

2012

Interim Report January–March

- Profit from property management increased to SEK 125m (113), and rental income increased to SEK 453m (446). The year-on-year change was due to growth through positive net lettings and completed projects.
- Unrealised changes in value amounted to SEK 406m (291) on properties and SEK 220m (109) on interest-rate derivatives.
- After-tax profit for the period amounted to SEK 561m (378), corresponding to earnings per share of SEK 3.46 (2.32).
- Net lettings amounted to SEK 88m (13).

Key figures, SEKm

	2012 Jan–Mar	2011 Jan–Mar	2011 Jan–Dec
Rental income	453	446	1,804
Running costs and central costs	–176	–186	–640
Net financial items (excl. changes in value)	–152	–147	–600
Profit from property management activities	125	113	564
Changes in value	628	398	853
Tax	–192	–133	–276
Profit/loss after tax	561	378	1,141
Surplus ratio, %	64	62	68
Equity/assets ratio, %	38	39	39
Equity per share, SEK	74	69	73
Return on equity, %	18.8	13.5	9.9

Chief executive's review

Fabege is performing well! Early in the year, we noted growth in income, profit from property management and property values. Positive net lettings in the past year are now contributing to this beneficial development, as project properties are being completed and tenants are assuming occupancy. In the first quarter, we signed many new leases, which will contribute to a continued positive trend in the time to come.

Our potential for continued positive development is strong today, now that we see that Stockholm is growing at the same time as the new production of offices remains low. Fabege offers modern offices in attractive locations. Our concentration brings us closer to our customers and provides strong market familiarity, which are two pivotal factors for maintaining existing tenants and identifying new customers. Our committed employees are working hard to also make 2012 a good year for net lettings. During the first quarter, we signed more than 50 new leases, of which the lease with the Swedish Tax Agency (SEK 60m, net) was by far the largest. Equally important is the fact that our customers choose to stay in our premises. We have secured a stronger cash flow for the future and we create value. At the same time we know that there is more potential to pursue.

The rate of investment remained high during the quarter. Efforts to complete our five major projects are progressing. We also commenced the project of remodelling the Nöten 4 property in Solna strand on behalf of the Swedish Tax Agency. We expect to maintain a high and profitable rate of investment during the year.

Despite an uncertain business environment and weaker economic forecasts also for Sweden, we have not noted any signs of a slowdown in our business discussions to date. We continue to encounter significant interest from potential tenants. Internally, we have initiated an effort to become a more customer-oriented organisation. By being more receptive to our tenants' needs, we create more satisfied customers and even more committed employees, thus forming the foundation for continued increased income and value growth moving forward.



CHRISTIAN HERMELIN
Chief Executive Officer

TRANSACTIONS

Create growth

Fabege aims to acquire properties that offer better growth opportunities than existing investment properties in its portfolio. As a significant player in a number of select sub-markets, Fabege has acquired in-depth experience and knowledge about the markets, plans for development, other players and individual properties. The company continuously monitors and analyses developments with a view to exploiting opportunities to develop its property portfolio.

Concentrating the portfolio

Fabege aims to sell properties that are located outside its concentrated property management units or have limited prospects for further growth. Location, condition and vacancies 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 capital growth could thus become a candidate for divestment.

PROPERTY MANAGEMENT

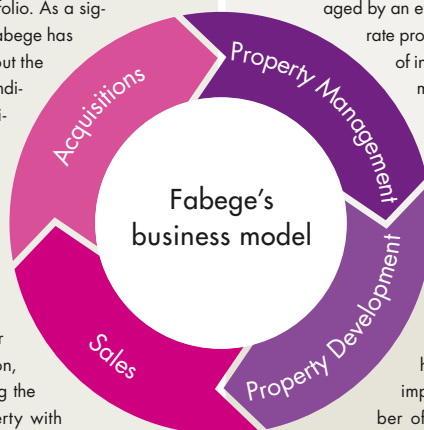
Close to the customer

Property management is Fabege's main business area. The properties are managed by an efficient in-house organisation, which is divided into separate property management areas. Each area has a large degree of individual responsibility to ensure a high degree of commitment and proximity to the customer. The company's customer-facing property management activities are designed to support a high occupancy rate and encourage customers to remain with Fabege. Satisfied customers help to improve our net operating income.

