>3,016</b>	<b>-23</b>	<b>4,133</b>	<b>12,156</b>	<b>21</b>	<b>12,177</b>
foreign exchange differences							
Income and expenses for the period that are recognised in equity	-	-	-	-	-	-	-
Profit/loss for the year				1,812	1,812		1,812
<b>Total income and expenses for the period -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,812</b>	<b>1,812</b>	<b>-</b>	<b>1,812</b>
Cash dividend				-761	-761		-761
New shares, conversion of debt instruments	1	1			2		2
Share buybacks				-543	-543		-543
Withdrawal of treasury shares	-272			272			
Bonus issue	272			-272			
Redemption of every 16th share under redemption offer	-314			-936	-1,250		-1,250
Bonus issue	369			-369			
Expenses for implementing redemption offer				-1	-1		-1
Change in minority share through pre-emption rights to the shares of Fastighets AB Torne						-21	-21
<b>Closing balance, 31 December 2007</b>	<b>5,086</b>	<b>3,017</b>	<b>-23</b>	<b>3,335</b>	<b>11,415</b>	<b>-</b>	<b>11,415</b>
<b>Opening balance, 1 January 2008</b>	<b>5,086</b>	<b>3,017</b>	<b>-23</b>	<b>3,335</b>	<b>11,415</b>	<b>-</b>	<b>11,415</b>
Foreign exchange differences							
Income and expenses for the period that are recognised in equity	-	-	-	-	-	-	-
Profit/loss for the year				-511	-511		-511
<b>Total income and expenses for the period -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-511</b>	<b>-511</b>	<b>-</b>	<b>-511</b>
Cash dividend				-670	-670		-670
New shares, conversion of debt instruments	0	0			0		0
Reclassification			23	-23			
Share buybacks				-361	-361		-361
Withdrawal of treasury shares	-261			261			
Bonus issue	271			-271			
<b>Closing balance, 31 December 2008</b>	<b>5,096</b>	<b>3,017</b>	<b>-</b>	<b>1,760</b>	<b>9,873</b>	<b>-</b>	<b>9,873</b>

## CONSOLIDATED CASH FLOW STATEMENT

SEK million	Note	2008	2007
<b>OPERATING ACTIVITIES</b>			
Operating profit excl. depreciation and changes in value of existing properties		1,517	1,706
Interest received and dividend		37	93
Interest paid	34	-917	-650
Income tax paid		3	-7
<b>Cash flow before change in working capital</b>		<b>640</b>	<b>1,142</b>
<b>CHANGE IN WORKING CAPITAL</b>			
Current receivables		70	452
Current liabilities		-1,174	39
<b>Total change in working capital</b>	35	<b>-1,104</b>	<b>491</b>
<b>Cash flow from operating activities</b>		<b>-464</b>	<b>1,633</b>
<b>INVESTING ACTIVITIES</b>			
Investments and acquisition of properties		-2,164	-4,984
Property sales, book value at beginning of year	15	1,942	2,231
Acquisition of interests in associated companies	17	-23	-
Acquisition of interests in other companies	20	-31	-20
Sale of interests in other companies		-	48
Other financial fixed assets		59	72
<b>Cash flow from investing activities</b>		<b>-217</b>	<b>-2,653</b>
<b>FINANCING ACTIVITIES</b>			
Dividend		-670	-761
Share buybacks		-361	-543
Loans received/repayment of loans		1,691	2,235
<b>Cash flow from financing activities</b>		<b>660</b>	<b>931</b>
Change in cash and cash equivalents		-21	-89
Cash and cash equivalents at beginning of period	36	75	164
<b>Cash and cash equivalents at end of period</b>	36	<b>54</b>	<b>75</b>

## PARENT COMPANY PROFIT AND LOSS ACCOUNT (ANNUAL ACCOUNTS ACT)

SEK million	Note	2008	2007
Net sales	40	108	108
Operating expenses	41	-181	-196
<b>Operating loss</b>	1-3, 5, 16, 45	<b>-73</b>	<b>-88</b>
Profit from shares and interests in Group companies	42	806	1,305
Profit from other securities and assets that are fixed	11, 13	597	432
Changes in value, fixed income derivatives	28	-485	37
Interest income	12	1	1
Interest expenses	12	-871	-639
<b>Profit before tax</b>		<b>-25</b>	<b>1,048</b>
Tax on profit for the year	14	254	-10
<b>Profit for the year</b>		<b>229</b>	<b>1,038</b>

## PARENT COMPANY BALANCE SHEET (ANNUAL ACCOUNTS ACT)

SEK million	Note	2008	2007
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Tangible fixed assets</b>			
Buildings and land	43	-	2
Equipment	16	1	1
<b>Total tangible fixed assets</b>		<b>1</b>	<b>3</b>
<b>Financial fixed assets</b>			
Shares and interests in Group companies	44	14,987	15,116
Receivables from Group companies		20,788	32,089
Receivables from associated companies		-	70
Other long-term securities holdings	20	63	72
Deferred tax asset	29	164	8
Derivatives	28		13
Other long-term receivables	21	230	58
<b>Total financial fixed assets</b>		<b>36,232</b>	<b>47,426</b>
<b>TOTAL FIXED ASSETS</b>		<b>36,233</b>	<b>47,429</b>
<b>CURRENT ASSETS</b>			
<b>Current receivables</b>			
Trade receivables		1	1
Other receivables		7	1
Prepaid expenses and accrued income		31	1
<b>Total current receivables</b>		<b>39</b>	<b>3</b>
<b>Cash and cash equivalents</b>	36	<b>43</b>	<b>58</b>
<b>TOTAL CURRENT ASSETS</b>		<b>82</b>	<b>61</b>
<b>TOTAL ASSETS</b>		<b>36,315</b>	<b>47,490</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<i>Restricted equity</i>			
Share capital	24	5,096	5,086
Statutory reserve		3,166	3,166
<i>Non-restricted equity</i>			
Retained earnings		1,791	1,541
Profit/loss for the year		229	1,038
<b>Total equity</b>		<b>10,282</b>	<b>10,831</b>
<b>Provisions</b>			
Provisions for pensions	30	63	62
<b>Total assets</b>		<b>63</b>	<b>62</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	26	17,737	13,485
Convertible debentures	26, 27	47	47
Derivatives	28	471	-
Liabilities to Group companies		6,725	19,244
<b>Total long-term liabilities</b>		<b>24,980</b>	<b>32,776</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	26	930	3,678
Trade payables		1	-
Other liabilities		4	2
Accrued expenses and deferred income	32	55	141
<b>Total current liabilities</b>		<b>990</b>	<b>3,821</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,315</b>	<b>47,490</b>
<b>Commitments</b>	33	<b>14,429</b>	<b>12,696</b>
<b>Contingent liabilities</b>	33	<b>285</b>	<b>102</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Note	Share capital	Statutory reserve/ Share premium account	Non-restricted equity	Total equity
	24				
<b>SHAREHOLDERS' EQUITY, 31 DECEMBER 2006</b>		<b>5,030</b>	<b>3,673</b>	<b>3,464</b>	<b>12,167</b>
Transfer, share premium account			-507	507	
Profit/loss for the year				1,038	1,038
Cash dividend				-761	-761
Share buybacks				-543	-543
Issue of new shares, conversion of debentures		1		1	2
Withdrawal of treasury shares		-272		272	
Bonus issue		272		-272	
Redemption of every 16th share under redemption offer		-314		-936	-1,250
Bonus issue		369		-369	
Expenses for implementing redemption offer				-1	-1
Net Group contributions received				179	179
<b>SHAREHOLDERS' EQUITY, 31 DECEMBER 2007</b>		<b>5,086</b>	<b>3,166</b>	<b>2,579</b>	<b>10,831</b>
Profit/loss for the year				229	229
Cash dividend				-670	-670
Share buybacks				-361	-361
Issue of new shares, conversion of debentures		0		0	0
Withdrawal of treasury shares		-261		261	
Bonus issue		271		-271	
Net Group contributions received				253	253
<b>SHAREHOLDERS' EQUITY, 31 DECEMBER 2008</b>		<b>5,096</b>	<b>3,166</b>	<b>2,020</b>	<b>10,282</b>

## PARENT COMPANY CASH FLOW STATEMENT (ANNUAL ACCOUNTS ACT)

SEK million	Note	2008	2007
<b>OPERATING ACTIVITIES</b>			
Operating profit/loss excl. depreciation		-72	-87
Interest received		618	446
Interest paid	34	-949	-647
Income tax paid		-	0
<b>Cash flow before change in working capital</b>		<b>-403</b>	<b>-288</b>
<b>CHANGE IN WORKING CAPITAL</b>			
Current receivables		-36	29
Current liabilities		-4	-7
<b>Total change in working capital</b>	35	<b>-40</b>	<b>22</b>
<b>Cash flow from operating activities</b>		<b>-443</b>	<b>-266</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of interests in Group companies		-	-24
Sale of interests in Group companies		130	-
Acquisition of interests in other companies		-11	-20
Other tangible fixed assets		-1	-1
Other financial fixed assets		11,206	-5,811
<b>Cash flow from investing activities</b>		<b>11,324</b>	<b>-5,856</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid		-670	-761
Group contribution received		350	250
Dividends received		800	2,020
Share buybacks		-361	-543
Loans received/repayment of loans		-11,015	5,121
<b>Cash flow from financing activities</b>		<b>-10,896</b>	<b>6,087</b>
Change in cash and cash equivalents		-15	-35
Cash and cash equivalents at beginning of period	36	58	93
<b>Cash and cash equivalents at end of period</b>	36	<b>43</b>	<b>58</b>

## NOTES

(SEK million, unless otherwise specified)

### NOTE 1 GENERAL INFORMATION

Fabege AB (publ), Corporate identity number 556049-1523, with registered office in Stockholm, is the parent company of a corporate group with subsidiary companies, as stated in Note 44. The company is registered in Sweden and the address of the company's head office in Stockholm is: Fabege AB, Box 730, 169 27 Solna. Visiting address: Dalvägen 8.

Fabege is one of Sweden's leading properties companies, with a business that is concentrated to the Stockholm region. The company operates through subsidiaries and its property portfolio consists primarily of commercial premises.

### NOTE 2 ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, the International Financial Reporting Standards (IFRS), as adopted by the EU, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as at December 31, 2008. The Group also applies Recommendation RFR 1:1 (Supplementary Accounting Rules for Corporate Groups) of the Swedish Financial Reporting Board, which specifies the supplementary rules that are required in addition to IFRS under provisions contained in the Swedish Annual Accounts Act. The annual accounts of the parent company have been prepared in accordance with the Annual Accounts Act, Recommendation RFR 2:1 (Accounting for Legal Entities) of the Swedish Financial Reporting Board and statements issued by the Swedish Financial Reporting Board. The parent company's accounts comply with the Group's principles, except in respect of what is stated below in the section entitled Differences between the accounting principles of the Group and the parent company. Items included in the annual accounts have been valued at cost, except in the case of revaluation of investment properties and in respect of financial instruments. The following is a description of some significant accounting principles that have been applied.

#### Consolidated financial statements

##### Subsidiaries

Subsidiaries are those companies in which the Group directly or indirectly holds more than 50 per cent of the votes or in other ways exercises a controlling influence. Controlling influence means that the Group has the right to draw up financial and operational strategies. The existence and effect of potential voting rights that can currently be used or converted is taken into account in assessing whether the Group exercises a controlling influence. Subsidiaries are included in the consolidated financial statements as of the time when the controlling influence is transferred to the Group and are excluded from the consolidated financial statements as of the time when the controlling influence ceases. Subsidiaries are reported in accordance with the acquisition method. Acquired identifiable assets, liabilities and contingent liabilities are valued at fair value on the date of acquisition. The surplus, which is defined as the difference between cost and fair value of the acquired interests and the sum of fair value of acquired identifiable assets and liabilities, is recognised as goodwill. If the historical cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the profit and loss account. All inter-company transactions and balances within the Group have been eliminated in preparing the consolidated financial statements. In case of the acquisition of a group of assets or net assets that do not constitute an operation, the costs for the Group are instead allocated to the individually identifiable assets and liabilities in the group based on their relative fair values at the time of acquisition.

#### Interests in associated companies

A company is reported as an associated company if Fabege holds at least 20 per cent and no more than 50 per cent of the votes or

otherwise exercises a significant influence on the company's operational and financial control. In the consolidated financial statements associated companies are reported in accordance with the equity method. Interests in associated companies are recognised at cost in the balance sheet after adjusting for changes in the Group's share of the associated company's net assets, less any decrease in the fair value of individual interests. In transactions among Group companies and associated companies that part of unrealised gains and losses which represents the Group's share of the associated company is eliminated, except as regards unrealised losses that are due to impairment of an assigned asset.

#### Joint ventures

For companies that are 50 per cent owned in which Fabege exercises a joint controlling influence together with another party, the company's assets, liabilities, income and expenses have been included in the consolidated financial statements in proportion to Fabege's ownership share (proportionate consolidation). In transactions between the Group and a joint venture that part of unrealised gains and losses which represents the Group's share of the jointly controlled company is eliminated.

#### Minority interest

Minority interest consists of the market value of minority interests in net assets for subsidiaries that were included in the consolidated financial statements at the time of the original acquisition and the minority owners' share of changes in equity after the acquisition.

#### Reporting of income

All investment properties are let to tenants under operating leases. Rental income from the company's property management activities is recognised in the period to which it refers. Gains or losses from the sale of properties are recognised on the date of contract unless the purchase contract contains special provisions which prohibit this. Rental income for investment properties is recognised on a straight-line basis in accordance with the terms and conditions of the applicable leases. In cases where the lease provides for a discounted rent during a certain period that is offset by a higher rent at other times, the resulting deficit or surplus is distributed over the term of the lease.

Interest income is distributed over the term of the contract. Dividends on shares are recognised when the shareholder's right to receive payment is deemed to be secure.

#### Leasing – Fabege as lessee

Leases in which the risks and benefits associated with ownership of the assets are in all material respects borne by the lessor are classified as operating leases. All of the Group's leases are classified as operating leases. Lease payments are recognised as an expense in the profit and loss account and distributed across the term of the lease on a straight-line basis.

#### Investment properties

All properties in the Group are classified as investment properties, as they are held for the purpose of earning rental income or for capital appreciation or a combination of the two.

The concept of investment property includes buildings, land and land improvements, new builds, extensions or conversions in progress and property fixtures.

Investment properties are recognised at fair value at the balance sheet date. Gains and losses attributable to changes in fair value of investment properties are recognised in the period in which they arise in the income and expense item Unrealised changes in value, investment properties.

Gains or losses from the sale or disposal of investment properties consist of the difference between the selling price and carrying amount

based on the most recent revaluation to fair value. Gains or losses from sales or disposals are recognised in the income and expense item Realised changes in value, investment properties. Projects involving conversion/maintenance and adaptations for tenants are recognised as an asset to the extent that the measure adds value in relation to the latest value. Other expenses are charged to expense immediately. In case of major new builds, extensions and conversions, interest expenses are recognised as assets over the period of production. Sales and acquisitions of properties are recognised at the time when the risks and benefits associated with ownership are transferred to the buyer or seller, which is normally on the contract date.

#### **Tangible fixed assets**

Equipment is recognised at cost less accumulated depreciation and any impairment. Depreciation of equipment is expensed by writing off the value of the asset on a straight-line basis over its estimated period of use.

#### **Impairment**

In case of an indication of a decrease in the value of an asset (excluding investment properties and financial instruments, which are valued at fair value), the recoverable amount of the asset is determined. If the carrying amount of the asset exceeds the recoverable amount, the asset is written down to this value. Recoverable amount is defined as the higher of market value and value in use. Value in use is defined as the present value of estimated future payments generated by the asset.

#### **Loan expenses**

In the consolidated financial statements loan expenses have been charged to earnings in the year to which they refer, except to the extent that they have been included in the historical cost of a building project. The interest rate used to calculate the capitalised borrowing cost is the average interest rate of the loan portfolio. In the accounts of individual companies the main principle, that all loan expenses should be charged to expense in the year to which they refer, has been applied.

#### **Income tax**

The income and expense item Tax on profit for the year includes current and deferred income tax for Swedish and foreign Group units. The current tax liability is based on the taxable profit for the year. Taxable profit for the year differs from reported profit for the year in that it has been adjusted for non-taxable and non-deductible items. The Group's current tax liability is calculated on the basis of tax rates that have been prescribed or announced on the balance sheet date.

Deferred tax refers to tax on temporary differences that arise between the carrying amounts of assets and the tax bases used in calculating the taxable profit. Deferred tax is reported in accordance with the balance sheet liability method. Deferred tax liabilities are recognised for practically all taxable temporary differences, and deferred tax assets are recognised when it is likely that the amounts can be used to offset future taxable profits. The carrying amount of deferred tax assets is tested for impairment at the end of each financial year and an impairment loss is recognised to the extent that it is no longer probable that sufficient taxable profits will be available against which the deferred tax asset can be fully or partially offset. Deferred tax is recognised at the nominal current tax rate with no discount. Deferred tax is recognised as an income or expense in the profit and loss account, except in those cases where it refers to transactions or events that have been recognised directly in equity. In such cases the deferred tax is also recognised directly in equity.

Deferred tax assets and tax liabilities are offset against one another when they refer to income tax payable to the same tax authority and when the Group intends to settle the tax by paying the net amount.

