



Faberge AB (publ)

PRESS RELEASE

22 April 2010, 12:35 am CET

Correction: Administrative Court rejects Faberge's appeal in tax case

The Swedish Tax Agency has in several decisions ruled that companies in the Faberge Group are to have their tax assessments increased in respect of a number of property sales via limited partnerships. As at 31 March 2010, the total increase in taxable income amounts to **SEK 5,301m**. The decisions have resulted in total tax demands of SEK 1,484m plus a tax penalty of SEK 182m, making a total demand of SEK 1,667m excluding interest payments. The amount includes an additional new case that arose during the first quarter of 2010, which is to be tried under the Swedish Tax Evasion Act.

The Administrative Court (formerly the County Administrative Court) has issued verdicts concerning several of Faberge's tax cases. The Administrative Court in Stockholm has approved the Tax Agency's decisions. In arriving at its verdict, the Administrative Court had no cause to determine whether the Swedish Tax Evasion Act could have been applied. As a result of these verdicts, Swedish Faberge companies have been taxed for sales revenues that accrued to Dutch Group companies – the sales revenues have been "reallocated" to the Swedish minority ownership of the companies.

The Administrative Court's verdicts pertain to cases for which the matter of reallocation of earnings has been tried. They do not encompass other cases in which only the matter of tax evasion is to be tried.

In total, the verdicts will entail an increase in taxable income by SEK 2,858m, and a total tax demand, including the tax penalty, of SEK 727m. To this will be added an interest payment of SEK 84m. The original tax demand, pertaining to an offsetting of revenues against loss carry-forwards, has been reduced by SEK 176m. These carry-forwards have not been recognised in Faberge's balance sheet.

The Administrative Court's verdicts will be appealed by Faberge, which is of the opinion that the Administrative Court has disregarded a number of important aspects and that the verdicts are therefore incorrect – an assessment shared by Faberge's advisors on the matters. In the opinion of Faberge there are good reasons to believe that the Administrative Court of Appeal will amend the Administrative Court's rulings to the benefit of Faberge. The Board of Directors has decided not to make a provision in the balance sheet to cover this amount, which is recognised as a contingent liability, as in previous financial statements.

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This constitutes information that Faberge AB (publ) may be legally obliged to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. The information was released for publication at 12:35 am CET on 22 April 2010.

Faberge AB (publ) is one of Sweden's leading property companies focusing on commercial premises. The carrying amount 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 Nasdaq OMX Stockholm, Large Cap segment.