Adding value

Property development in properties with growth potential is a key element of Fabege's business model, helping to add value. In addition to developing and improving acquired properties, Fabege already has a number of development and project properties in its portfolio, and seeks to develop its potential as market conditions permit. The volume of projects is adapted to market demand. New builds and more extensive development projects are always based on the principles defined in the EU GreenBuilding programme.

PROPERTY DEVELOPMENT



Results²⁾

First quarter in brief¹⁾

QUARTER 1 JANUARY–MARCH 2012

- The rental market remained strong with healthy demand for office premises in Stockholm.
- New lettings amounted to SEK 108m (40). During the quarter, several major leases were signed in the project portfolio, of which the largest pertained to the Swedish Tax Agency (SEK 60m, net). Net lettings amounted to SEK 88m (13) for the quarter.
- Profit from property management amounted to SEK 125m (113). The increase was primarily attributable to rental growth through solid net lettings and completed projects and lower costs stemming from a milder winter.
- The surplus ratio increased to 64 per cent (62).
- The property portfolio showed continued unrealised value growth of SEK 406m (291), of which projects accounted for SEK 222m (65).
- Due to increasing long-term interest rates the negative fair value of the derivative portfolio decreased by SEK 220m.
- After-tax profit for the quarter amounted to SEK 561m (378).

¹⁾The comparison figures for income and expense items relate to values for the period January–March 2011 and for balance sheet items as at 31 December 2011.

The preceding year's strong net lettings and the gradual completion of projects will result in revenue growth and an improved surplus ratio. Both the project portfolio and the management portfolio contributed positive value growth during the first quarter.

REVENUES AND EARNINGS

Profit for the period amounted SEK 561m (378). An improvement in net operating income and positive value changes in the property portfolio and the derivative portfolio contributed to the year-on-year improvement in earnings. Earnings per share after tax amounted to SEK 3.46 (2.32).

Despite a smaller portfolio, rental income rose to SEK 453m (446) and net operating income increased to SEK 290m (275). The increase in rental income was attributable to positive net lettings and the fact that completed project properties are beginning to generate rental income.

The surplus ratio amounted to 64 per cent (62). In a comparable portfolio, rental income increased with 4 per cent while operating income increased with approximately 6 per cent. Positive net lettings will continue to generate gradual growth in rental income in 2012 and early 2013.

Realised changes in the value of properties amounted to SEK 1m (0), and unrealised changes in value totalled SEK 406m (291). The SEK 184m unrealised change in the value of the portfolio of investment properties was primarily attributable to properties with potential for an increase in rent levels and a reduction in vacancy rates as well as a slightly lower required yield. The project portfolio contributed to an unrealised value change of SEK 222m, which was primarily attributable to the Uarda 5 (Arenastaden) and Klamparen 10 (Fleminggatan) properties.

Share in profit of associated companies amounted to SEK 0m (0). Changes in the value of interest-rate derivatives and equities amounted to SEK 220m (109), and net interest expense increased to SEK –152m (–147) mainly due to an increase in indebtedness. The average interest rate during the period was stable (refer to the Financing section).

Business model's contribution to earnings

SEKm	Jan–Mar 2012	Jan–Mar 2011
Profit from Property Management	132	122
Changes in value (portfolio of investment properties)	184	226
Contribution from Property Management	316	348
Profit from Property Management	–7	–9
Changes in value (profit from Property Development)	222	65
Contribution from Property Development	215	56
Contribution from Transactions (Realised changes in value)	1	0
Changes in value, derivatives and equities	221	107
Profit before tax	753	511

TAX

The tax expense for the period amounted to SEK –192m (–133), corresponding to 26.3 per cent tax on continuous taxable earnings.