#### **Foreign currencies**

Transactions in foreign currencies are translated, upon inclusion in the accounts, to the functional currency at the exchange rates applying on the transaction date. Monetary assets and liabilities in foreign currencies are translated on the balance sheet date at the exchange rates applying on the balance sheet date. Any resulting exchange rate differences are recognised in the profit and loss account for the period.

In preparing consolidated financial statements, the balance sheets of the Group's foreign businesses are translated from their functional currencies into Swedish kronor based on the exchange rates applying on the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Any translation differences that arise are recognised in equity and transferred to the Group's translation reserve. The accumulated translation difference is transferred and reported as part of a capital gain or loss in cases where the foreign business is divested.

#### **Cash flow statement**

Fabege reports cash flows from the company's main sources of income: net operating income from the property management business and gains from property sales in the company's operating activities.

#### **Information about related parties**

For information about the company's transactions with related parties, see Note 5 in respect of compensation to senior executives and Note 37 for other related-party transactions.

#### **Provisions and contingent liabilities**

Provisions are recognised when the company has a commitment and it is likely that an outflow of resources will be required and the amount can be reliably estimated.

Contingent liabilities are recognised if there exists a possible commitment that is confirmed only by several uncertain future events and it is not likely that an outflow of resources will be required or that the size of the commitment can be calculated with sufficient accuracy.

#### **Financial instruments**

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the commercial terms and conditions of the instrument. A financial asset is removed from the balance sheet when the rights inherent in the agreement are realised or expire or if the company loses control over them. A financial liability is removed from the balance sheet when the obligation arising from the agreement has been met or ceased for other reasons.

Transaction date accounting is used for derivatives while settlement date accounting is used for spot purchases and sales of financial assets.

In connection with each financial report the company assesses whether there are objective indications of impairment of financial assets or groups of financial assets.

Financial instruments are recognised at amortised cost or fair value, depending on the initial categorisation under IAS 39.

#### **Calculation of fair value of financial instruments**

Fair value of derivatives and loan liabilities is determined by discounting future cash flows by the quoted market interest rate for each maturity. Future cash flows in the derivatives portfolio are calculated as the difference between the fixed contractual interest under each derivatives contract and the implied Stockholm Interbank Offered Rate (STIBOR) for the period concerned. The present value of the future interest flows arising therefrom is calculated using the implied STIBOR curve. For the callable swaps included in the portfolio the option component has not been assigned a value, as the swaps can only be called at par value and thus do not have an impact on earnings. Decisions to call swaps are made by the banks.

Shareholdings have been categorised as “financial assets held for trading”. These are valued at fair value and changes in value are recognised in the profit and loss account. Quoted market prices are used in determining the fair value of shareholdings. Where such prices are not available fair value is established using the company’s own valuation technique.

For all financial assets and liabilities, unless otherwise stated in the Notes, the carrying amount is considered to be a good approximation of fair value.

#### Set-off of financial assets and liabilities

Financial assets and liabilities are offset against each other and the net amount is recognised in the balance sheet when there is a legal right of set-off and there is an intention to settle the items by a net amount or to simultaneously realise the asset and settle the liability.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash assets held at financial institutions. The item also includes short-term investments that have a maturity from the time of acquisition of less than three months and that are exposed to insignificant risk of fluctuations in value. Cash and cash equivalents are recognised at their nominal amounts.

#### Trade receivables

Trade receivables are categorised as “Loans and receivables”, which means that the item is recognised at amortised cost. Fabege’s trade receivables are recognised at the amount that is expected to be received after deducting for uncertain receivables, which are assessed individually. The expected maturity of a trade receivable is short, and the value is therefore recognised at the nominal amount with no discount. Impairment of trade receivables is recognised in operating expenses.

#### Long-term receivables and other receivables

Long-term receivables and other (current) receivables primarily consist of promissory note receivables relating to sales proceeds for properties that have been sold but not yet vacated. These items are categorised as “Loans and receivables”, which means that the items are recognised at amortised cost. Receivables are recognised at the amount that is expected to be received after deducting for uncertain receivables, which are assessed individually. Receivables with short maturities are recognised at nominal amounts with no discount.

#### Derivatives

Fabege does not apply hedge accounting of derivatives and therefore categorises derivatives as “Financial assets or financial liabilities that are held for trading purposes”. Assets and liabilities in these categories are valued at fair value and changes in value are recognised in the profit and loss account.

#### Trade payables

Trade payables are categorised as “Other liabilities”, which means that the item is recognised at amortised cost. The expected maturity of a trade payable is short, and the liability is therefore recognised at the nominal amount with no discount.

#### Issued convertible bonds

Convertible bonds are recognised as a compound financial instrument consisting of a debt component and an equity component. The breakdown of the value into these components is made by calculating the fair value of the liability and assuming that the residual item represents the value of the equity component. The debt component is then recognised at amortised cost. Transactions incurred in connection with the issue of a compound financial instrument must be divided into debt and equity

components in proportion to the breakdown of the proceeds of the issue.

The interest on the current convertible bonds was 5.25 per cent, which was higher than the market interest rate, as Fabege’s average borrowing rate at the time (1 Oct 2004) was 4.35 per cent. For that reason no breakdown by equity component has been recognised as at 31 December 2008.

#### Other liabilities

Fabege’s liabilities to credit institutions and holders of commercial paper and other liabilities are categorised as “Other liabilities” and valued at amortised cost. Long-term liabilities have an expected maturity of more than 1 year while current liabilities have a maturity of less than 1 year.

#### Compensation to employees

Compensation to employees in the form of salaries, holiday pay, paid sick leave, etc. as well as pensions are recognised as it is earned. Pensions and other compensation paid after termination of employment are classified as defined contribution or defined benefit pension schemes.

The Group has both defined contribution and defined benefit pension plans. Pension costs for defined contribution plans are charged to expense as they are incurred. For defined benefit plans the present value of the pension liability is calculated using an actuarial method known as the projected unit credit method. Actuarial gains and losses are recognised in the profit and loss account to the extent that they exceed the higher of 10 per cent of the Group’s pension assets and liabilities at the beginning of the reporting period. Amounts outside this corridor are recognised in the profit and loss account during the employees’ estimated average remaining period of service.

Employees in the former Fabege have defined benefit pension schemes. As of 2005 no further accrual of this pension liability has been made.

#### Differences between the accounting principles of the Group and the parent company accounting principles

The accounts of the parent company are prepared in accordance with the Annual Accounts Act, Recommendation RFR 1:1 (Accounting for Legal Entities) of the Swedish Financial Accounting Standards Council and statements issued by the Swedish Financial Reporting Board. Tax laws in Sweden allow companies to defer tax payments by making allocations to untaxed reserves in the balance sheet via the income and expense item appropriations. In the consolidated balance sheet these are treated as temporary differences, i.e. a breakdown is made between deferred tax liability and equity. Changes in untaxed reserves are recognised in the consolidated profit and loss account and broken down into deferred tax and profit for the year. Interest during the building period that is included in the cost of the building is only recognised in the consolidated financial statements.

Group contributions and shareholder contributions are reported in accordance with Statement UFR 2 of the Swedish Financial Reporting Board. This means that Group contributions and shareholder contributions are recognised based on their economic significance. The contributions are reported as a capital transfer, i.e. as a decrease or increase of unrestricted equity. The consequence of this accounting principle is that only tax that is attributable to income and expense items is recognised in the profit and loss account.

Defined benefit and defined contribution pension schemes are reported in accordance with hitherto applicable Swedish accounting standards, which are based on the provisions of the Pension Obligations Vesting Act (Tryggandelagen).

### New IFRS and interpretations

As of 1 January 2009 companies are required, under IFRS 8, to present financial information by segments, as viewed by management. In its briefings to market participants in 2008 Fabege has presented earnings figures for two segments, Investment properties and Project/Improvement properties. The table was also included in the company's year-end financial statement for 2008 and will be included in quarterly interim reports as of 2009.

IAS 23 Borrowing Costs is being applied from 1 January 2009. The standard deals with the accounting of borrowing costs that are directly attributable to the purchase, construction or production of an asset that takes a significant amount of time to complete for its intended use or sale. Fabege currently capitalises the above borrowing costs and will continue to apply IAS 23.

In accordance with the revised IAS 40, properties that are developed or exploited for future use as investment properties should be classified as investment properties also during the period of production and recognised at fair value. This change has no significant impact on Fabege.

Under IAS 1, which has been revised and came into effect on 1 January 2009, the company is required to separate owner transactions from other transactions that result in a change in the value of the company's assets and liabilities. This requires changes in the statement of changes in equity and a new total profit and loss account.

### NOTE 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

#### Principles for financing and financial risk management

As a net borrower, Fabege is exposed to financial risks. In particular, Fabege is exposed to financing risk, interest risk, currency risk and credit risk. Operational responsibility for the Group's borrowing, liquidity management and financial risk exposure rests with the finance function, which is a central unit in the parent company. Fabege's financial policy, as adopted by the Board of Directors, specifies how financial risks should be managed and defines the limits within which the finance function may operate. Fabege seeks to limit its risk exposure and ensure that it retains the highest possible degree of control over the exposure as regards the choice of investment objects, tenants and contract terms, financing terms and business partners.

#### Financing and liquidity risk

Financing and liquidity risk is defined as the borrowing requirement that can be covered in a tight market. Borrowing requirement can refer to refinancing of existing loans or new borrowing.

Fabège strives to maintain a balance between short-term and long-term borrowing, distributed among a number of different sources of funding. Fabège's financial policy states that unused credit facilities must be available to ensure good liquidity. Committed long-term credit lines with predefined terms and revolving credit facilities have been agreed with major lenders. Fabège's main credit providers are the Swedish commercial banks.

The Group's borrowing is secured mainly by mortgages on properties. Since autumn 2004 the Group has been active in the Swedish commercial paper market. The company is aiming to become a significant player in this market. At year-end Fabège had unused credit facilities of SEK 7,446m.

#### Committed lines of credit, 31 Dec 2008

Year, maturity	Used amount, SEKm	Credit amount, SEKm
Commercial paper programme	727	5 000
< 1 year	203	867
1–2 years	1,460	1,500
2–3 years	4,700	4,900
3–4 years	3,981	4,000
4–5 years	5,103	5,800
> 5 years	2,728	4,281
<b>Total</b>	<b>18,902</b>	<b>26,348</b>

#### Interest risk

Interest risk refers to the risk that changes in interest rates will affect the Group's borrowing expense. Interest expenses constitute the Group's single largest expense item. Under its adopted financial policy, the company aims to fix interest rates based on forecast interest rates, cash flows and capital structure. Fabège employs financial instruments, primarily interest rate swaps, to limit interest risk and as a flexible means of adjusting the average fixed-rate term of its loan portfolio. The sensitivity analysis in the Directors' Report shows how the Group's short-term and long-term earnings are affected by a change in interest rates. Interest-bearing liabilities at 31 December were SEK 18,902m (17,210) with an average interest rate of 3.27 per cent (4.28) excluding the cost of committed lines of credit, or 3.29 per cent including this cost. Out of total liabilities, SEK 47m refers to convertible debentures and SEK 727m to outstanding commercial paper. The total loan volume at 31 December includes loans for works in progress of SEK 1,766m, on which interest of SEK 41m has been capitalised. The average fixed-rate term of the loans, including the effects of used derivatives, was 24 months (3) at 31 December. The average maturity was 5.4 years (5.1). Average leverage at year-end was 64 per cent. The derivatives portfolio is valued at fair value in accordance with IAS 39. The value of the portfolio is SEK -471m. Realised changes in value in profit/loss for the year is SEK -1m (2) and unrealised changes in value SEK -484m (35).

Changes in market value occur as a result of changes in market interest rates and volatility, as the company's portfolio includes structured derivatives products. A market valuation of the loan portfolio (excluding derivatives) shows a deficit of SEK 1m (5). For all other financial assets and liabilities, unless otherwise stated in the Notes, the carrying amount is considered to be a good approximation of fair value.

#### Interest rate maturity structure, 31 Dec 2008

Year, maturity	SEKm	Average interest rate, %	Share, %
< 1 year	12,652	2.94	67
1–2 years	0	0.00	0
2–3 years	300	4.45	1
3–4 years	0	0.00	0
4–5 years	2,950	3.85	16
> 5 years	3,000	3.97	16
<b>Total</b>	<b>18,902</b>	<b>3.27</b>	<b>100</b>

#### Currency risk

Currency risk refers to the risk that Fabège's profit and loss account and balance sheet will be negatively affected by a change in exchange rates. Fabège owns a land property in Belgium. Under the Group's policy, properties must be financed in the currency of the country in which they are located. To avoid currency risks, the value of the Belgian property

has been hedged through euro-denominated loans. Any changes in exchange rates will thus affect only the net profit for the property.

#### Credit risk

Credit risk is the risk of loss as a result of the failure of a counterparty to fulfil its obligations. The risk is limited by the requirement, contained in the financial policy, that only creditworthy counterparties be accepted in financial transactions. Credit risk arising from financial counterparties is limited through netting/ISDA agreements and was deemed to be non-existent at year-end. As regards trade receivables, the policy states that customary credit assessments must be made before a new tenant is accepted. The company also assesses creditworthiness in respect of any promissory note receivables arising in connection with the sale of properties and businesses. The maximum credit exposure in respect of trade receivables and promissory note receivables is its reported value.

#### Parent company

The parent company is responsible for the Group's external borrowing. The company uses these funds to finance the subsidiaries at market terms.

#### NOTE 4 SIGNIFICANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The valuation at fair value of the investment properties includes estimates and assessments that are regarded as significant for accounting purposes (see also Note 15). The estimates and assessments made in connection with the realisation of investment properties, primarily with respect to rental guarantees, are also regarded as significant. For rental guarantees an assessment is made of the probability of payment and any investment costs incurred in preparing premises for rental during the remaining term of the guarantee. Rental guarantees etc. are included in the balance sheet item Other provisions.

When a business is acquired the company makes an assessment of whether the acquisition is to be regarded as an asset acquisition or a business combination. Businesses that only contain properties and have no property management organisation/administration are normally classified as assets.

In valuing loss carry-forwards, an assessment is made of the probability that the carry-forwards can be used. Confirmed loss carry-forwards are used as a basis for calculating deferred tax assets if it is highly likely that they will be used to offset future profits.

As regards Fabege's ongoing tax cases, the company has taken the view that no provision should be made. For more information, see the description of tax cases on page 34.

#### NOTE 5 EMPLOYEES AND SALARY EXPENSES, ETC

Average no. of employees	2008	Of which men	2007	Of which men
Parent company	34	13	33	14
Subsidiaries	115	78	113	72
<b>Group, total</b>	<b>149</b>	<b>91</b>	<b>146</b>	<b>86</b>
	Salaries and other compensation	Social-security-contributions	Salaries and other compensation	Social-security-contributions
	2008	2008	2007	2007
Parent company	21	16	24	20
- of which pension expenses		8		9
Subsidiaries	51	24	46	24
- of which pension expenses		7		9
<b>Group, total</b>	<b>72</b>	<b>40</b>	<b>70</b>	<b>44</b>
<b>- of which pension expenses, total</b>		<b>15</b>		<b>16</b>

#### Sick leave, January–December 2008

Total sick leave as a percentage of total ordinary working time	1.7
of which, share of long-term sick leave (continuous leave of 60 days or more)	27.8
Sick leave, women	2.2
Sick leave, men	1.8
Sick leave, employees < 30 years	0.3
Sick leave, employees 30–49 years	1.6
Sick leave, employees > 49 years	2.6

#### Breakdown by sex, Directors and senior executives

	Board 2008	Board 2007	Senior executives Directors 2008	Senior executives Directors 2007
Men	5	6	7	6
Women	2	2	1	1
<b>Total</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>7</b>

#### Compensation for senior executives

Other senior executives refers to seven persons who together with the Chief Executive Officer made up Group management in 2007. During the year Group management increased by one individual. As of 2008 the Group management team consists of the CEO, CFO, Director of Corporate Communications, Director of Business Development, Director of Properties (Stockholm City), Director of Properties (Other Markets), Director of Projects and Development and Director of Marketing. The compensation paid to senior executives is based on market terms in accordance with the guidelines adopted by the AGM. For the current composition of Group management, see page 66.

Fabege has a profit-sharing scheme covering all employees of the company. Allocations to the profit-sharing fund are based on the achieved return on equity and are subject to a ceiling of one base amount per year per employee. No provision has been made for 2008. Other benefits refers to company cars.

#### Pension

Pension expenses refer to the expense recognised in the profit and loss account for the year. The retirement age for the Chief Executive Officer is 65 years. A pension premium of 35 per cent of the CEO's pensionable salary is paid during the term of employment. For other senior executives the ITP occupational pension plan applies and the retirement age is 65 years.

#### Severance pay

The contract between the company and the CEO is subject to six months' notice by either party and provides for 18 months' severance pay. The employment contracts of other senior executives are terminable on three to six months' notice and provide for severance pay of up to 18 months. Severance pay is only paid in case of termination by the company and is offset by other income for all persons in senior positions.

#### Basis of preparation

The Board of Directors with the exception of the CEO is responsible for preparing a proposal for compensation and other terms of employment for the CEO and a set of principles for compensation and other terms of employment for other senior executives.

