



Faberge AB (publ)

## **PRESS RELEASE**

**22 March 2010, 11:50 AM CET**

### **Faberge to develop residential units in partnership with Oscar Properties**

Faberge and Oscar Properties Invest AB have formed a jointly owned company for developing residential properties with tenant-owner flats in Stockholm. The company will be owned in equal parts by the two parties and will acquire properties for new builds or conversion of existing buildings into residential units, which will then be transferred to tenant-owner associations, a type of housing cooperative that is common in Sweden.

Concluded at the beginning of the year, the deal was contingent on the jointly-owned company obtaining funding for the acquisition of developable properties, which has now been arranged.

Faberge transfers initially two properties to the joint company. The total consideration is SEK 315m and the company will take possession of the properties in July and December 2010. The intention is to convert the space into residential units, which will then be sold as tenant-owner flats.

The profit from the sales will be reported at the time of occupancy in the third and fourth quarter respectively.

“Stockholm is growing, and there is a long-term need for additional housing. Faberge has several existing buildings in locations that are more suited for residential use than office use. Converting these buildings is good both in terms of sustainability and profitability,” Christian Hermelin, Faberge’s CEO, says. “We are delighted to be able to launch this joint project, which combines the potential of our existing buildings with Oscar Properties’ specific expertise in developing and selling residential units,” Christian Hermelin concludes.

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*Faberge AB (publ) is one of Sweden’s leading property companies focusing on commercial premises. The book value of the company’s property portfolio is approximately SEK 29.2bn. The portfolio is concentrated to the Stockholm region and has an annualised rental value of SEK 2.4bn and a lettable area of 1.4m sqm. Faberge’s shares are listed on the Nasdaq OMX Stockholm, Large Cap segment.*