CASH FLOW

Profit contributed SEK 149m (110) to liquidity. After a decrease of SEK 7m (1,556) in working capital, which varies primarily as a result of the impact of occupancy/final settlement for acquired and divested properties and decided but as yet not implemented dividend payments to the shareholders, the liquidity of operating activities changed by SEK 156m (1,666). Acquisitions of and investments in properties exceeded sales by SEK 422m (444). Accordingly, the total change in liquidity resulting from operating activities was SEK –266m (1,222). After the increase in debt, consolidated cash and cash equivalents totalled SEK 138m (144).

FINANCING

Fabege employs long-term credit lines with fixed terms and conditions. At 31 March 2012, these had an average maturity of 5.4 years. The company's lenders are the major Nordic banks.

Interest-bearing liabilities at the end of the period totalled SEK 17,086m (16,755) and the average interest rate was 3.68 per cent excluding and 3.77 per cent including commitment fees on the undrawn portion of committed credit facilities.

²⁾The comparison figures for income and expense items relate to values for the period January–March 2011 and for balance sheet items as at 31 December 2011.

Interest rates on 73 per cent of Fabege's loan portfolio were fixed using fixed-income derivatives. The average fixed-rate period was 3.4 years, taking the effect of derivative instruments into account, while the average fixed-rate period for variable-rate loans was 54 days. The company's portfolio of derivative instruments has not changed since year-end 2011 and at 31 March comprised interest rate swaps totalling SEK 5,000m – of which SEK 1,000m have a term until 2014, two amounts of SEK 1,500m until 2016 and 2018, respectively, and another SEK 1,000m until 2021 – carrying fixed interest at annual rates of between 2.18 and 2.73 per cent. Fabege also holds cancellable swaps totalling SEK 7,550m at interest rates ranging from 2.87 to 3.98 per cent that mature between 2013 and 2018.

The derivatives portfolio is measured at market value and the change in value is recognised in the profit and loss account. At 31 March 2012, the recognised negative fair value adjustment of the portfolio amounted to SEK 444m (664). The derivatives portfolio has been measured at the present value of future cash flows. The change in value is of an accounting nature and has no impact on the company's cash flow. At the due date, the market value of derivative instruments is always zero.

In March, Fabege borrowed an additional SEK 140m in the capital market

within the framework of the bond financing programme that was launched in December 2011. The programme, which has a limit of SEK 5,000m, was introduced via the co-owned company Svensk Fastighetsfinansiering AB (SFF). In conjunction with its launch, Fabege borrowed SEK 289m via the programme and thus has a total outstanding volume of SEK 429m in the form of three-year bonds. The bonds are secured by property mortgage deeds. SFF is jointly owned by Fabege, Wihlborgs, Peab and Brinova. Fabege owns 30 per cent of the company. The aim is to expand the company's financing base with a new source of financing.

Fabège has a commercial paper programme in an amount of SEK 5,000m. At the end of the quarter, outstanding commercial paper amounted to SEK 2,461m, compared with SEK 1,719m at the beginning of the year. Fabège has available long-term credit facilities covering all outstanding commercial paper at any given time. At 31 March 2012, the company had unutilised committed lines of credit of SEK 3,013m.

The total loan volume includes SEK 1,145m in loans for projects, on which interest of SEK 9m has been capitalised.

FINANCIAL POSITION AND NET ASSET VALUE

Shareholders' equity amounted to SEK

11,964m (11,890) at the end of the period and the equity/assets ratio was 38 per cent (39). The dividend of SEK 487m adopted by the Annual General Meeting decreased shareholders' equity at 31 March 2012. Shareholders' equity per share totalled SEK 74 (73). Excluding deferred tax on fair value adjustments of properties, net asset value per share was SEK 85 (84).

Interest rate maturity structure 31 March 2012

	Amount SEKm	Average interest rate %	Share %
< 1 year	4,358	5.36*	25
1–2 years	1,850	3.70	11
2–3 years	1,178	2.45	7
3–4 years	0	0.00	0
4–5 years	4,200	2.71	25
> 5 years	5,500	3.36	32
Total	17,086	3.68	100

* The average interest rate for the < 1 year period includes the margin for the entire debt portfolio because the Company's fixed-rate period is established using interest rate swaps, which are traded without margins.