#### The Board of Directors

The Board Directors are paid Directors' fees in accordance with resolutions adopted by the AGM. For 2008 Directors' fees of SEK 2,420,000 (2,380,000) were paid. Out of this amount, the Chairman

of the Board received SEK 375,000 plus a separate fee of SEK 835,000 for assisting the management team in two projects, and the other Directors, excluding the CEO, received a total of SEK 1,210,000 (1,180,000). No other fees or benefits were paid to the Board.

#### Compensation and other benefits to senior executives in 2008, SEK '000

Group management	Fee	Basic salary/ benefits	Other Pension	Total
Chief Executive Officer	2,448	66	840	3,354
Other senior executives	8,047	461	2,000	10,508

During the year extra compensation/bonuses of SEK 829,000 in total were paid to other senior executives. No other variable or share price-related compensation was paid to Group management.

Board	Fee, Board of Directors	Fee, Audit Committee	Total
Erik Paulsson (Chairman)	1,210	-	1,210
Sven-Åke Johansson (Deputy Chairman)	185	50	235
Göte Dahlin	185	25	210
Märta Josefsson	185	25	210
Helen Olausson	185	-	185
Svante Paulsson	185	-	185
Mats Qviberg	185	-	185
<b>Total</b>	<b>2,320</b>	<b>100</b>	<b>2,420</b>

#### NOT 6 REPORTING BY SEGMENT

The company's business is concentrated to commercial property in the Stockholm region, which also constitutes the company's only segment. As of 2009 companies are required, under IFRS 8, to present financial information by segments, as viewed by management. In its briefings to market participants in 2008 Fabege has presented earnings figures for two segments, Investment properties and Project/Improvement properties. The table was also included in the company's year-end financial statement for 2008 and will be included in quarterly interim reports as of 2009.

#### NOTE 7 RENTAL INCOME

##### Operating leases – the Group as lessor

All investment properties are let to tenants under operating leases and generate rental income. A breakdown by remaining maturity of future rental income attributable to non-cancellable operating leases is shown in the following table:

	Group	
	2008	2007
<i>Maturity:</i>		
Within 1 year	343	554
1 to 5 years	1,179	924
Later than 5 years	536	639
Residential, garage/parking	133	139
<b>Total</b>	<b>2,191</b>	<b>2,256</b>

The difference between total rents at 31 December 2008 and income, as stated in the profit and loss account for 2008, is due to bought/sold properties, renegotiations and changes in occupancy rates in 2008. Contracts relating to residential premises and garage/parking spaces remain in force until further notice.

#### NOTE 8 PROPERTY EXPENSES

	Group	
	2008	2007
Running costs, maintenance and adaptations for tenants	-474	-479
Property tax	-137	-133
Ground rent	-42	-32
VAT expense	-26	-25
Property/project adm. and lettings	-97	-85
<b>Total</b>	<b>-776</b>	<b>-754</b>

#### NOTE 9 CENTRAL ADMINISTRATION AND MARKETING

Refers to Group management expenses, expenses attributable to the public nature of the company and other expenses connected to the company type.

Property- and property management-related administration is not included, as it is treated as a property expense.

#### NOTE 10 REALISED AND UNREALISED CHANGES IN VALUE, INVESTMENT PROPERTIES

	Group	
	2008	2007
<i>Realised changes in value:</i>		
Sale proceeds	2,095	2,919
Book value and expenses	-1,952	-2,473
	<b>143</b>	<b>446</b>
<i>Unrealised changes in value:</i>		
Changes in value relating to properties owned at 31 Dec 2007	-1,540	888
Changes in value relating to properties divested during the year	-5	5
	<b>-1,545</b>	<b>893</b>
<b>Total realised and unrealised changes in value</b>	<b>-1,402</b>	<b>1,339</b>

Book/fair value and the resulting unrealised changes in value are determined quarterly based on valuations. If a property is sold in quarters 2-4 the sale will give rise, in addition to the unrealised change in value, to a realised change in value that is based on the selling price in relation to confirmed fair value for the last quarter.

In measuring the results for the full year, the following breakdown is instead obtained, irrespective of revaluations during the year:

	Group	
	2008	2007
<i>Gain from property sales, full year:</i>		
Sale proceeds	2,095	2,919
Book value and expenditure (based on value at beginning of year)	-1,957	-2,468
	<b>138</b>	<b>451</b>
<i>Changes in value:</i>		
Changes in value relating to properties owned at 31 Dec 2007	-1,540	888
	<b>-1,540</b>	<b>888</b>
<b>Total gain from property sales and changes in value</b>	<b>-1,402</b>	<b>1,339</b>

## Breakdown between positive and negative results

Positive	1,176	2,225
Negative	-2,578	-886
<b>Total</b>	<b>-1,402</b>	<b>1 339</b>

**NOTE 11 PROFIT/LOSS FROM OTHER SECURITIES AND RECEIVABLES THAT ARE FIXED ASSETS**

	Group		Parent company	
	2008	2007	2008	2007
Dividends	2	60	2	60
Interest income, Group companies	-	-	609	372
Interest income, promissory notes	14	15	7	13
<b>Total</b>	<b>16</b>	<b>75</b>	<b>618</b>	<b>445</b>

**NOTE 12 INTEREST INCOME AND INTEREST EXPENSES**

	Group		Parent company	
	2008	2007	2008	2007
Interest income	21	18	1	1
<b>Total</b>	<b>21</b>	<b>18</b>	<b>1</b>	<b>1</b>
Interest expenses	-839	-642	-871	-639
<b>Total</b>	<b>-839</b>	<b>-642</b>	<b>-871</b>	<b>-639</b>

All interest income is attributable to financial assets valued at amortised cost. Interest expenses are mainly attributable to financial liabilities valued at amortised cost. The derivatives portfolio had a positive impact of SEK 54m on the net interest expense for the year.

**NOTE 13 CHANGES IN VALUE, SHARES**

The result of SEK -21m (-13) refers to a change in the value of shares in Diös Fastigheter AB of SEK -13m (-7) and of shares in AIK Fotboll AB of SEK -8m (-6).

**NOTE 14 TAX ON THE PROFIT FOR THE YEAR**

	Group		Parent company	
	2008	2007	2008	2007
Current tax on profit for the year	3	-7	-	-
Adjustment for current tax from previous years	-	-	-	-
<b>Total current tax</b>	<b>3</b>	<b>-7</b>	<b>-</b>	<b>-</b>
Deferred tax	826	-247	-254	-10
<b>Total tax</b>	<b>829</b>	<b>-254</b>	<b>-254</b>	<b>-10</b>
Nominal tax (28%) on profit after financial items	375	-578	7	-293
Tax effects of adjustment items				
- Adjustment for deficits and temporary differences from previous years	225	133	20	1
- Dividends from subsidiaries	-	-	224	364
- Tax-exempt profit from sale of Group companies/properties	230	185	-	-
- Restatement, deferred tax, 26.3%	8	-	-8	-
- Other	-9	6	11	-82
<b>Total tax</b>	<b>829</b>	<b>-254</b>	<b>254</b>	<b>-10</b>

**NOTE 15 INVESTMENT PROPERTIES – BUILDINGS, LAND AND LAND IMPROVEMENTS – GROUP**

All properties in Fabege's portfolio are externally valued at least once a year by independent external valuers with recognised qualifications. The properties are valued at fair value, i.e. at their estimated market values. This year's valuers were DTZ and Newsec, each of which valued half of Fabege's properties evenly distributed across our sub-markets. Fabege provides information about existing and future rental agreements, operations and maintenance expenses and estimated investments based on maintenance plans and estimated future vacancies to the valuers. On-site inspections were carried out in all properties on at least one occasion during the period 2006-2008. The properties have also been inspected on site in connection with major investments or other changes that affect the value of a property.

The property valuation is based on cash flow statements, in which the present value of net operating incomes during a five-year calculation period and the residual value of the property at the end of the period are calculated. Long-term vacancies are estimated on the basis of the property's location and condition. The valuers' assessments of outgoing payments for running costs and regular maintenance are based on experience of comparable properties and information on current and historical costs provided by Fabege. Expenses are expected to increase in line with the assumed inflation rate. Ground rents are calculated on the basis of agreements or, alternatively, in reference to market grounds rents if the ground rent period expires during the calculation period.

Property tax is estimated on the basis of the general property taxation for 2008. The discount rate used is a nominal required return on total capital before tax. The required rate of return is based on experience-based assessments of the market's required returns for similar properties. The discount rate for Fabege's property portfolio is 7.9 per cent (7.3) and is based on the nominal yield for five-year government bonds plus a premium for property-related risk. The risk premium is set individually based on the stability of the tenant and the length of the lease. The residual value is the market value of the leasehold/property at the end of the period of calculation, which is estimated on the basis of forecast net operating income for the first year after the calculation period. The weighted yield requirement at the end of the calculation period is 6.0 per cent (5.5).

The market assessments were performed in accordance with guidelines issued by the Swedish Property Index.

**Valuation assumptions**

Annual inflation, %	2
Weighted discount rate, %	7.9
Weighted yield requirement, residual value, %	6.0
Average long-term vacancy, %	5.3

**Operations and maintenance**

Commercial, SEK/sqm	355
Residential, SEK/sqm	467

**Market values, 31 December 2008**

	2008	Weighted yield, %	Change in value after deducting for investment, %
Inner City	16,937	5.6	-4.4
Solna	8,244	6.5	-7.6
Hammarby Sjöstad	1,890	6.9	6.9
Rest of Stockholm	2,417	6.7	-11.0
Other outside Stockholm	23	-	0
	<b>29,511</b>	<b>6.0</b>	<b>-5.3</b>

	Group	
	2008	2007
Opening fair value	30,829	27,188
Property acquisitions	201	4,018
Investments in new builds, extensions and conversions	1,963	966
Changes in value, existing property portfolio	-1,540	888
Changes in value relating to properties divested during the year	-5	5
Sales and disposals	-1,937	-2,236
<b>Closing fair value</b>	<b>29,511</b>	<b>30,829</b>

Book/fair value and the resulting unrealised changes in value are determined quarterly based on valuations. If a property is sold in quarters 2-4, the sale will give rise, in addition to the unrealised change in value, to a realised change in value that is based on the selling price in relation to confirmed fair value for the last quarter.

Assessed value of Swedish properties	14,919	15,560
--------------------------------------	--------	--------

Fabege has mortgaged certain properties, see also Note 33 Commitments and contingent liabilities.

#### NOTE 16 EQUIPMENT

	Group		Parent company	
	2008	2007	2008	2007
Cost at beginning of year	28	95	3	2
Investments	0	1	0	1
Sales and disposals	-9	-68	-	-
Cost at end of year	19	28	4	3
Opening depreciation	-22	-84	-2	-1
Sales and disposals	7	65	0	-
Depreciation charge for the year	-1	-3	-1	-1
Accumulated depreciation	-16	-22	-3	-2
<b>Book value</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>1</b>

The Group has a small volume of operating leases for cars and other technical equipment. All agreements have been concluded on normal market terms.

#### NOTE 17 INTERESTS IN ASSOCIATED COMPANIES

	Group		Parent company	
	2008	2007	2008	2007
Cost at beginning of year	-3	1,204	-	1,205
Acquisition/Share in profit/loss	23	46	-	46
Reclassifications	-	-2	-	-
Redemption of shares paid in the form of shares in Klövern AB	-	-1,251	-	-1,251
Sales	1	-	-	-
Cost at end of year	21	-3	-	-
<b>Book value</b>	<b>21</b>	<b>-3</b>	<b>-</b>	<b>-</b>

Name/corporate identity no.	Regd. office	Capital share in % <sup>1)</sup>	Book value
Järla Sjö Exploatering AB 556615-3952	Stockholm	33.3	-2
Råsta Holding AB 556742-6761	Stockholm	25.0	8
Råsta Administration AB 556702-8682	Stockholm	20.0	0
Nyckeln 0828 SE Reg No: SE11	West Sussex, UK	30.0	15
			<b>21</b>

<sup>1)</sup>Applies also to the share of votes for the total number of shares.

	Group	
	2008	2007
Profit and loss account		
Rental income	-	-
Net operating income	-	-
Profit/loss for the year	-29	-

	Group	
	2008	2007
Balance sheet		
Fixed assets	602	-
Current assets	7	-
<b>Total assets</b>	<b>609</b>	<b>-</b>
Shareholders' equity	35	-
Other liabilities	574	-
<b>Total equity and liabilities</b>	<b>609</b>	<b>-</b>

#### NOTE 18 RECEIVABLES FROM ASSOCIATED COMPANIES

Receivables from associated companies refer to a receivable of SEK 59m from Nyckeln 0328 SE, which bears interest on market terms.

#### NOTE 19 JOINT VENTURES

Joint venture refers to a company in which Fabege exercises a controlling influence together with another party.

Owned by subsidiaries:	Registered office	Capital share, % <sup>1)</sup>
Centralbadet HB 916609-6017	Stockholm	50
Värtan Fastigheter KB 969601-0793	Stockholm	50
Zeolit Exploaterings AB 556604-9440	Stockholm	50

<sup>1)</sup>Applies also to the share of votes for the total number of shares.

Through companies Fabege owns properties that are run as joint ventures. In these companies Fabege controls its share of future earnings through its share of the assets and liabilities of the jointly owned company. The net asset value is best expressed by recognising Fabege's share of the assets, liabilities, income and expenses of the company in the consolidated financial statements item by item. In the consolidated financial statements the proportionate consolidation method (item by item) has therefore been applied for these joint ventures.

**The following properties are owned as joint ventures**

Islandet 3  
Sjalsund 1  
Paradisset 29

The following table shows the impact of these joint ventures on the Fabege Group.

	Group	
	2008	2007
Profit and loss account		
Rental income	11	11
Net operating income	6	7
Profit/loss for the year	-16	3
Balance sheet		
Fixed assets	420	249
Current assets	13	15
<b>Total assets</b>	<b>433</b>	<b>264</b>
Shareholders' equity	215	254
Other liabilities	218	10
<b>Total equity and liabilities</b>	<b>433</b>	<b>264</b>
Average no. of employees	-	-

**NOTE 20 OTHER LONG-TERM SECURITIES HOLDINGS**

	Group		Parent company	
	2008	2007	2008	2007
Cost at beginning of year	76	98	72	65
Acquisitions/investments	31	42	11	20
Changes in value	-21	-13	-21	-13
Reclassifications	-	-	1	-
Sales	-4	-51	-	-
Cost at end of year	82	76	63	72
<b>Book value</b>	<b>82</b>	<b>76</b>	<b>63</b>	<b>72</b>

Holding	Book value
<i>Parent company</i>	
Diös Fastigheter AB – Fabege's capital share is 2.9 per cent and the number of shares is 979,8000	17
Svelands Sakkförsäkring AB – Fabege's capital share is 18.5 per cent and the number of shares is 31,800	39
AIK Fotboll AB – Fabege's capital share is 18.5 per cent and the number of shares is 1,554,865	6
Interests in tenant-owner's associations	1
<i>Subsidiaries</i>	
Arenabolaget i Solna AB – Fabege's capital share is 16.7 per cent and the number of shares is 167	17
Swedish Arena Management AB – Fabege's capital share is 16.7 per cent and the number of shares is 167	2

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**NOTE 21 OTHER LONG-TERM RECEIVABLES**

	Group		Parent company	
	2008	2007	2008	2007
<i>Maturity:</i>				
1-5 years after balance sheet date	180	301	230	58
later than 5 years from balance sheet date	-	-	-	-
<b>Total</b>	<b>180</b>	<b>301</b>	<b>230</b>	<b>58</b>

*Group*

Other long-term receivables refer to promissory note receivables arising from the sale of properties. During the year a provision of SEK 41m was made.

*Parent company*

In the parent company long-term receivables from the Group's joint ventures have been included as associated companies. No impairment losses have been recognised.

**NOTE 22 TRADE RECEIVABLES**

Age structure of trade receivables	Group	
	2008	2007
0 – 30 days	30	48
31 – 60 days	4	1
61 – 90 days	2	3
> 90 days	13	20
Of which, reserved	-7	-18
<b>Total</b>	<b>42</b>	<b>54</b>

**NOTE 23 OTHER RECEIVABLES**

In the consolidated financial statements the item includes sales proceeds of SEK 136m (130) for properties that have been sold but not yet vacated and promissory notes maturing within one year of SEK 65m (164). No impairment losses have been made.

**NOTE 24 SHAREHOLDERS' EQUITY**

	Outstanding shares	Registered shares
No. of shares at beginning of year	170,823,299	178,458,921
Issue of new shares, conversion of debentures	3,306	3,306
Withdrawal of treasury shares	-	-9,150,673
Share buybacks	-6,444,451	-
<b>Total</b>	<b>164,382,154</b>	<b>169,311,554</b>

Full conversion of all outstanding convertible debentures would result in an increase of 1,066,558 shares.

All shares carry equal voting rights, one vote per share.

The quota value of a share is SEK 30.10.

Proposed dividend per share, SEK 2.00.

For other changes in shareholders' equity, see the consolidated and parent company statements of changes in equity.