Loan maturity structure 31 March 2012

	Credit agreements SEKm	Drawn SEKm
Certificate programme	5,000	2,461
< 1 year	2,034	1,514
1–2 years	5,540	3,240
2–3 years	469	469
3–4 years	7,040	5,385
4–5 years	41	41
> 5 years	4,975	3,976
Total	25,099	17,086

Operations

The first quarter featured a continued strong rental market. Fabège reported highly favourable net lettings as a result of a major lease agreed with the Swedish Tax Agency, as well as minor lettings in both investment and project properties. The rate of investment was high during the quarter and the property portfolio showed continued value growth.

FABEGE'S PROPERTY PORTFOLIO AND PROPERTY MANAGEMENT

Fabège's activities in Property Management and Property Development are concentrated to a few selected submarkets in and around Stockholm. Stockholm's inner city, Solna and Hammarby Sjöstad are the company's principal markets. At 31 March 2012, Fabège owned 98 properties with a total rental value of SEK 2.1bn, a lettable floor area of 1.1m sqm and a carrying amount of SEK 30.0bn, including development and project properties totalling SEK 6.4bn. The financial occupancy rate for the entire property portfolio, including

project properties, was 89 per cent (89). The occupancy rate in the portfolio of investment properties was 93 per cent (91).

New lettings during the period totalled SEK 108m (40), while net lettings amounted to SEK 88m (13). Rents in negotiated contracts increased an average of 5 per cent. Efforts to extend and renegotiate leases with existing customers were highly successful. During the period, several large leases were signed for premises in our project properties, the largest of which pertained to Skatteverket (net SEK 60m), ICA Sverige AB (SEK 7.6m) and Niras Sweden AB (SEK 3.5m).

Several minor leases were also signed in the portfolio of investment properties.

CHANGES IN THE PROPERTY PORTFOLIO

No property transactions were conducted during the first quarter. Realised earnings derived from previous transactions.

CHANGES IN THE VALUE OF PROPERTIES

A total of 26 per cent of Fabège's properties were externally valued at 31 March 2012 and the remaining properties were internally valued based on the latest valuations. The entire property portfolio is externally valued at least once a year.

The total market value at 31 March 2012 was SEK 30.0bn (29.2).

Unrealised changes in the value of properties amounted to SEK 406m (291). The average required yield declined slightly during the quarter, although amounted to an unchanged 5.7 per cent (5.8 per 31 March 2011) when rounded off. The SEK 184m (226) change in the value of the portfolio of investment properties was primarily attributable to rising rents and properties for which the risk of vacancies has declined. The project portfolio contributed to a value increase of SEK 222m (65) which was primarily attributable to the Uarda 5 (Arenastaden) and Klamparen 10 (Fleminggatan) properties.

PROJECTS AND INVESTMENTS

Fabege's project investments are designed to reduce vacancy rates and increase rents in the property portfolio, thereby improving cash flows and adding value. The development of properties is a key feature of Fabege's business model and should make a significant contribution to consolidated profit. The aim is to achieve a return of at least 20 per cent on invested capital.

In 2012, the aim is to increase the rate of development in the project portfolio. Investments in existing properties and projects during the period totalled SEK 407m (282). The investments involved new builds, extensions and conversions.

Completed projects

During the first quarter 2012 the project in the property Bocken 39 (Lästmakargatan) was completed. The property has been transferred to the portfolio of investment properties.

Major ongoing projects

The project in the Uarda 5 property, Arenastaden, pertaining to the construction of Vattenfall's new headoffice, is proceeding as planned. At present, work is under way on the facades and interior fittings. The first office floor is now complete. The property will be ready for occupancy by September 2012.

The National Agency for Education has relocated to the Klamparen 10 property on Fleminggatan 12. Meanwhile, adaptations to the needs of the remaining tenants continue, with occupancy scheduled for 2012. Another lease was signed during the quarter and a total of 77 per cent of the property has now been let.