**NOTE 25 OVERDRAFT FACILITY**

	Group		Parent company	
	2008	2007	2008	2007
Available credit limit	120	120	120	120
Unused share	-53	-120	-53	-120
<b>Used share</b>	<b>67</b>	<b>-</b>	<b>67</b>	<b>-</b>

**NOTE 26 LIABILITIES BY MATURITY DATE**

	Group		Parent company	
	2008	2007	2008	2007
Interest-bearing liabilities				
Maturity up to				
1 year from balance sheet date	930	3,678	930	3,678
Maturity between				
1 and 5 years from balance sheet date	15,244	10,992	15,244	10,992
Maturity date later				
than 5 years from balance sheet date	2,728	2,540	2,540	2,540
<b>Total</b>	<b>18,902</b>	<b>17,210</b>	<b>18,714</b>	<b>17,210</b>

Non-interest-bearing liabilities are estimated to become due for payment within one year. For the interest rate maturity structure, see Note 3.

**NOTE 27 CONVERTIBLE DEBENTURES**

The debentures have a book value of SEK 47m (nominally SEK 45m) and mature on 1 October 2009. The debentures can be converted up to 1 September 2009. The conversion price is SEK 41.80.

Full conversion would result in an increase of 1,066,558 shares.

The interest on the convertibles is 5.25%, which is higher than the market rate at the time (1 Oct 2004). For this reason no equity component from the breakdown under IAS 32 has been reported. Fabege's average interest rate at the same point in time was 4,35 %.

**NOTE 28 DERIVATIVES**

	Group		Parent company	
	2008	2007	2008	2007
Short-term surplus	-	6	-	6
Long-term surplus	-	10	-	10
<b>Total surplus</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>16</b>
Short-term deficit	-7	-	-7	-
Long-term deficit	-464	-3	-464	-3
<b>Total deficit</b>	<b>-471</b>	<b>-3</b>	<b>-471</b>	<b>-3</b>
<b>Total</b>	<b>-471</b>	<b>13</b>	<b>-471</b>	<b>13</b>

The Group does not apply hedge accounting, see "Financial instruments" in Note 2 Accounting principles. Derivatives are classified as interest-bearing liabilities in the balance sheet and valued at fair value. Changes in value are recognised in the profit and loss account in a separate item, Changes in value, fixed income derivatives. As of 2006 IAS 39 has been applied also in the parent company.

**NOTE 29 DEFERRED TAX LIABILITY/ASSET**

	Group		Parent company	
	2008	2007	2008	2007
<i>Deferred tax has been calculated on the basis of:</i>				
- Tax loss carry-forwards	-1,241	-1,069	-35	-13
- Difference between carrying amount and tax base of properties	1,136	1,656	-	-
- Derivatives	-124	4	-124	4
- Other	-15	-11	-5	1
<b>Net deferred tax liability</b>	<b>-244</b>	<b>580</b>	<b>164</b>	<b>-8</b>

Negative amounts above refer to deferred tax assets. Total valued tax loss carry-forwards in the Group, which have been taken into account in calculating deferred tax, are SEK 4.7bn (3.8). See also Tax situation on page 34.

**NOTE 30 PROVISIONS**

Out of total provisions of SEK 624m (813), SEK 408m (584) refers to obligations relating to rental guarantees for divested properties. Other amounts refers to stamp duties of SEK 39m (51) that are payable upon the sale of properties and a provision for tax in the subsidiary company Fastighets AB Tornet of SEK 96m (96).

	Rental guarantees	Provisions for Other	pensions	Total
1 Jan 2008	584	147	82	813
Provisions for the year	6	-	-	6
Used/paid during the year	-182	-12	-1	-194
31 Dec 2008	408	135	81	624
<i>Provisions comprise</i>				
Long-term component	262	135	81	478
Short-term component	146	-	-	146
	<b>408</b>	<b>135</b>	<b>81</b>	<b>624</b>

**Rental guarantees**

The rental guarantees have remaining maturities of up to 5.5 years. The criteria for assessing the size of provisions are described in Note 4.

**Provisions for pensions**

Obligations relating to defined contribution pension schemes are met through payments to the government agencies or companies that administer the schemes. A number of Fabege employees have defined benefit ITP occupational pension schemes under which regular payments are made to Alecta. These are classified as defined benefit pension schemes covering several employers. As there is not sufficient information to report these as defined benefit schemes, they have been reported as defined contribution schemes. It is unclear how a surplus or deficit in the plan would affect the size of future contributions from each participating company and for the plan as a whole. Alecta is a mutual insurance company that is governed by the Swedish Insurance Business Act as well as by agreements concluded between employers and unions.

The year's contributions for pensions provided by Alecta are approximately SEK 3m (8). Alecta's surplus can be distributed to the policy owners and/or insured parties. At year-end 2008 Alecta's surplus in the form of the collective funding ratio was 112.0 per cent (152.0). The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial assumptions, which do not comply with IAS 19.

Fabege has a PRI liability, which is a defined benefit pension scheme.

However, no new payments are being made to PRI. Defined benefit pension obligations recognised in the balance sheet comprise the present value of defined benefit pension obligations. Any actuarial gains / losses are recognised in the profit and loss account to the extent they are outside the corridor.

The parent company's outlets to the pension relates to a PRI liability.

### NOTE 31 OTHER LIABILITIES

In 2007 the item consisted primarily of acquisition payments of SEK 975m for properties that had been purchased but not yet accessed.

### NOTE 32 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent company	
	2008	2007	2008	2007
Advance payment of rents	254	304	-	-
Accrued interest expenses	36	114	36	114
Other	174	216	19	27
<b>Total</b>	<b>464</b>	<b>634</b>	<b>55</b>	<b>141</b>

### NOTE 33 COMMITMENTS AND CONTINGENT LIABILITIES

	Group		Parent company	
	2008	2007	2008	2007
Property mortgages	14,558	14,249	-	-
Shares in subsidiaries	1,202	1,357	-	-
Promissory notes	-	-	14,429	12,696
<b>Total</b>	<b>15,760</b>	<b>15,606</b>	<b>14,429</b>	<b>12,696</b>
<i>Contingent liabilities</i>				
Ongoing tax cases	1,419	1,415	-	-
Other	482	320	285	102
<b>Total</b>	<b>1,901</b>	<b>1,735</b>	<b>285</b>	<b>102</b>

Fabege AB has pension commitments of SEK 43m (44), which are secured through a pension fund. The collective funding ratio for the pension fund is 119.8 per cent (126.2). No provision has been made, as the pension commitment is fully covered by the assets of the fund.

As regards ongoing tax cases, see the section entitled Tax situation, page 34 and the Directors' Report, page 35.

### NOTE 34 INTEREST PAID

Interest paid during the year in the Group was SEK 958m (658), of which SEK 41m (8) has been capitalised in the investment business. No capitalisation of interest has been made in the parent company.

### NOTE 35 CHANGES IN OPERATING CAPITAL

	Group		Parent company	
	2008	2007	2008	2007
Change acc. to balance sheet	-1,182	483	-118	14
Change in assets and liabilities in respect of interest income, dividends and interest expenses	78	8	78	8
<b>Total</b>	<b>-1,104</b>	<b>491</b>	<b>-40</b>	<b>22</b>

### NOTE 36 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash assets and bank balances. The Group has unused overdraft facilities, which are not included in cash and cash equivalents, of SEK 53m (120).

### NOTE 37 RELATED-PARTY TRANSACTIONS

Erik Paulsson and his family and company have a controlling influence in Peab AB. In 2008 Fabege received income from lettings activities of SEK 23m (22) from the Peab Group. Fabege has paid compensation of SEK 554m (234) to the Peab Group for contract work.

During the year Fabege acquired 50 per cent of the shares of Deamatrix Förvaltning AB from Peab for a consideration of SEK 30m. In the same year Fabege earned income of SEK 0.5m (0.5) from joint ventures. There were no significant transactions with associated companies.

The transactions are deemed to have been made on market terms.

### NOTE 38 DIVIDEND PER SHARE

In 2007 and 2008 dividends of SEK 4.00 were approved at the Annual General Meetings and paid out in the same year. At the AGM on 31 March 2009 the Board will propose a dividend for 2008 of SEK 2.00 per share, resulting in a total dividend payment of SEK 328,764,308. The total dividend payment is based on the number of outstanding shares at 31 January 2009, i.e. 164,382,154 shares. The total amount of dividends paid is subject to alteration up to and including the record date, depending on share buybacks and conversions of convertible bonds.

### NOTE 39 ADOPTION OF THE ANNUAL REPORT

The annual report was adopted by the Board of Directors and approved for publication on 3 March 2009.

AGM will be held March 31, 2009.

### NOTE 40 NET SALES

The parent company's income consists primarily of inter-company invoicing.

**NOTE 41 OPERATING EXPENSES**

	Parent company	
	2008	2007
Employee expenses	-38	-46
Administration and running costs	-142	-149
Depreciation of equipment	-1	-1
<b>Total</b>	<b>-181</b>	<b>-196</b>

**NOTE 42 PROFIT/LOSS FROM SHARES AND INTERESTS IN GROUP COMPANIES**

	Parent company	
	2008	2007
Share in the profit/loss of trading and limited partnerships	6	5
Anticipated dividends on shares and interests	800	1,300
<b>Total</b>	<b>806</b>	<b>1,305</b>

**NOTE 43 BUILDINGS AND LAND**

	Parent company	
	2008	2007
Cost at beginning of year	2	2
Reclassification	-2	-
<b>Cost at end of year</b>	<b>0</b>	<b>2</b>
Opening depreciation	-	0
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>0</b>
<b>Book value</b>	<b>-</b>	<b>2</b>
Of which, buildings	-	2
Of which, land improvements	-	-
Of which, land	-	-
Assessed value of Swedish properties	0	0

**NOTE 44 SHARES AND INTERESTS IN GROUP COMPANIES**

	Parent company	
	2008	2007
Cost at beginning of year	15,162	15,138
Acquisitions	-	24
Liquidations/mergers	-175	-
<b>Cost at end of year</b>	<b>14,987</b>	<b>15,162</b>
Impairment at beginning of year	-46	-46
Liquidations/mergers	46	-
<b>Impairment at end of year</b>	<b>-</b>	<b>-46</b>
<b>Book value</b>	<b>14,987</b>	<b>15,116</b>

**Directly owned subsidiaries**

Name/Corporate identity no.	Regd. office	Capital share in % <sup>1)</sup>	Book value
Hilab Holding Stockholm AB 556670-7120	Stockholm	100	11,114
LRT Holding Company AB 556647-7294	Stockholm	100	3,126
Fastighets AB Tornet 556256-1208	Stockholm	100	747
Fabege Holding Solna 556721-5289	Stockholm	100	0
Fabege V12 AB 556747-0561	Stockholm	100	0
			<b>14,987</b>

1) Applies also to the share of votes for the total number of shares.

The stated capital share includes shares from other Group companies. The Group comprises 281 (337) companies.

**NOTE 45 FEES AND COMPENSATION TO AUDITORS**

The following fees have been paid to the company's auditors:

**Fees and expenses, SEK '000**

	Group		Parent company	
	2008	2007	2008	2007
Deloitte				
audit assignments <sup>1)</sup>	4,900	4,040	4,900	4,040
other assignments	1,416	2,021	1,416	2,021

1) Audit assignment refers to the examination of the annual report and accounting records and of the Board of Directors' and CEO's management of the company, other tasks incumbent upon the company's auditor as well as advice and other assistance occasioned by observations made in the course of such examinations or the carrying-out of such other tasks.

**NOTE 46 EVENTS AFTER THE BALANCE SHEET DATE****Major new letting to Vattenfall in Arenastaden**

Vattenfall has concluded a rental agreement with Fabege for 43,000 sqm of office space as well as garage and parking space in Arenastaden in Solna. Vattenfall Nordic will be moving into a new office building located next to the Swedbank Arena and Mall of Scandinavia. Construction is scheduled to begin in 2009, subject to completion of the planning process.

The contract runs for 12 years and has an annual rental value of about SEK 100m. The total cost of the project is SEK 1,150m and funding has been arranged through a new SEK 875m facility. Vattenfall Nordic's new office building is expected to be completed in the third quarter of 2012.

## SIGNING OF THE ANNUAL REPORT

The Board of Directors and CEO hereby certify that:

- the annual report has been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2:1 of the Swedish Financial Accounting Standards Board.
- the annual report gives a true and fair picture of the company's financial position and results, and
- the Directors' Report gives a true and fair overview of the development of the company's business, position and results and describes significant risks and uncertainties faced by the company.

The Board of Directors and Chief Executive Officer furthermore certify that:

- the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as referred to in Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards.
- the consolidated financial statements give a true and fair picture of the Group's financial position and results, and
- the Directors' Report for the Group gives a true and fair overview of the development of the Group's business, results and position and describes significant risks and uncertainties faced by the companies included in the Group.

Stockholm, March 3, 2009

Erik Paulsson  
Chairman

Sven-Åke Johansson  
Deputy Chairman

Göte Dahlin

Märtha Josefsson

Helen Olausson

Svante Paulsson

Mats Qviberg

Christian Hermelin  
Chief Executive Officer

We submitted our audit report on March 3, 2009  
Deloitte AB

Svante Forsberg  
Authorised Public Accountant

## AUDIT REPORT

To the Annual General Meeting of the shareholders of Fabege AB (publ)  
Corporate identity number 556049-1523

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Fabege AB for the financial year 2008. The statutory annual accounts for the Company are included in the printed version of this document on pages 35–60. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for

our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, March 3, 2009  
Deloitte AB

Svante Forsberg  
Authorised Public Accountant

The property Pan 1  
in the Old Town.



## CORPORATE GOVERNANCE REPORT

Fabege is a Swedish public limited-liability company with registered office in Stockholm. The company's corporate governance is based on the Articles of Association, the Swedish Companies Act and other applicable laws and regulations. Fabege applies the Swedish Corporate Governance Code (the Code), whose main purpose is to contribute to improved governance of Swedish businesses. The Code is based on the principle of 'comply or explain'. The reasons for Fabege's departures from the Code are explained in greater detail below. This Corporate Governance Report does not form part of the formal annual report documents, but constitutes a separate report. It has not been examined by the company's auditors.

Responsibility for the governance, management and control of Fabege's business is divided among the shareholders at the Annual General Meeting, the Board of Directors and the Chief Executive Officer. Fabege works continuously to achieve a more efficient and appropriate governance of the company.



### SHAREHOLDERS

The Annual General Meeting is the company's highest decision-making body. In Fabege all shares carry the same voting rights at the AGM, which means that opportunities to exercise influence as an owner are consistent with each shareholder's capital share in the company. Fabege's ownership structure is described on page 31.

### ARTICLES OF ASSOCIATION

Fabege's Articles of Association state that the company shall acquire, manage, add value to and divest properties. The Board of Directors has its registered office in Stockholm. In other respects, the Articles of Association contain provisions on the number of shares, on the number of Directors and auditors and on the Annual General Meeting. The full text of the Articles of Association is found on page 71.

### THE 2008 ANNUAL GENERAL MEETING

The Annual General Meeting was held in Stockholm on 3 April 2008. Erik Paulsson was elected to chair the meeting. The AGM was attended by shareholders holding a total of 72.9m shares, corresponding to 43 per cent of the number of votes represented. A full set of minutes from the AGM is available on Fabege's website, [www.fabege.se](http://www.fabege.se). The following are some of the main resolutions adopted at the AGM:

#### ELECTION OF DIRECTORS AND RESOLUTION ON DIRECTORS' FEES (PROPOSAL OF THE NOMINATION COMMITTEE)

The AGM resolved that the Board should consist of eight Directors and approved the re-election of Göte Dahlin, Christian Hermelin, Sven-Åke Johansson, Märtha Josefsson, Helen Olausson, Mats Qviberg, Erik Paulsson and Svante Paulsson. Erik Paulsson was elected Chairman of the Board.

#### DIVIDEND, CASH (PROPOSAL OF THE BOARD)

The dividend was fixed at SEK 4.00 and the record date was set at 8 April 2008.

#### REDUCTION OF SHARE CAPITAL AND BONUS ISSUE (PROPOSAL OF THE BOARD)

The AGM voted to approve the withdrawal of 9,150,673 treasury shares and a subsequent bonus issue aimed at restoring the share capital.

#### AUTHORISATION ON SHARE BUYBACKS (PROPOSAL OF THE BOARD)

The AGM decided to authorise the Board, for a period ending no later than the next AGM, to acquire and assign shares to other parties. Share buybacks are subject to a limit of 10 per cent of the total number of outstanding shares at any time.

## THE BOARD OF DIRECTORS OF FABEGE

**ERIK PAULSSON**

*Born:* 1942.  
 Chairman of the Board since 2007 and Director since 1998.  
*Other assignments:* Chairman of Backahill AB, Diös Fastigheter AB, SkiStar AB and Wihlborgs Fastigheter AB. Director of Brinova Fastigheter AB, Investment AB Öresund and Nolato AB.  
*Education:* Secondary school.  
 Company executive since 1959.  
*Shareholding:* 60,100 and via Brinova.  
 Dependent in relation to the company and major shareholders under the Swedish Corporate Governance Code and the Listing Agreement with the Stockholm Stock Exchange.

**SVEN-ÅKE JOHANSSON**

*Born:* 1939.  
 Chairman 2000 and Deputy Chairman since 2001.  
*Other assignments:* Chairman of Industrifonden and Nordisk Renting AB.  
*Education:* Doctor of Engineering and M.Sc. in Economics and Business and reserve officer in the Swedish Air Force.  
*Shareholding:* 19,500.  
 Independent under the Swedish Corporate Governance Code and the Listing Agreement of the Stockholm Stock Exchange in relation to both the company and major shareholders.

**GÖTE DAHLIN**

*Born:* 1941.  
 Director since 2000.  
*Other assignments:* Chairman of Veidekke ASA and Deputy Chairman of Nordisk Renting AB. Director of Rezidor Group AB and Svensk Inredning Viking AB.  
*Education:* B.Sc. in Natural Sciences.  
*Shareholding:* 15,000.  
 Independent under the Swedish Corporate Governance Code and the Listing Agreement of the Stockholm Stock Exchange in relation to both the company and major shareholders.

**MÄRTHA JOSEFSSON**

*Born:* 1947.  
 Director since 2005.  
*Other assignments:* Chairman of Lärarfonder AB, Director of Second AP Fund, Anoto Group AB, Luxonen S.A., Skandia Fonder AB, AB Upsala Nya Tidning and Opus Prodox AB.  
*Education:* B.Sc. in Economics.  
*Shareholding:* 60,000.  
 Independent under the Swedish Corporate Governance Code and the Listing Agreement of the Stockholm Stock Exchange in relation to both the company and major shareholders.

**HELEN OLAUSSON**

*Born:* 1968.  
 Director since 2007.  
 Chief Executive Officer of Biessie Baenie AB.  
*Other assignments:* Chairman of Fabös and Norrvidden Fastigheter AB. Director of the National Land Survey of Sweden, Wihlborgs Fastigheter AB and Klöver AB.  
*Education:* M.Sc. in Engineering, MBA Stockholm School of Economics.  
*Shareholding:* 0.  
 Dependent in relation to major shareholders under the Swedish Corporate Governance Code and the Listing Agreement with the Stockholm Stock Exchange. Independent in relation to the company.

**SVANTE PAULSSON**

*Born:* 1972.  
 Director since 2007.  
 Chief Executive Officer of Backahill AB. *Other assignments:* Director of Brinova Fastigheter AB, PEAB AB, Platzer Fastigheter and ÄNAB Ängelholms Näringsliv AB.  
*Education:* High school in USA.  
*Shareholding:* 144,438  
 Dependent in relation to major shareholders under the Swedish Corporate Governance Code and the Listing Agreement with the Stockholm Stock Exchange.  
 Independent in relation to the company.

**MATS QVIBERG**

*Born:* 1953.  
 Director since 2001.  
*Other assignments:* Chairman of HQ AB and Bilia AB, Deputy Chairman of Investment AB Öresund and Director of SkiStar AB.  
*Education:* M.Sc. in Economics and Business.  
*Shareholding:* 2,703,636.  
 Independent under the Swedish Corporate Governance Code and the Listing Agreement of the Stockholm Stock Exchange in relation to both the company and major shareholders.

**CHRISTIAN HERMELIN**

*Born:* 1964.  
 Director since 2007.  
 Chief Executive Officer of Fabege AB. Employed since: 1998, in current position since 2007.  
*Education:* B.Sc. in Business Administration  
*Shareholding:* 69,400.  
 Dependent in relation to the company under the Swedish Corporate Governance Code and the Listing Agreement with the Stockholm Stock Exchange. Independent in relation to major shareholders.

#### PRINCIPLES FOR THE APPOINTMENT OF THE NOMINATION COMMITTEE (PROPOSAL OF THE NOMINATION COMMITTEE)

The AGM adopted a set of principles for the appointment of the Nomination Committee and passed a resolution on the proposals that the Nomination Committee is required to prepare. The Nomination Committee will consist of representatives for the four largest owners.

#### THE NOMINATION COMMITTEE

The Nomination Committee is the AGM body responsible for preparing resolutions on appointments. The Committee's task is to draw up proposals for the appointment of the AGM chairman, Chairman of the Board and Director, Directors' fees, the appointment of auditors, auditors' fees and any changes to the principles governing the election of the Nomination Committee. The proposal for Directors' fees must specify a breakdown between the Chairman, Directors and committee work.

On 30 September 2008 a Nomination Committee was announced consisting of representatives of the four largest owners, in accordance with the resolution adopted at the 2008 AGM. The Nomination Committee consists of the following members: Peter Lindh (representing Maths O Sundqvist), Anders Silverbåge (Brinova Fastigheter AB), Per Ovrén (Investment AB Öresund) and Mikael Nordberg (Danske Capital). Anders Silverbåge is chairman of the Nomination Committee. The four owner representatives represent about 33 per cent of the votes in Fabege.

The Nomination Committee has held two minuted meetings and has remained in contact during the intervening periods. As a basis for its work, the Committee has met the Board Chairman and listened to the CEO's views on the work of the Board. The Committee has also contacted the other Directors as well as the company's auditors to obtain a clear idea of the work of the Board. It has also studied the company's strategy, risk management and control functions. In addition, the chairman of the Nomination Committee has obtained information about the work of the Audit Committee through interviews with its chairman.

The Nomination Committee has discussed the size and composition of the Board of Directors in respect of industry experience, expertise, and the need for continuity and renewal of the work of the Board. The Committee has also discussed and taken into account the issue of the independence of Directors (see below for a description of the Board).

The Nomination Committee's report on how it has conducted its work and its proposals for the 2009 AGM are available on the company's website. The proposals of the Nomination Committee are also described in the notice of the 2009 AGM.

#### THE BOARD OF DIRECTORS

Under the Companies Act, the Board of Directors is responsible for the company's organisation and the administration of the company's affairs. The Board is required to continuously assess the financial situation of the company and Group. Its main task is to manage the company's business on behalf of the owners in a way that secures the owners' interest in a strong long-term return on capital.

In 2008 the Board consisted of eight Directors elected at the 2008 AGM. The AGM also elected Erik Paulsson as Chairman of the Board. Sven-Åke Johansson was appointed Deputy Chairman at the constituent Board meeting. Fabege's Chief Financial Officer, Åsa Bergström, is the Board's secretary.

Fabege's Board of Directors includes members that have skills and experience that are of great significance for the support, monitoring and control of the operations of a leading property company in Sweden. There are members with knowledge of property, the property market, financing and business development. At the end of the year an assessment was made of the Board, which showed that the Board was operating in a highly satisfactory manner. Together, the members of the Board have, directly or indirectly, significant investments in Fabege shares.

Fabege's Board meets the requirements on independent Directors contained in the Code and in the Listing Agreement of the Stockholm Stock Exchange. The Nomination Committee proposes that all Directors be re-elected. Out of the proposed Directors, Erik Paulsson is to be regarded as dependent both in relation to the company and in relation to major shareholders, Helen Olausson and Svante Paulsson as dependent in relation to major shareholders and the CEO Christian Hermelin as dependent in relation to the company. The other proposed Directors are, according to the definitions contained in the Code and the Listing Agreement, independent in relation to both the company and major shareholders.

In 2008 the Board held six ordinary meetings and 12 meetings altogether, including one constituent meeting and five conference calls. During the year the Board made decisions on several major transactions and investments in the company's existing property portfolio. In 2008 Fabege acquired two properties for SEK 201m and sold 13 properties for SEK 2,095m. Decisions were made on investments of SEK 462m relating to the development and improvement of properties in the company's existing portfolio. The Board also reviewed the company's business concept, goals, strategies, budget and interim reporting.

Information about the Directors' attendance at the meetings is provided in the table below. The table also shows which Directors are members of the Audit Committee. The Directors are paid Directors' fees in accordance with the resolutions of the Annual General Meeting. For 2008 total fees of SEK 2,420,000 were paid, of which the Chairman received SEK 375,000 plus

**GROUP MANAGEMENT**



**CHRISTIAN HERMELIN**  
 Born: 1964.  
 Chief Executive Officer.  
 Employed since: 1998, in current position since 2007.  
 Previous employment: Project Manager at Fastighets AB Storheden.  
 Education: B.Sc.  
 Shareholding: 69,400.



**ÅSA BERGSTRÖM**  
 Born: 1964.  
 Executive Vice President and Chief Financial Officer.  
 Employed since: 2007.  
 Previous employment: Senior Manager at KPMG, CFO positions in the property companies Granit & Beton Fastighetsrenting AB and Oskarsborg AB.  
 Education: M.Sc. in Economics and Business.  
 Shareholding: 21,800.



**URBAN SJÖLUND**  
 Born: 1962.  
 Director of Properties.  
 Employed since: 1991, in current position since 2007.  
 Previous employment: Construction and Project Manager at JCC AB, Arsenalen AB and MacGruppen AB. Property Manager at BPA Fastigheter AB, and various executive positions in Bergaliden AB, Storheden AB, Wihlborgs Fastigheter AB and Fabège AB.  
 Education: M.Sc. in Engineering.  
 Shareholding: 30,000.



**PER TYRÉN**  
 Born: 1960.  
 Director of Properties.  
 Employed since: 1992, in current position since 2007.  
 Previous employment: Property Analyst at the Stockholm Property Owners Association, Director of Properties at Fastighets AB Stadsgården, Area Manager at Fabège.  
 Education: M.Sc. in Engineering.  
 Shareholding: 20,000.



**JENS LACKMANN**  
 Born: 1960.  
 Director of Projects & Development.  
 Employed since: 2007.  
 Previous employment: Regional Director at Bygganalys AB, Project Manager at Platzer Bygg AB, own business (Byggekonomen AB), Regional Director at Peab AB.  
 Education: Engineer.  
 Shareholding: 21,900.



**JOHAN RUDBERG**  
 Born: 1961.  
 Director of Business Development  
 Employed since: 2004, previously Director of Project Development.  
 Previous employment: Director of Project Development at Drott, Stockholm Director at Centralkonsult, Works Manager at Reinhold Bygg AB.  
 Education: M.Sc. in Engineering.  
 Shareholding: 20,450.



**MATS BERG**  
 Born: 1958.  
 Director of Communications and Investor Relations.  
 Employed since: 2001 in current position.  
 Previous employment: Director of Marketing Communications in AssiDomän AB, Director of Communications in AssiDomän Packaging, Director of Communications in IBM Svenska AB and IBM Healthcare EMEA and various executive communications positions in Ericsson, Telia and Nynäs Petroleum.  
 Education: B.Sc., DIHR and reserve officer in the Swedish Artillery Corps.  
 Shareholding: 20,000.



**KLAUS HANSEN VIKSTRÖM**  
 Born: 1953.  
 Marketing Director.  
 Employed 2006 and in present position since 2008.  
 Previous employments: Director of Stockholms Modecenter, Self employed in clothing industry, CEO and founder of Brubaker AS.  
 Education: Diploma in Specialized Business Studies.  
 Shareholding: 0

extra compensation of SEK 835,000 for project work. Other Directors except the CEO received SEK 185,000 and SEK 100,000 for work in the Board's Audit Committee, of which the chairman received SEK 50,000 and the other members SEK 25,000.

#### ATTENDANCE, NUMBER OF MEETINGS

During the period 12 Board meetings and four Audit Committee meetings were held.

#### ATTENDANCE, NUMBER OF MEETINGS

	Board of Directors	Audit Committee
Erik Paulsson, Chairman	12	<sup>1)</sup>
Sven-Åke Johansson, Deputy Chairman	12	4
Göte Dahlin, Director	12	3
Christian Hermelin, Director	12	<sup>1)</sup>
Märtha Josefsson, Director	12	3
Helen Olausson, Director	11	<sup>1)</sup>
Svante Paulsson, Director	11	<sup>1)</sup>
Mats Qviberg, Director	12	<sup>1)</sup>

<sup>1)</sup> Not a member of the Audit Committee, therefore no attendance is registered.

#### RULES OF PROCEDURE AND INSTRUCTIONS

Each year the Board of Directors of Fabege adopts a set of rules of procedure, including instructions on the division of tasks and reporting, to supplement the provisions of the Companies Act, Fabege's Articles of Association and the Swedish Corporate Governance Code.

In addition to the general provisions of the Companies Act, the Rules of Procedure regulate the following:

- The number of Board meetings (normally five ordinary meetings in addition to the constituent meeting)
- The forms for extra meetings and conference calls
- Items to be included in the agenda at each meeting
- When Board material should be made available
- Minute-keeping
- The tasks of the Board
- The special role played by the Chairman in the Board and the special tasks consequent on that role
- The appointment of an Audit Committee and a specification of the tasks of the Committee
- The forms for preparing compensation issues
- Delegation of decision-making powers by the Board
- The Auditors' reporting, meetings with the auditors

The items that should normally be included in the agenda are financial and operational reporting, decisions on acquisitions, sales and investments in existing properties, current market issues, staff issues and reporting by the Audit Committee. At the November/December meeting the Board reviews goals and strategies and discusses the budget. Other agenda items, such as assessments of the Board and Chief Executive Officer as well as

compensation issues, are included as fixed agenda items in the annual plans.

#### THE AUDIT COMMITTEE

The Board of Directors has appointed an Audit Committee from among its own members. The Audit Committee consists of Sven-Åke Johansson (chairman), Göte Dahlin and Märtha Josefsson and supplements the work of the Board by conducting closer examinations of the company's accounting/reporting, governance and control, risk management and the performance of audits.

The Committee operates according to separate rules of procedure, which are reviewed annually and approved by the Board. Fabege's Audit Committee meets the Code's requirements on composition and its members possess skills and experience on accounting issues and other issues within the Committee's area of responsibility.

In 2008 four meetings were held. Minutes of the meetings were provided to all Directors and the chairman of the Committee submitted a report to the Board of Directors.

During the year a lot of emphasis continued to be placed on the company's internal control system. Issues to be addressed included management of project activities and project follow-up, processes for the closing of the accounts and financial reporting as well as tax procedures. The Committee also discussed the company's handling of funding issues and valuations of properties. Relevant accounting and tax issues and the revised Swedish Corporate Governance Code were also addressed.

At the meetings the company's auditors submit reports on their audits during the year. The Committee's members also discussed risks in the business and accounting practices as well as the focus of audits.

#### ISSUES RELATING TO COMPENSATION FOR COMPANY MANAGEMENT

In accordance with the principles of compensation and other employment terms for company management adopted by the AGM, the Board has adopted a decision on compensation and other terms of employment for the Chief Executive Officer. All members of the Board except the CEO perform the tasks incumbent on a remuneration committee and thus participate in the process of drafting and making decisions on compensation issues. During the year the Board reviewed compliance with the principles of compensation for senior executives.

The compensation and other benefits and terms of employment for the CEO and company management are described in Note 5 on page 52. The principles of compensation and terms of employment will also be presented at the 2009 AGM.

**COMPANY MANAGEMENT****THE CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer is responsible for operational governance and for day-to-day management and leadership of the company's activities, in accordance with the guidelines, instructions and decisions adopted by the Board of Directors.

In addition to the general provisions relating to division of responsibility contained in the Swedish Companies Act, the rules of procedure governing the work of the CEO specify:

- the CEO's duty to ensure that the Board of Directors receives information and the necessary documentation on which to base decisions.
- the CEO's role of presenting reports at Board meetings.
- the CEO's task and duty to ensure that the necessary information is obtained on a continuous basis from each company in the Group.
- the CEO's task and duty to monitor compliance with the Board's decisions in respect of goals, business concept, strategic plans, ethical and other guidelines and, where necessary, request a review of the same by the Board.
- tasks that must always be submitted to the Board, such as major acquisitions and sales or major investments in existing properties.
- the CEO's task and duty to ensure that Fabège fulfils its obligations in respect of information, etc. under the company's Listing Agreement with the Stockholm Stock Exchange.

The rules of procedure also contain a separate reporting instruction, which governs the content and timing of reporting to the Board.

**GROUP MANAGEMENT**

In 2008 Group management consisted of seven persons in addition to the CEO (for the current Group management, see page 66):

- Chief Financial Officer
- Director of Corporate Communications
- Director of Properties (Stockholm City)
- Director of Properties (Other Markets)
- Director of Projects & Development
- Director of Business Development
- Director of Marketing

Group management meetings are normally held every two weeks. During the meetings management addresses strategic and operational issues such as property transactions, lettings, market trends, organisational issues and monthly and quarterly business reviews. The Executive Assistant to the CEO also participates in these meetings.

**REPORT ON INTERNAL CONTROL IN RESPECT OF FINANCIAL REPORTING**

Internal control is the process performed by the Board of Directors, company management and other staff for the purpose of building confidence that the company

- has an appropriate and efficient organisation for its business operations
- produces reliable financial reports
- complies with applicable laws and regulations

This report has been prepared in accordance with the Swedish Corporate Governance Code (Sections 10.5 and 10.6). The report, which is limited to internal control in respect of financial reporting, does not constitute a part of the formal annual report and has not been examined by the company's auditors.

In its work the company uses the established COSO framework (Internal Control – Integrated Framework).

**CONTROL ENVIRONMENT**

Fabège has a geographically well contained organisation and a homogenous operational business, but its legal structure is complex. The business is capital-intensive and is characterised by large monetary flows, including rental income, expenses for project activities, acquisitions/sales of properties and financial expenses.

Overall responsibility for ensuring good internal control and efficient risk management rests with the Board of Directors. To be able to perform its work in an appropriate and efficient manner, the Board has adopted a set of rules of procedure. These contain guidelines for the work of the Board and its committees, the tasks of the Chief Executive Officer and financial reporting. The rules of procedure are updated annually.