Tenant customisations are proceeding as planned in the Apotekaren 22 property

at Tulegatan/Rådmansgatan. Another lease was signed during the quarter and the project's occupancy ratio is now 60 per cent.

The office project in Uarda 1 (Sjökvarteret) in Arenastaden is also proceeding as planned. Installation work and tenant customisations are under way. Several leases were signed during the quarter and the occupancy ratio is now 69 per cent.

An investment decision totalling SEK 690m was taken during the quarter concerning customisations of the Nöten 4 property on behalf of the Swedish Tax Agency. Work has commenced.

Development of Arenastaden

Fabege co-owns several on-going projects in Arenastaden. Completion work is under way on the co-owned Arenan and Arena-gate properties, which are to be ready for opening by autumn 2012. Infrastructure investments are proceeding as planned. Unibail-Rodamco has commenced the construction of the Mall of Scandinavia, which is scheduled for completion by autumn 2015. Interest in establishing offices in Arenastaden has strengthened since the design of the area has become more tangible. Fabege owns about 200,000 sqm of existing office floor space and 180,000 sqm of development rights in the area. The consortium owns approximately 360,000 sqm of additional development rights, primarily for housing.

SEGMENTREPORTING

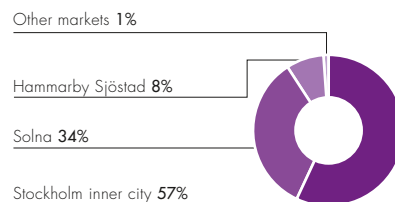
During the first quarter, the now completed Bocken 39 property was transferred to the investment-property portfolio. Two properties (Nöten 4, Solna strand and Fenix 1, Norrmalm) were transferred from Property Management to Property Development following decisions concerning major investments and conversions.

The segment Property Management generated net operating income of SEK 261m (252), corresponding to a surplus ratio of 65 per cent (63). The occupancy rate was 93 per cent (91). Profit from Property Management amounted to SEK 132m (122). Realised and unrealised changes in value totalled SEK 185m (226).

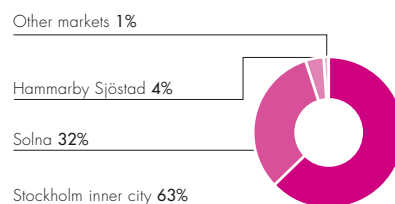
The segment Property Development generated net operating income of SEK 29m (23), corresponding to a surplus ratio of 59 per cent (48). Profit from Property Management totalled SEK -7m (-9). Realised and unrealised changes in value amounted to SEK 222m (65).

Distribution of market value 31 March 2012

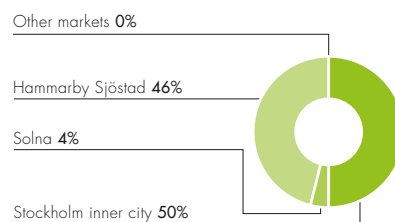
All properties, SEK 30.0bn



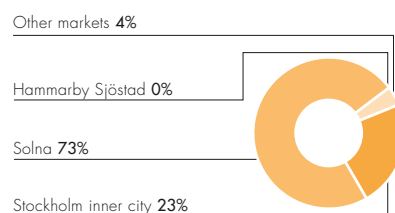
Investment properties, SEK 23.5bn



Development properties, SEK 2.8bn



Project properties, SEK 3.7bn



Projects in progress >SEK 50m

31 March 2012

Property name	Property type	Area	Completed	Lettable area, sqm	Occupancy rate, area, % ¹⁾	Estimated rental value, SEKm ²⁾	Carrying amount, SEKm	Estimated investment, SEKm	Of which, accrued, SEKm
Apotekaren 22 ³⁾	Office	Norrmalm	Q4-2012	31,599	66	85	1,170	228	116
Nöten 4	Office	Solna strand	Q1-2014	51,806	91	94	608	690	76
Klamparen 10	Office	Kungsholmen	Q2-2012	22,530	77	66	810	222	173
Uarda 1 ³⁾	Office	Arenastaden	Q4-2012	41,079	63	78	531	525	216
Uarda 5	Office	Arenastaden	Q4-2012	44,500	100	106	1,179	1,050	747
Total				191,514	81	429	4,298	2,715	1,328
Other Land and Project properties							578		
Other Development properties							1,564		
Total Project, Land and Development properties							6,440		

¹⁾ Operational occupancy rate at 31 March 2012.