Overall responsibility for internal control rests with the company's management and with those individuals who by virtue of their roles in the company are in charge of each defined critical process, function or area.

In 2008 the Board conducted its annual review and defined the rules of procedure for the Board, the rules of procedure for the Audit Committee and a set of ethical guidelines for the company's conduct. The company's financial reporting is governed by policies and guidelines. The company has existing policies for issues such as the environment, equal opportunities and corporate communications, accounting principles and instructions for year-end financial statements, and payment authorisation instructions, which are reviewed and updated continuously.

**RISK ASSESSMENT**

Risks and critical processes, functions and areas are defined on the basis of the control environment, significant results and

balance sheet items as well as significant business processes. Examples of processes, functions and areas that have been defined as critical for Faberge include the processes for the acquisition, sale and valuation of properties, the project process, the finance function, taxes and the year-end accounting and reporting process. Faberge conducts annual reviews and evaluations of risk areas for the purpose of identifying and managing risks through consultation between management, the Audit Committee, the company's auditors and other parties.

#### CONTROL ACTIVITIES

The Board's rules of procedure are aimed at ensuring a clear division of responsibility between the Board of Directors (and its committees) and the Chief Executive Officer (and his management group) with a view to achieving efficient risk management in the company's business operations as well as its financial reporting.

Company management is responsible for designing and documenting and for maintaining and testing the systems/processes and the internal controls that are required to manage significant risks in the accounts and the company's business operations.

Critical processes, functions and areas are described and documented in respect of division of responsibility, risks and controls. The necessary instructions, procedures and manuals are produced, updated and communicated to the relevant staff to ensure that they have up-to-date knowledge and adequate tools. The measures are aimed at integrating risk management in the company's daily procedures. Compliance with policies, guidelines and instructions is monitored on an ongoing basis. Employees are given frequent training in how to secure the required expertise.

The operating units, Property Management and Projects & Development, have a separate controller function which supplements the central controller function at Group level. Operating reports are prepared monthly and quarterly based on a standardised reporting package. Executives with responsibility for the operating business comment on/approve the reports.

A central function prepares consolidated financial statements and other financial reports in close collaboration with the controller function/operating units and the finance function. This work includes integrated control activities in the form of reconciliation with stand-alone systems/specifications of outcomes for income and expense items and balance sheet items.

#### INFORMATION AND COMMUNICATION

Company management is responsible for informing the staff concerned about their responsibility to maintain good internal control. The company's Intranet and information meetings are used to ensure that employees are kept up-to-date on the company's governing policies and guidelines.

The communications department is responsible for external information. The company's IR work is conducted on the basis of principles for regular and accurate information in accordance with stock exchange regulations. The ambition is to create understanding and build confidence in the business among investors and other stakeholders.

In addition to financial reporting to the Board, detailed reports are prepared at more frequent intervals to support of the company's internal governance and control. Monthly reports are presented and discussed at meetings of Group management.

#### FOLLOW-UP

The internal control system also needs to change over time. The aim is to ensure that this is monitored and addressed on an ongoing basis through management work at various levels of the company, both through monitoring of the individuals holding responsibility for each defined critical process, function and area and through ongoing evaluations of the internal control system.

The company's management reports regularly to the Board in accordance with the instructions for financial reporting, which are designed to ensure that the information provided is relevant, adequate, up-to-date and appropriate.

The Audit Committee also reports to the Board. It acts as an extension of the Board in respect of monitoring the preparation of and reliability of financial reports. The Audit Committee has, in addition to examining the content of and methods used in preparing financial reports, studied the way in which the more detailed and frequent internal reporting is used for evaluating and managing different areas of activity in the business. Such use also provides an indication of the quality of the control environment. The Audit Committee also performs regular reviews and evaluations of internal controls in respect of the company's critical processes.

The Audit Committee regularly studies the results of the external auditors' examination of the company's accounts and internal controls. The auditors examine the company's financial reporting in respect of the full-year financial statements and perform a review of a quarterly report.

The Board regularly evaluates the information submitted by management and the Audit Committee. Of particular significance, when required, is the Audit Committee's task of monitoring management's work on developing internal controls and of ensuring that measures are taken to address any problems and proposals that have been identified in the course of examinations by the Board, Audit Committee or auditors.

The Board of Directors has obtained information from among its members and through the Audit Committee on risk areas, risk management, financial reporting and internal control and has discussed the risks of errors in financial reporting in consultation with the external auditors.

In the course of its examinations the Audit Committee has

not found it necessary to draw the Board's attention to any significant issues or significant unaddressed risks in its financial reports.

#### INTERNAL AUDITING

In view of the homogenous and geographically limited nature of the business as well as the simple structure of the organisation, the Board has not found it necessary to set up an internal audit unit, based on the view that the monitoring and examination described, along with the work performed by the external auditors, are sufficient to maintain effective internal controls in respect of financial reporting.

#### AUDITING

Under the Companies Act, the company's auditor is required to examine the company's annual report and accounts as well as the management of the Board of Directors and Chief Executive Officer. After the end of each financial year, the auditor is required to submit an audit report to the Annual General Meeting. Auditors are appointed and compensated in accordance with the resolutions adopted at the Annual General Meeting based on proposals from the Nomination Committee.

At the 2005 AGM the auditing firm Deloitte was appointed as auditor with the authorised public accountant Svante Forsberg as chief auditor for the period up to the 2009 AGM. The Nomination Committee proposes Deloitte, through Svante Forsberg to be re-elected.

In addition to Fabege, Svante Forsberg has audit assignment for the following major companies: Anticimex, Black Earth Farming, Connecta, Diligentia and Skandia Liv. He has no other assignments for companies that are closely related to Fabege's

major owners or the CEO. In the last four years Deloitte has also assisted Fabege in audit-related assignments, mainly on prospectus and accounting issues.

The auditors reported their observations and simultaneously presented their views on the quality of internal controls in Fabege at the Board meeting held in February 2009. The auditors have participated in and presented reports at all meetings of the Audit Committee (4 in 2008). During the year reports have also been presented to company management.

Fees paid to the company's auditors are described in Note 45 on page 59.

#### DIFFERENCES IN RELATION TO THE CODE

The Swedish Corporate Governance Code is based on the principle of 'comply or explain', which means that it is not always necessary to follow all rules and that departures from one or several individual rules do not constitute a breach of the Code if such departures are justified and explained.

- The entire Board of Directors has met the company's auditors, but not without the presence of the Chief Executive Officer or another person from company management. After consulting with the company's auditors, the Board has not found it necessary to arrange such a meeting, partly because the auditors have on several occasions presented reports to the Audit Committee without the presence of the CEO.

Stockholm, 3 March 2009

The Board of Directors

## ARTICLES OF ASSOCIATION<sup>1)</sup>

Articles of Association for Fabege AB (publ), Corporate Identity Number: 556049-1523

- Art 1** The company's name is Fabege AB. The company is a public company (publ).
- Art 2** The company's object is to acquire, manage, improve and sell properties and conduct such other activities as are compatible therewith.
- Art 3** The Board of Directors has its registered office in Stockholm.
- Art 4** The share capital shall be at least one billion six hundred and seventy million (1,670,000,000) and not more than six billion six hundred and eighty million (6,680,000,000) SEK
- Art 5** The number of shares shall be at least sixty-six million eight hundred thousand (66,800,000) and not more than two hundred and sixty-seven million two hundred thousand (267,200,000).
- Art 6** The Board of Directors shall comprise at least four and not more than eight members
- Art 7** The company shall have at least one and not more than two auditors and the same number of deputies, or at least one and not more than two registered auditing companies. The auditor(s) and deputy auditor(s), or the main auditor, shall be authorised public accountants.
- Art 8** The calendar year shall be the company's financial year.
- Art 9** The Annual General Meeting (AGM) shall be held in Stockholm once a year. At the AGM the shareholders shall transact the following business:
1. Elect a chairman for the AGM.
  2. Prepare and approve the list of voters.
  3. Elect one or two persons to check the minutes.
  4. Approve the agenda.
  5. Establish whether the AGM has been duly convened.
  6. Listen to a presentation of the annual report and audit report and of the consolidated accounts and consolidated audit report.
  7. Decide
    - a) whether to adopt the profit and loss account, balance sheet and the consolidated profit and loss account and consolidated balance sheet,
    - b) on the treatment of the company's profit or loss in accordance with the adopted balance sheet,,
    - c) whether to discharge the Directors and Chief Executive Officer from liability,
    - d) a record date for payment of a dividend, in the event that such dividend is approved by the AGM.
8. Decide on the number of Directors and, where applicable, auditors and deputy auditors
  9. Decide on the fees to be paid to the Directors and auditors.
  10. Elect a Board of Directors and Board Chairman
  11. Where required, appoint auditors and deputy auditors.
  12. Transact any other business that is incumbent on the shareholders in accordance with the Companies Act or the company's Articles of Association.
- Art 10** Notice of the AGM shall be made by advertisement in Post- och Inrikes Tidningar and in Svenska Dagbladet.
- Art 11** Shareholders wishing to take part in the negotiations at the AGM must be included in a transcript of the entire shareholders' register describing the situation five weekdays before the AGM and must notify their intention to attend the AGM to the company, stating the name(s) of any assistant(s), which may not exceed two in number, no later than 4 p.m. on the day stated in the notice of AGM. This day must not be a Sunday or other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and must not be earlier than five weekdays before the AGM.
- Art 12** The Board of Directors may decide that a person who is not a shareholder of the company shall have the right to attend the AGM on terms specified by the Board of Directors.
- Art 13** The company's shares shall be registered in a reconciliation register in accordance with the Accounting of Financial Instruments Act (1998:1479).

<sup>1)</sup> Adopted at Fabege's Annual General Meeting on 27 March 2007 and registered at the Swedish Companies Registration Office (Bolagsverket) on 30 May 2007.

## FIVE YEAR SUMMARY <sup>1)</sup>

Profit and loss account, SEKm	2008	2007	2006	2005	2004
Rental income	2,214	2,066	2,343	2,778	2,169
Net operating income	1,438	1,312	1,401	1,716	1,299
Realised changes in value/Gain from property sales	143	446	61	859	128
Unrealised changes in value, properties	-1,545	893	911	844	23
Operating profit	-24	2,591	2,264	3,349	1,361
Profit after financial items	-1,340	2,066	1,863	2,761	970
Profit after tax	-511	1,812	2,266	2,666	1,384
<b>Balance sheet, SEKm</b>					
Investment properties	29,511	30,829	27,188	21,296	36,379
Other tangible fixed assets	3	6	11	11	32
Financial fixed assets	586	387	1,889	330	830
Current assets	388	458	757	4,185	864
Cash and cash equivalents	54	75	164	71	298
Equity	9,873	11,415	12,177	10,727	11,330
of which minority share of equity <sup>4)</sup>	-	-	21	-	224
Minority interest	-	-	-	-	-
Provisions	624	1,393	1,001	1,356	1,946
Interest-bearing liabilities	18,902	17,210	14,999	12,503	23 703
Derivatives	471	-	-	-	-
Non-interest-bearing liabilities	672	1,737	1,832	1,307	1,424
Total assets	30,542	31,755	30,009	25,893	38,403
<b>Key ratios <sup>2)</sup></b>					
Surplus ratio, %	65	64	60	62	60
Interest coverage ratio, times	1.9	2.8	2.1	3.6	2.4
Capital employed, SEKm	29,246	28,625	27,176	23,230	35,033
Equity/assets ratio, %	32.3	35.9	40.5	41.4	29.5
Debt/equity ratio, times	1.9	1.5	1.2	1.2	2.1
Leverage, properties, %	64.1	55.8	55.2	58.7	65.1
Return on equity, %	-4.8	15.4	19.8	24.2	17.4
Return on capital employed, %	-1.7	9.9	9.0	12.7	7.1
Average interest rate on interest-bearing liabilities, %	3.27	4.28	3.72	3.65	3.91
Property acquisitions and investments in existing properties, SEKm	2,164	4,984	17,045	3,741	22,042
Property sales, selling price, SEKm	2,095	2,919	12,064	13,771	2,728
Average no. of employees	149	146	194	173	182
<b>Data per share, SEK <sup>2)</sup></b>					
Earnings	-3.07	9.98	11.74	13.75	9.51
Equity	60	67	64	56	60
Dividend <sup>3)</sup>	2.00	4.00	4.00	3.75	3.25
Yield, %	6.7	6.0	4.4	9.9	4.6
Share price at year-end <sup>5)</sup>	30.00	66.25	91.75	75.75	70.00
No. of shares at year-end before dilution, millions	164	171	190	192	187
Average no. of shares after dilution, millions	168	182	192	193	139

<sup>1)</sup> 2004-2008 have been prepared and translated in accordance with IFRS.

<sup>2)</sup> Key figures based on the average number of shares, equity, capital employed and interest-bearing liabilities have been calculated based on weighted averages. For 2004-2008 dilution effects from outstanding convertible bonds have been taken into account in calculating per share data and ratios. For the years 2004-2006 the key figures have been translated to enable comparisons with key figures for 2007-2008 due to the 2:1 split of the company's shares.

<sup>3)</sup> Cash dividend 2008 in accordance with the proposal.

<sup>4)</sup> Under IFRS, minority interests are recognised in equity. Under previous Swedish rules, equity did not include minority interests, which were instead reported separately as minority interest.

<sup>5)</sup> Last price paid.

For definitions see the cover flap.



**LIST OF PROPERTIES 31.12.2008**  
– WITH PROPERTIES ACQUIRED AND SOLD

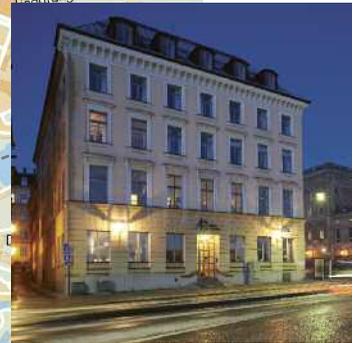




**Barnhusväderkvarnen 36,**  
Inner City.



Fabege's properties in the inner city of Stockholm.



**Aeolus 1,**  
Old Town.

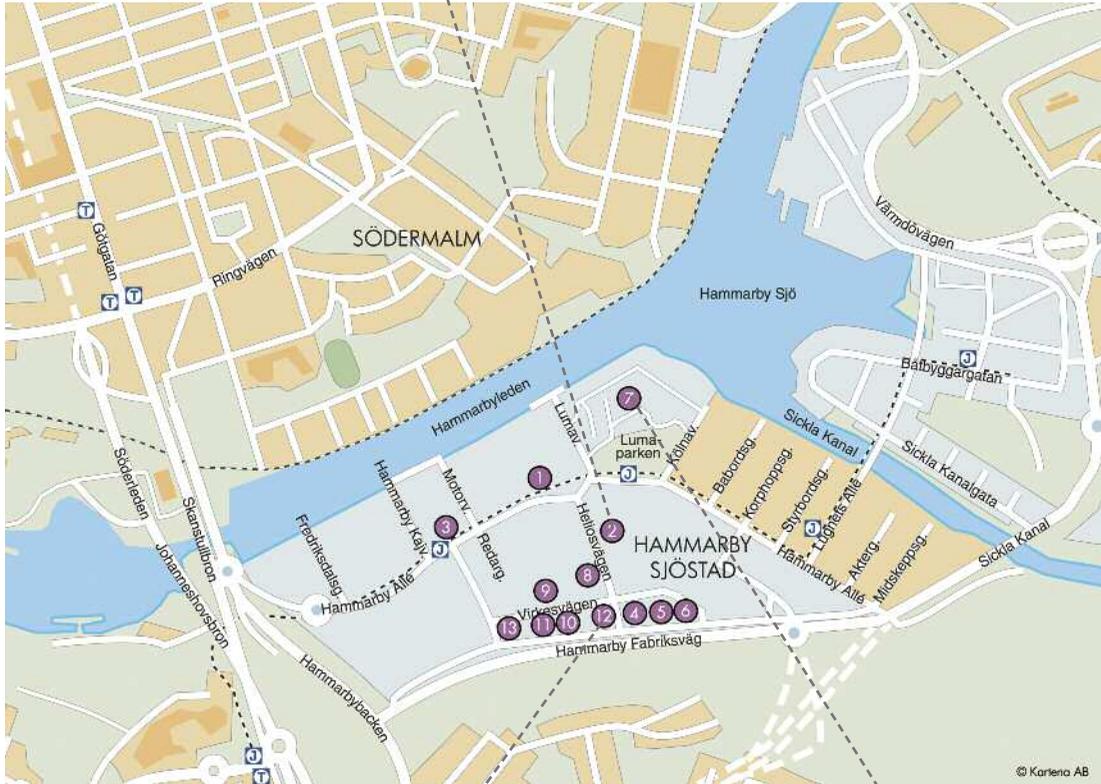


**Adam och Eva 10,**  
Inner City.

MAP NUMBER	PROPERTY NAME	AREA	ADDRESS	SITE (LAND)/LANDHOLD YEAR BUILT	RESIDENTIAL SQM	OFFICE SQM	RETAIL SQM	HOTEL SQM	INDUSTRY/WAREHOUSE SQM	OTHER SQM	GARAGE SQM	TOTAL SQM	TAX ASSESSED VALUE SEK THOUSANDS
<b>INNER CITY</b>													
1	Adam & Eva 10 <sup>1)</sup>	Norrmalm	Drottningg 70	1929	0	1,871	496	0	38	0	0	2,405	93,000
2	Aeolus 1 <sup>1)</sup>	Gamla Stan	Skeppsbron 2	1600	0	6,421	306	0	35	0	0	6,762	167,000
3	Apotekaren 22 <sup>1)</sup>	Norrmalm	Döbelnsg 20, 24, Kungstensg 21–23 Rådmanngatan 40–42, Tulegatan 7, 13	1902/2002	0	27,610	0	0	760	0	1,055	29,425	0
4	Barnhusväderkvarnen 36 <sup>1)</sup>	Norrmalm	Rådmanng 61–65	1963	0	14,052	1,270	0	1,518	0	8,544	25,384	402,000
5	Bocken 35 <sup>2)</sup>	Norrmalm	Lästmakarg 22–24	1951	0	6,184	0	0	517	0	0	6,701	160,000
6	Bocken 39 <sup>2)</sup>	Norrmalm	Lästmakarg 14, Kungsg 7–15	1931	1,182	16,562	2,319	0	1,587	0	0	21,650	681,400
7	Bocken 46 <sup>2)</sup>	Norrmalm	Regeringsgatan 56	1977	0	3,146	0	0	0	0	0	3,146	74,000
8	Bocken 47 <sup>1)</sup>	Norrmalm	Lästmakarg 8	L 1929	0	361	665	0	0	0	0	1,026	31,600
9	Drabanten 3 <sup>1)</sup>	Kungsholmen	Kungsbroplan 3 m fl	1907	0	6,478	0	0	53	0	0	6,531	108,000
10	Duvan 6 <sup>1)</sup>	Norrmalm	Klara Södra Kyrkogata 1	1975	0	10,158	0	0	48	0	0	10,206	326,000
11	Elefanten Mindre 1 <sup>1)</sup>	Norrmalm	Drottninggatan 25	1973	0	3,943	810	0	72	0	0	4,825	157,000
12	Fenix 1 <sup>1)</sup>	Norrmalm	Barnhusgatan 3	L 1929	0	3,385	48	0	238	0	0	3,671	82,000
13	Fiskaren Större 3 <sup>1)</sup>	Södermalm	Götgatan 2	1930	1,375	235	987	0	0	0	0	2,597	42,000
14	Gefingen 13 <sup>1)</sup>	Vasastan	Sveavägen 149	L 1963	0	10,371	562	0	2,774	0	0	13,707	186,000
15	Gefingen 14 <sup>1)</sup>	Vasastan	Sveavägen 143–147	L 1953	0	10,781	0	0	247	361	0	11,389	125,000
16	Gefingen 15 <sup>1)</sup>	Vasastan	Sveavägen 159	L 1963	0	15,348	2,711	0	3,392	0	5,000	26,451	90,980
17	Glädjen 12, <sup>1)</sup>	Stadshagen	Franzéng 6, Hornsbergs Strand 17	L 1949	0	12,240	0	0	0	0	0	12,240	198,000
18	Glädjen 13 <sup>3)</sup>	Stadshagen		L 0	0	0	0	0	0	0	0	0	57,000
19	Grönlandet Södra 13 <sup>1)</sup>	Norrmalm	Adolf Fredriks Kyrkogata 8	1932	0	8,193	0	0	0	0	0	8,193	221,000
20	Guldfisken 18 <sup>1)</sup>	Östermalm	Nybrogatan 57	1936	699	4,401	0	0	0	0	0	5,100	117,400
21	Harpan 51 <sup>1)</sup>	Östermalm	Gumshornsg 2, Linnég 69–71	1920	2,106	2,199	356	0	0	0	0	4,661	0
22	Hägern Mindre 7 <sup>1)</sup>	Norrmalm	Drottninggatan 27–29	L 1971	0	8,144	1,637	0	768	2,167	0	12,716	324,000
23	Islandet 3 (50%) <sup>1)</sup>	Norrmalm	Holländargatan 11–13	L 1904	0	4,189	10	0	0	0	0	4,199	86,000
24	Klamparen 10 <sup>1)</sup>	Kungsholmen	Fleminggatan 12	1986	0	22,381	0	0	72	0	0	22,453	363,000
25	Kolonnen 7 <sup>1)</sup>	Södermalm	Götgatan 95, m fl	1965	1,082	2,161	116	0	67	0	700	4,126	65,200
26	Kåkenhusen 38 <sup>1)</sup>	Östermalm	Brunnsgatan 3, Norrlandsgatan 31–33	1932	0	5,581	1,096	0	0	4	0	6,681	272,000
27	Ladugårdsgården 1:48 <sup>1)</sup>	Väritahamnen	Tullvaktsvägen 9	1930/49	0	37,765	0	0	0	0	1,570	39,335	539,698
28	Lammet 17 <sup>1)</sup>	Norrmalm	Bryggarg 4, G:a Brog 13A, Korgmakargr 4	L 1982	0	6,678	137	0	43	0	0	6,858	0
29	Läraren 13 <sup>1)</sup>	Norrmalm	Torsgatan 4	1904/29	0	6,898	0	0	0	0	0	6,898	105,000
30	Läraren 5 <sup>2)</sup>	Norrmalm	Torsgatan 2	1904/29	524	3,689	0	0	68	1	0	4,282	73,895
31	Mimer 5 <sup>1)</sup>	Vasastan	Hagagatan 25 A–C, Vanadisvägen 9	1957	0	11,491	0	0	156	5	0	11,652	0
32	Murmästaren 7 <sup>1)</sup>	Kungsholmen	Kungsholmstorg 16	1898	0	2,534	502	0	52	0	0	3,088	60,200
33	Norrälje 24 <sup>1)</sup>	Norrmalm	Engelbrectsgatan 5–7	1881	0	6,515	0	0	91	1	680	7,287	201,000
34	Orgelpipan 4 <sup>1)</sup>	Norrmalm	Klarabergsgatan 33–35	L 1957	0	3,175	2,121	0	251	0	1,311	6,858	166,000
35	Ormråsket 10 <sup>1)</sup>	Vasastan	Sveavägen 166–170, 186	1962/1967	0	13,798	3,706	0	527	0	0	18,031	223,200
36	Oxen Mindre 33 <sup>1)</sup>	Norrmalm	Luntmakarg 18, Malmskillnadsg 47 A, B	1979	2,823	9,337	0	0	154	3	1,053	13,370	227,000
37	Pan 1 <sup>1)</sup>	Gamla Stan	S Nygatan 40–42, L Nygatan 23	1929	102	2,326	721	0	0	0	0	3,149	49,507
38	Paradiset 23 <sup>1)</sup>	Stadshagen	Strandbergsg 53–57	1944	0	8,330	316	0	3,617	5	0	12,268	144,000
39	Paradiset 27 <sup>1)</sup>	Stadshagen	Strandbergsg 59–65	1959	0	19,968	3,977	0	1,016	4	3,800	28,765	344,000
40	Paradiset 29 (50%) <sup>3)</sup>	Stadshagen	Lindhagensg 120, Strandbergsg 45	1946	0	0	0	0	7,500	0	7,500	15,000	600
41	Pilen 27 <sup>1)</sup>	Norrmalm	Bryggarg 12A	1907	0	1,965	0	0	116	0	0	2,081	67,000
42	Pilen 31 <sup>1)</sup>	Norrmalm	Gamla Brog 27–29, Vasag 38	L 1988	0	5,148	1,134	2,577	60	0	760	9,679	307,000
43	Resedan 3 <sup>1)</sup>	Vasastan	Dalagatan 13	1929	800	2,768	0	0	0	0	0	3,568	64,000
44	Signalen 1 <sup>1)</sup>	Södermalm	Falkungag 122–124	1905	0	2,679	572	0	10	2	0	3,263	48,200
45	Sparven 18 <sup>1)</sup>	Östermalm	Birger Jarlsg 21–23, Kungsg 2	1929	0	2,006	1,642	5,097	0	0	0	8,745	274,000
46	Stralsund 1 (50%) <sup>3)</sup>	Väritahamnen	Fjärde Bassängvägen 10		0	0	0	0	0	0	0	0	0
47	Trängkären 7 <sup>1)</sup>	Marieberg	Gjörwellsg 30–34, Rålambsv 7–15	1963	0	49,559	1,927	0	4,867	0	20,000	76,353	795,000
48	Valnöten 8 <sup>1)</sup>	Kungsholmen	Hantverkarg 26, Scheeleg 1	1885	360	1,864	780	0	28	0	0	3,032	50,118
49	Ynglingen 10 <sup>1)</sup>	Östermalm	Jungfrug 23, 27, Karlav 58–60	1929	2,399	7,718	908	0	220	0	0	11,245	253,000
<b>Total Inner City</b>					<b>13,452</b>	<b>412,606</b>	<b>31,831</b>	<b>7,674</b>	<b>30,962</b>	<b>2,552</b>	<b>51,973</b>	<b>551,049</b>	<b>8,421,998</b>



**Godsfinkan 1**, Hammarby Sjöstad.



Fabege's properties in Hammarby Sjöstad.



**Triksåfabriken 8**,  
Hammarby Sjöstad.



**Luma 1**, Hammarby Sjöstad.

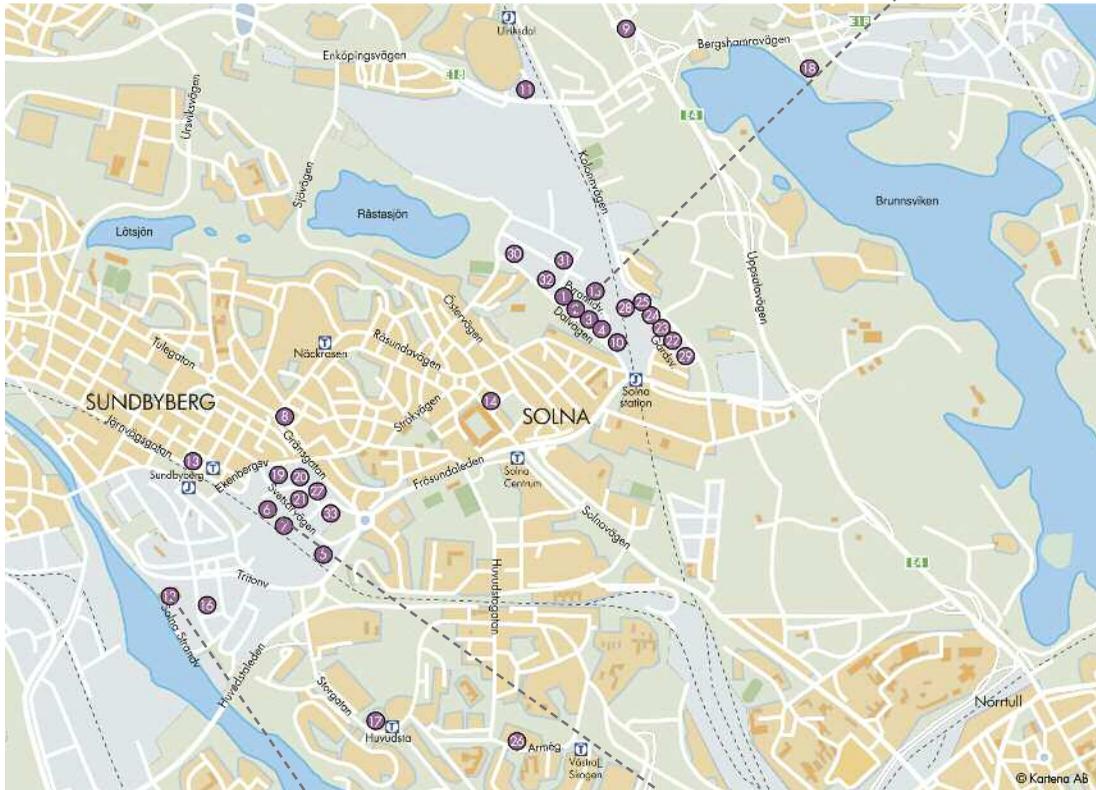
MAP NUMBER	PROPERTY NAME	AREA	ADDRESS	SITE / LAND / LANDHOLD YEAR BUILT	RESIDENTIAL SQM	OFFICE SQM	RETAIL SQM	HOTEL SQM	INDUSTRY / WAREHOUSE SQM	OTHER SQM	GARAGE SQM	TOTAL SQM	TAX ASSESSED VALUE SEK THOUSANDS
<b>HAMMARBY SJÖSTAD</b>													
1	Fartygstrafiken 2 <sup>2)</sup>	Hammarby Sjöstad	Hammarby Allé 91–95	1955	0	6,801	1,764	0	86	0	0	8,651	63,800
2	Godsfinkan 1 <sup>1)</sup>	Hammarby Sjöstad	Heliosvägen 1	L 1990	0	7,778	0	0	55	23	0	7,856	56,359
3	Hammarby Gärd 7 <sup>3)</sup>	Hammarby Sjöstad	Hammarby Allé 21, 25, Hammarby Kajv 2–8, 12–18	1955 1937	0	15,598	646	0	4,498	0	0	20,742	159,800
4	Korhoppet 1 <sup>2)</sup>	Hammarby Sjöstad	Hammarby Fabriksväg 41–43	1949	0	3,136	372	0	9,707	17	1,200	14,432	35,372
5	Korhoppet 5 <sup>2)</sup>	Hammarby Sjöstad	Hammarby Fabriksväg 37–39	L 1968	0	0	359	0	3,143	65	0	3,567	11,321
6	Korhoppet 6 <sup>2)</sup>	Hammarby Sjöstad	Hammarby Fabriksväg 33	L 1988	0	0	4,986	0	0	0	0	4,986	31,800
7	Luma 1 <sup>2)</sup>	Hammarby Sjöstad	Ljusslingan 1–17, 2–36, Glödlampsgränd 1–6, Lumaparksv 2–18, 5–21, Kölnag 3	1930	691	23,721	2,314	0	7,706	10	0	34,442	206,115
8	Påsen 10 <sup>1)</sup>	Hammarby Sjöstad	Heliosg 11–13, Virkesv 9	1942	0	3,698	1,445	0	4,115	0	336	9,594	34,692
9	Påsen 8 <sup>1)</sup>	Hammarby Sjöstad	Virkesvägen 5	L 1974	0	0	0	0	3,105	0	0	3,105	13,096
10	Trikkåfabriken 12 <sup>2)</sup>	Hammarby Sjöstad	Hammarby Fabriksväg 27	1942	0	679	0	0	345	0	285	1,309	4,355
11	Trikkåfabriken 4 <sup>1)</sup>	Hammarby Sjöstad	Hammarby Fabriksväg 25	1991	0	5,366	0	0	4,535	0	0	9,901	67,400
12	Trikkåfabriken 8 <sup>1)</sup>	Hammarby Sjöstad	Hammarby Fabriksväg 29–31	1930	0	10,185	692	0	4,538	12	0	15,427	60,400
13	Trikkåfabriken 9 <sup>1)</sup>	Hammarby Sjöstad	Hammarby Fabriksväg 19–21	1928	0	7,866	820	0	2,777	0	1,186	12,649	43,249
<b>Total Hammarby Sjöstad</b>					<b>691</b>	<b>84,827</b>	<b>13,398</b>	<b>0</b>	<b>44,609</b>	<b>127</b>	<b>3,007</b>	<b>146,660</b>	<b>787,759</b>
<b>SOLNA</b>													
1	Farao 14 <sup>2)</sup>	Arenastaden	Dalvägen 10, Pyramidvägen 7, 9	1964	0	16,270	406	0	2,924	0	0	19,600	129,400
2	Farao 15 <sup>1)</sup>	Arenastaden	Dalvägen 8, Pyramidvägen 5	1981	0	7,050	708	0	462	1,740	319	10,279	77,400
3	Farao 16 <sup>2)</sup>	Arenastaden	Dalvägen 4–6, Pyramidvägen 3	1973	0	3,905	1,288	0	628	877	0	6,698	49,600
4	Farao 17 <sup>2)</sup>	Arenastaden	Dalvägen 2, Pyramidvägen	1975	0	4,622	0	0	460	316	520	5,918	36,800
5	Fräsaren 10 <sup>2)</sup>	Solna Business Park	Svetsarvägen 24	1964	0	10,044	295	0	0	9	0	10,348	61,400
6	Fräsaren 11 <sup>1)</sup>	Solna Business Park	Englundavägen 2–4, Svetsarvägen 4–10	1962	0	32,281	0	1,840	2,625	1,152	2,400	40,298	404,000
7	Fräsaren 12 <sup>1)</sup>	Solna Business Park	Svetsarvägen 12–18, 20, 20A	1964	0	19,404	10,109	0	173	60	0	29,746	394,946
8	Hallen 6 <sup>1)</sup>	Solna	Råsundavägen 175	1992	0	0	0	4,600	0	0	0	4,600	39,600
9	Järvakrogen 3 <sup>3)</sup>	Frösunda	Enköpingsvägen 1		0	0	0	0	0	0	0	0	2,328
10	Kairo 1 <sup>1)</sup>	Arenastaden	Pyramidvägen 2	1983	0	10,741	0	0	0	0	0	10,741	107,400
11	Karlsro 1 <sup>1)</sup>	Järva	Karlsrogatan 2	1968	0	1,824	0	0	11,141	0	0	12,965	41,400
12	Nöten 4 <sup>1)</sup>	Solna Strand	Solna strandväg 2–60	1971	0	38,336	670	0	7,498	259	11,736	58,499	406,000
13	Orgeln 7 <sup>1)</sup>	Sundbyberg	Järnvägsg 12–20, Lysgränd 1, Roseng2,4, Stureg 11–19	1966	0	23,154	3,694	0	166	74	0	27,088	280,000
14	Planen 4 <sup>1)</sup>	Råsunda	Bollgatan 1–5, Solnavägen 102 A–C	1992	0	4,509	389	0	85	61	0	5,044	54,800
15	Pyramiden 4 <sup>2)</sup>	Arenastaden	Pyramidvägen 20	1960	0	3,104	0	0	75	10	0	3,189	38,000
16	Päronet 8 <sup>2)</sup>	Solna Strand	Solna strandväg 13–15, Torggatan	1976	0	19,700	0	0	915	0	0	20,615	180,000
17	Rovan 1 <sup>3)</sup>	Huvudsta	Storgatan 60–68	1972	136	1,762	5,804	8,824	618	1	0	17,145	159,000
18	Skogskarlen 1 & 3 <sup>1)</sup>	Bergshamra	Björnstigen 81, Pipers väg 2	1929/1971	0	7,965	814	0	494	0	0	9,273	109,895
19	Sliparen 1 <sup>2)</sup>	Solna Business Park	Ekensbergsv 115, Svetsarv 1–3	1963	0	4,586	0	0	0	0	0	4,586	17,151
20	Sliparen 2 <sup>1)</sup>	Solna Business Park	Ekensbergsv 113, Svetsarv 3–5	1964	0	18,704	0	0	464	783	0	19,951	201,800
21	Smeden 1 <sup>1)</sup>	Solna Business Park	Englundav 6–14, Smidesv 5–7, Svetsarv 5–17	1967	432	34,290	4,894	0	729	19	4,000	44,363	371,718
22	Stigbygeln 2 <sup>1)</sup>	Arenastaden	Gårdsvägen 6	1955	0	8,898	0	0	0	0	0	8,898	25,318
23	Stigbygeln 3 <sup>1)</sup>	Arenastaden	Gårdsvägen 8	1960	0	5,794	0	0	0	0	0	5,794	59,600
24	Stigbygeln 5 <sup>2)</sup>	Arenastaden	Gårdsvägen 10 A, B	1963	0	6,545	0	0	635	156	0	7,336	78,600
25	Stigbygeln 6 <sup>1)</sup>	Arenastaden	Gårdsvägen 12–18	2001	0	6,733	581	0	169	6	2,702	10,191	156,200
26	Styckjunkaren 3 <sup>1)</sup>	Huvudsta	Armégatan 38	1974	0	12,557	0	0	1,222	0	0	13,779	132,200
27	Svetsaren 1 <sup>1)</sup>	Solna Business Park	Englundavägen 7–13	1964	0	30,760	329	0	2,794	0	0	33,883	327,000
28	Tygeln 3 <sup>1)</sup>	Arenastaden	Gårdsvägen 13–21	2001	0	2,711	0	0	0	0	0	2,711	44,200
29	Tömmen 2 <sup>2)</sup>	Arenastaden	Solna Station		0	0	0	0	0	0	2,100	2,100	0
30	Uarda 1 <sup>2)</sup>	Arenastaden	Dalvägen 22A–C, 22–30	1987	0	21,302	980	0	4,596	0	0	26,878	180,000
31	Uarda 2 <sup>1)</sup>	Arenastaden	Dalvägen 18, Magasinvägen 1	1978	0	0	0	0	5,586	0	0	5,586	21,000
32	Uarda 4 <sup>1)</sup>	Arenastaden	Dalvägen 14–16	1992	0	6,396	0	0	1,549	0	0	7,945	89,200
33	Yrket 3 <sup>1)</sup>	Solna Business Park	Smidesvägen 2–8	1982	0	6,273	0	0	145	0	0	6,418	32,725
<b>Total Solna</b>					<b>568</b>	<b>370,220</b>	<b>30,961</b>	<b>15,264</b>	<b>46,151</b>	<b>5,523</b>	<b>23,777</b>	<b>492,464</b>	<b>4,308,681</b>