²⁾ The annual rent for the largest projects in progress could increase to SEK 429m (fully let) from SEK 112m in annualised current rent as of 31 March 2012.

³⁾ Information regarding area, rental value and carrying amount pertains to the entire property. The investment amount pertains to only a portion of the property.

Property portfolio

31 March 2012

	31 March 2012					1 January – 31 March 2012		
	No. of properties	Lettable area, '000 sqm	Market value, SEKm	Rental value ²⁾ , SEKm	Financial occupancy rate, %	Rental income, SEKm	Property expenses, SEKm	Net operating income, SEKm
Property holdings								
Investment properties ¹⁾	69	891	23,527	1,815	93	405	-114	291
Development properties ¹⁾	9	110	2,734	174	72	31	-12	19
Land and Project properties ¹⁾	20	106	3,706	124	65	20	-7	13
Total	98	1,107	29,967	2,113	89	456	-133	323
of which, inner city	38	497	17,102	1,177	91	263	-72	191
of which, Solna	37	454	10,305	730	88	151	-42	109
of which, Hammarby Sjöstad	14	130	2,290	186	84	39	-17	22
of which, Other	9	26	270	20	88	3	-2	1
Total	98	1,107	29,967	2,113	89	456	-133	323
Expenses for lettings, project development and property administration								-29
Total net operating income after expenses for lettings, project development and property administration								294³⁾

¹⁾ See definitions on page 9.

²⁾ Time-limited deductions of approximately SEK 71 m (in rolling annual rental value at 31 March 2012) have not been recognised in the rental value.

³⁾ The table refers to Fabeges property portfolio at 31 March 2012. Income and expenses are recognised as if the properties had been held during the entire period. The difference between recognised net operating income, SEK 294m, and net operating income in the profit and loss account, SEK 290m, is attributable to net operating income from divested properties being excluded and acquired/completed properties being adjusted upwards as if they had been owned/completed throughout the January–March 2012 period.

Segment report (summary)¹⁾

SEKm	Investment properties Jan–Mar 2012	Development properties Jan–Mar 2012	Total Jan–Mar 2012	Investment properties Jan–Mar 2011	Development properties Jan–Mar 2011	Total Jan–Mar 2011
Rental income	404	49	453	398	48	446
Property expenses	-143	-20	-163	-146	-25	-171
Net operating income	261	29	290	252	23	275
Surplus ratio, %	65	59	64	63	48	62
Central administration and marketing	-10	-3	-13	-12	-3	-15
Net interest expense	-119	33	-152	-118	-29	-147
Share in profit/loss of associated companies	0	0	0	0	0	0
Operating profit/loss	132	-7	125	122	-9	113
Realised changes in value, properties	1	0	1	0	0	0
Unrealised changes in value, properties	184	222	406	226	65	291
Profit/loss before tax per segment	317	215	532	348	56	404
Changes in value, fixed income derivatives and equities			221			107
Profit/loss before tax			753			511
Properties, market value	23,527	6,440	29,967	22,229	5,488	27,717
Occupancy rate, %	93	69	89	91	69	89

¹⁾ See definitions on page 9.

Other financial information

ANNUAL GENERAL MEETING ON

29 MARCH 2012

Fabege's Annual General Meeting on 29 March adopted the Board of Directors' motion to pay a dividend of SEK 3.00 per share for the 2011 financial year. For other resolutions, we refer to the press release and AGM documentation on Fabege's website.

STAFF

At the end of the period, the Fabege Group had 122 employees (122).

PARENT COMPANY

Sales during the period amounted to SEK 25m (30) and the result before appropriations and tax was SEK 161m (39). Net investments in property, equipment and shares totalled SEK 0m (3).