**Farao 15, Arenastaden.**



Fabege's properties in Solna.



**Nöten 4, Solna Strand.**



**Fräsaren 11, Solna Business Park.**

MAP NUMBER	PROPERTY NAME	AREA	ADDRESS	SITE (LAND)/LANDHOLD YEAR BUILT	RESIDENTIAL SQM	OFFICE SQM	RETAIL SQM	HOTEL SQM	INDUSTRY/WAREHOUSE SQM	OTHER SQM	GARAGE SQM	TOTAL SQM	TAX ASSESSED VALUE SEK THOUSANDS
<b>OTHER NORTHERN STOCKHOLM</b>													
1	Berga 6:558 <sup>3)</sup>	Åkersberga			0	0	0	0	0	0	0	0	0
2	Bergklacken 5 & 6 <sup>1)</sup>	Bromma	Grindstuvägen 40-50	L 1972	0	6,319	0	0	4,662	1,420	0	12,401	42,476
3	Bordduken 7 <sup>1)</sup>	Brommaplan	Klädesvägen 12 - 14	L 1984	0	5,572	2,661	0	92	0	0	8,325	88,800
4	Brandsprutan 2 <sup>1)</sup>	Näsby Park	Nytorpsvägen 5-7	1988	0	9,959	256	0	47	0	3,000	13,262	0
5	Domnarvet 18 <sup>1)</sup>	Lunda	Fagerstagatan 11-13	L 1991	0	5,254	103	0	267	0	0	5,624	0
6	Domnarvet 36 <sup>1)</sup>	Lunda	Fagerstagatan 15	L 1991	0	4,255	0	0	0	0	0	4,255	17,695
7	Elementet 1 <sup>1)</sup>	Ulvunda	Ulvundavägen 106	1938	0	3,353	2,612	0	3,803	0	0	9,768	55,076
8	Ferdinand 9 <sup>1)</sup>	Bromsten	Sunnstenvägen 168-172	1956	0	0	0	0	4,390	0	0	4,390	17,593
9	Fotkvarnen 1 <sup>2)</sup>	Rinkeby	Sunnanbyplan 9-10	L 1970	8,858	454	0	0	0	0	0	9,312	43,107
10	Fotkvarnen 2 <sup>2)</sup>	Rinkeby	Sunnanbyplan 3-25, 6-16	L 1970	0	0	0	0	0	0	0	0	819
11	Generatoren 17 <sup>1)</sup>	Bromma	Ranhammarsvägen 27-29	L 1955	0	0	1,920	0	4,013	0	0	5,933	26,987
12	Grammet 1 <sup>1)</sup>	Brommaplan	Tunlandet 3, 11-13	1962	0	4,509	2,239	0	233	79	0	7,060	66,800
13	Hammarby Smedby 1:464 <sup>3)</sup>	Upplands Väsby,	Johanneslundsvägen 3-5		0	0	0	0	0	0	0	0	0
14	Handkvarnen 3 <sup>2)</sup>	Rinkeby	Sörbyplan 3-13, 4-32	L 1970	9,428	346	0	0	689	0	0	10,463	46,531
15	Hjul kvarnen 1 <sup>2)</sup>	Rinkeby	Mellanbyplan 9-11	L 1970	5,215	361	0	0	242	0	0	5,818	28,591
16	Hjul kvarnen 2 <sup>2)</sup>	Rinkeby	Mellanbyplan 8-10	L 1970	5,451	360	0	0	229	0	0	6,039	27,814
17	Hjul kvarnen 3 <sup>2)</sup>	Rinkeby	Mellanbyplan	L 1970	0	0	0	0	0	0	0	0	924
18	Hyppinge 1 <sup>2)</sup>	Tensta	Hyppingeplan	L 1970	0	0	0	0	0	0	0	0	1,762
19	Induktorn 28 <sup>1)</sup>	Bromma	Ranhammarsvägen 24	L 1942	0	2,773	1,118	0	1,430	35	0	5,356	17,698
20	Induktorn 33 <sup>1)</sup>	Bromma	Ranhammarsvägen 16-18	1943	0	5,543	640	0	10,986	360	0	17,529	59,879
21	Jollen 4 <sup>1)</sup>	Näsby Park	Kuttervägen 1-3	1970	0	7,549	0	0	742	0	0	8,291	32,000
22	Kullinge 1 <sup>2)</sup>	Tensta	Risingeplan 9-11	L 1970	13,004	448	64	0	208	0	0	13,724	63,606
23	Linneduken 5 <sup>1)</sup>	Brommaplan	Brommaplan 403-405	L 1948	0	2,180	222	0	410	0	0	2,812	23,996
24	Masugnen 7 <sup>2)</sup>	Bromma	Karlsbodavägen 18-20	1991	0	10,650	0	0	0	21	825	11,496	66,200
25	Märsta 15:5 <sup>3)</sup>	Märsta			0	0	0	0	0	0	0	0	570
26	Racketen 11 <sup>3)</sup>	Alvik	Gustavslundsvägen		0	0	0	0	0	0	0	0	7,984
27	Rinkeby 2:1 <sup>2)</sup>	Rinkeby	Parkering	L 1970	0	0	0	0	0	0	0	0	0
28	Rinkeby 2:13 <sup>2)</sup>	Rinkeby	Parkering	L 1970	0	0	0	0	0	0	0	0	0
29	Rinkeby 2:14 <sup>2)</sup>	Rinkeby	Parkering	L 1970	0	0	0	0	0	0	0	0	0
30	Risinge 1 <sup>2)</sup>	Tensta	Risingeplan 8-10	L 1970	13,440	252	163	0	83	0	0	13,938	64,636
31	Sjukhuset 9 <sup>1)</sup> och 10 <sup>3)</sup>	Danderyd	Mörbylund 3-5	1972	0	0	0	0	1,410	0	0	1,410	6,200
32	Skvaltkvarnen 1 <sup>2)</sup>	Rinkeby	Storbyplan 9-11	L 1970	8,336	423	0	0	45	0	0	8,804	39,095
33	Skvaltkvarnen 2 <sup>2)</sup>	Rinkeby	Storbyplan 8-10	L 1970	4,542	0	0	0	0	0	0	4,542	22,268
34	Skvaltkvarnen 3 <sup>2)</sup>	Rinkeby	Storbyplan	L 1970	0	0	0	0	0	0	0	0	924
35	Tekniken 1 <sup>3)</sup>	Sollentuna			0	0	0	0	0	0	0	0	6,600
36	Täby Näsbypark 73:5 <sup>3)</sup>	Näsby Park			0	0	0	0	0	0	0	0	0
37	Ulvunda 1:1 <sup>1)</sup>	Bromma flygplats	Flygplansinfarten 27	L 2004	0	0	0	0	1,241	0	0	1,241	0
38	Vallentuna Rickeby 1:327 <sup>3)</sup>	Vallentuna			0	0	0	0	0	0	0	0	349
39	Veddesta 2:68 <sup>1)</sup>	Veddesta	Fakturavägen 6	1990	0	998	0	0	1,779	0	0	2,777	14,889
40	Vättinge 1 <sup>2)</sup>	Tensta	Hyppingeplan 8-10	L 1970	6,780	292	75	0	76	0	0	7,223	33,827
41	Vättinge 2 <sup>2)</sup>	Tensta	Hyppingeplan 20-31	L 1970	5,188	175	0	0	0	0	0	5,363	24,536
42	Vättinge 3 <sup>2)</sup>	Tensta	Hyppingeplan 9-11	L 1970	6,895	153	2,069	0	395	0	0	9,512	40,077
43	Vävnaden 1 <sup>1)</sup>	Brommaplan	Tunlandet 2	L 1987	0	0	299	0	0	0	0	299	6,084
44	Öninge 1 <sup>2)</sup>	Tensta	Risingeplan 3-31, 4-32	L 1970	0	0	0	0	0	0	0	0	437
<b>Total other Northern Stockholm</b>					<b>87,136</b>	<b>72,177</b>	<b>14,441</b>	<b>0</b>	<b>37,471</b>	<b>1,915</b>	<b>3,825</b>	<b>216,965</b>	<b>996,830</b>

MAP NUMBER	PROPERTY NAME	AREA	ADDRESS	SITE/LAND/LANDHOLD YEAR BUILT	RESIDENTIAL, SQM	OFFICE, SQM	RETAIL, SQM	HOTEL, SQM	INDUSTRY/WAREHOUSE, SQM	OTHER, SQM	GARAGE, SQM	TOTAL, SQM	TAX ASSESSED VALUE, SEK THOUSANDS
<b>OTHER SOUTHERN STOCKHOLM</b>													
1	Elektra 20 <sup>3)</sup>	Västberga	Elektravägen 49-53	L 1962	0	0	0	0	0	0	0	0	2,904
2	Lillsåtra 3 <sup>1)</sup>	Såtra	Storsåtragränd 5	L 2008	0	0	0	0	8,519	0	0	8,519	0
3	Näsby 4:1472 <sup>3)</sup>	Tyresö	Studiovägen 1		0	0	0	0	0	0	0	0	124
4	Pelaren 1 <sup>3)</sup>	Globen	Pastellvägen 2-6		0	0	0	0	0	0	0	0	4,208
5	Sicklaön 145:13 <sup>3)</sup>	Nacka	Herrgårdsparken 1-5	1680	0	0	0	0	0	0	0	0	559
6	Sicklaön 145:14 <sup>3)</sup>	Nacka	Herrgårdsparken 7-9	1700	94	116	0	0	0	0	0	210	0
7	Sicklaön 145:15 <sup>3)</sup>	Nacka	Herrgårdsparken 11-13	1700	0	0	0	0	0	0	0	0	241
8	Sicklaön 145:17 <sup>1)</sup>	Nacka	Garverigränd 7-13, Winborgs väg 26-30	1888	0	67	4,730	0	290	0	0	5,087	54,200
9	Sicklaön 145:19 <sup>1)</sup>	Nacka	Turbinv 1-11	1900	0	2,209	11,923	0	167	9	2,818	17,126	146,400
10	Sicklaön 145:2 <sup>3)</sup>	Nacka	Turbinv 1		0	2,100	0	0	0	0	0	2,100	0
11	Sicklaön 145:20 <sup>1)</sup>	Nacka	Järla Gärdsväg 11-17	1900	0	0	3,344	0	0	0	0	3,344	19,630
12	Sicklaön 364:1 <sup>3)</sup>	Nacka	Turbinvägen 1		0	0	0	0	0	0	0	0	675
13	Sicklaön 392:1 <sup>3)</sup>	Danvikstull	Kvarholmsvägen 12	1986	0	0	0	0	0	0	0	0	4,252
14	Söderbymalm 3:405 <sup>3)</sup>	Haninge	Nynäsvägen 65, Stores Gränd 20-22	1972	0	6,646	966	0	2,351	37	0	10,000	170,045
<b>Total other Southern Stockholm</b>					<b>94</b>	<b>11,138</b>	<b>20,962</b>	<b>0</b>	<b>11,327</b>	<b>46</b>	<b>2,818</b>	<b>46,385</b>	<b>403,238</b>
<b>OTHER OUTSIDE STOCKHOLM</b>													
	Grimbergen <sup>3)</sup>	Belgien	St Annastraat		0	0	0	0	0	0	0	0	0
<b>Total other Outside Stockholm</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GROUP</b>					<b>101,941</b>	<b>950,968</b>	<b>111,593</b>	<b>22,938</b>	<b>170,520</b>	<b>10,162</b>	<b>85,400</b>	<b>1,453,522</b>	<b>14,918,506</b>

<sup>1)</sup> Investment property – properties that is actively managed on an ongoing basis.

<sup>2)</sup> Improvement property – 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.

<sup>3)</sup> Land & project property – Land and developable properties and properties in which a new build/complete redevelopment is in progress.

## PROPERTIES ACQUIRED AND SOLD

PROPERTY NAME	AREA	CATEGORY	FLOOR SPACE, SQM
<b>PROPERTIES SOLD</b>			
<b>Quarter 1</b>			
Marievik 14	Marievik	Kontor	16,923
Marievik 19	Marievik	Kontor	20,706
Verdandi 9	Vasastan	Bostäder	1,399
Landbyska Verket 10	Östermalm	Kontor	1,266
Krejaren 2	Östermalm	Mark	-
<b>Quarter 2</b>			
Axet 1/Bladet 1	Bergshamra	Kontor	31,688
Gräddö 2&4	Farsta	Kontor	14,321
Kurland 17	Vasastan	Kontor	1,798
Ånsta 20:17	Örebro	Industri	3,011
<b>Quarter 3</b>			
Kallhäll 9:35	Kallhäll	Mark	-
<b>Quarter 4</b>			
Polacken 25	Norrmalm	Kontor	2467
<b>TOTAL PROPERTY SALES JAN-DEC 2008</b>			<b>93,579</b>
<b>PROPERTIES ACQUIRED</b>			
<b>Quarter 1</b>			
Uarda 2	Arenastaden		5,586
Krejaren 2	Östermalm		-
<b>TOTAL PROPERTY ACQUISITIONS JAN-DEC 2008</b>			<b>5,586</b>

READ MORE ABOUT OUR PROPERTIES AT [WWW.FABEGE.SE](http://WWW.FABEGE.SE)

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