The parent company applies Recommendation RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act (see also the profit and loss account and the balance sheet on page 11).

SHARE BUYBACK PROGRAMME

The 2012 AGM passed a resolution authorising the Board, not longer than up to the next AGM, to buy back and transfer shares in the company. Share buybacks are subject to a limit of 10 per cent of the total number of outstanding shares at any time. During the period, no shares were bought back. At 31 March 2012, the company held 3,166,488 treasury shares, representing 1.9 per cent of the total number of registered shares.

ONGOING TAX CASES

As announced previously, the Swedish Tax Agency has decided to increase the Fabege Group's taxable income in respect of a number of property sales made through limited partnerships (see also the press release from 7 December 2006 and page 61 of Fabege's 2011 Annual Report). The transactions derive from Tornet, the old Fabege and Wihlborgs during the years 2003–2005. As at 31 March 2012, the total increase in taxable income amounts to SEK 8,368m. The decisions have resulted in total tax demands of SEK 2,214m plus a tax penalty of SEK 164m, making a total demand of SEK 2,378m excluding interest payments. At 31 March 2012, accrued interest amounted to SEK 309m. Fabege strongly contests the tax demands resulting from the Tax Agency's and Administrative Court's decisions and has appealed the decisions.

During the spring of 2011, the Swedish Administrative Court announced verdicts in all of Fabege's ongoing tax cases. The Swedish Administrative Court ruled in favour of the Swedish Tax Agency's position that Fabege should be taxed pursuant to the Swedish Tax Evasion Act. All of the verdicts have been appealed with the Swedish Administrative Court of Appeals and Fabege has been granted a respite for the payments of taxes until the Swedish Administrative Court of Appeals has issued a verdict. The Swedish Administrative Court of Appeals has issued a stay of proceedings in all cases pending the

Supreme Administrative Court's hearing of the Swedish National Tax Board's preliminary verdict in what is known as the "Cyprus case." During the fourth quarter of 2011, additional tax cases were brought before the Swedish Administrative Court for consideration. As a result, all of the transactions completed by the Fabege Group on the basis of the so-called Holland solution are subject to consideration. Since Fabege does not believe that the Swedish Tax Agency will make further claims, it believes that the above figures concerning increased taxes and tax demands will not rise. Fabege considers that the Tax Agency and the Administrative Court has disregarded a number of important aspects and that the verdicts are therefore incorrect – an assessment shared by Fabege's advisors on the matters. Fabege is of the opinion that it is highly probable that the Administrative Court of Appeal will amend the Administrative Court's rulings to the benefit of Fabege.

Fabege is adhering to its view that the sales were accounted for and declared in compliance with applicable rules. This assessment is shared by external legal experts and tax advisors that have analysed the sales, the arguments of the Swedish Tax Agency and the verdicts of the Administrative Court.

No provision has been made in Fabege's balance sheet. However, until further notice, the amount is instead being recognised as a contingent liability, as in previous financial statements.



Swedish Green Building Council GOLD certification

Fabege has secured the Swedish Green Building Council's GOLD certification for Vattenfall's new headquarters, the Uarda 5 property, in Arenastaden. The property received the collectively weighted Gold level for energy, indoor environment and materials/chemicals.

The building had already secured the EU GreenBuilding certificate. A few examples of environmental and energy adaptations include sedum roofing, electricity-generating solar cells and hot-water generating solar collectors. In the entrance hall, digital displays will show the energy consumption of the building and its operation.

Fabege also received the European Commission's JRC GreenBuilding Award for successfully reducing energy consumption in the Uarda 5 property to well below the recommended limits through the use of innovative solutions. ■



EVENTS AFTER THE END OF THE REPORTING PERIOD

Fabege has completed an exchange transaction with Gamla Livförsäkringsbolaget SEB Trygg Liv, under which Fabege has acquired Livbolaget's 50-per-cent interest and thus becomes the sole owner of the Islandet 3 site leasehold right, while simultaneously selling the Läraren 5 property to Livbolaget. The transaction will generate an after-tax gain of SEK 48m, which will be recognised during the second quarter.

RISKS AND UNCERTAINTIES

Risks and uncertainties relating to cash flow from operating activities are primarily attributable to changes in rents, vacancies and interest rates. A more detailed description is presented in the risk section of the 2011 Annual Report (pages 9–11), and a description of the effect of these changes on consolidated earnings is presented in the risk analysis and in the sensitivity analysis in the 2011 Annual Report (page 60).

Properties are recognised at fair value and changes in value are recognised in profit and loss. The effects of changes in value on consolidated earnings, the equity/assets ratio and the loan-to-value ratio are also shown in the sensitivity analysis in the 2011 Annual Report.

A description of financial risk, which is the risk that the company will have insufficient access to long-term loan funding, and Fabege's management of this risk is presented in the 2011 Annual Report (pages 12–13 and 73).

No material changes in the company's assessment of risks have been made after publication of the 2011 Annual Report. Under its adopted targets for capital structure, Fabege 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).

ACCOUNTING PRINCIPLES

Fabege prepares its consolidated financial statements in accordance with the Inter-

national Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The Group has applied the same accounting policies and valuation methods as in the most recent annual report.

The parent company prepares its accounts in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act and has applied the same accounting policies and valuation methods as in the most recent annual report.

Stockholm, 26 April 2012



CHRISTIAN HERMELIN
Chief Executive Officer

This Interim Report is unaudited.

Monitor developments at Fabege's website!

You are most welcome to visit Fabege's website, which is one of our main information channels. The aim is to continuously provide you with relevant, up-to-date information.

The website provides information on the company and its operations and strategies. You can also find financial information, share data, details about our properties and ongoing projects and much more. Visitors to the website can also search for vacant premises, and our tenants are able to easily find contact details or other information related to the property in which they are located.



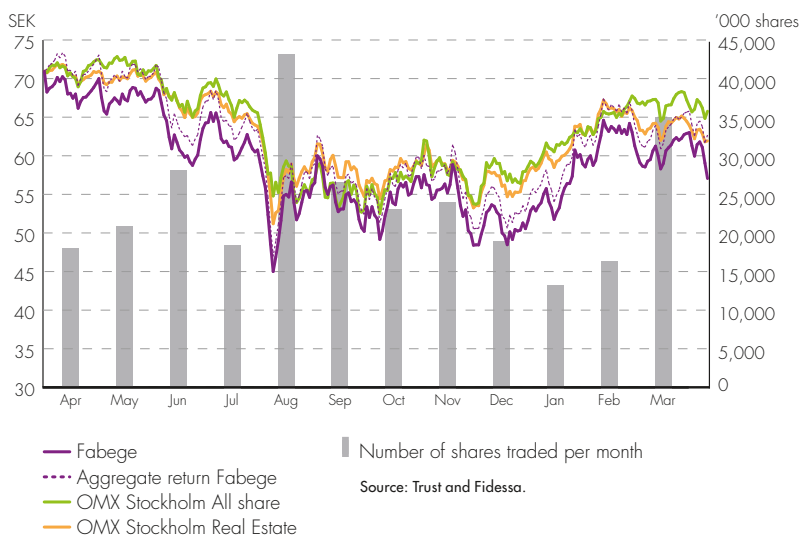
Financial calendar

Interim report April-June.....	6 July 2012
Interim report July-September.....	16 October 2012
Year-end report for 2012	4 February 2013
Annual report for 2012.....	March 2013

Fabege share

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

Share price performance



Largest shareholders ¹⁾

31 March 2012

Shareholder	No. of shares	Share of capital, %	Share of votes, %
Brinova Inter AB	23,291,092	14.1	14.4
Öresund Investment AB	10,248,144	6.2	6.3
BlackRock fonder (USA)	8,938,454	5.4	5.5
SEB Funds	5,909,735	3.6	3.6
Länsförsäkringar fondförvaltning	5,685,338	3.4	3.5
Swedbank Robur Funds	2,962,833	1.8	1.8
Mats Qviberg and family	2,917,686	1.8	1.8
ENA City AB	2,670,000	1.6	1.6
Fourth AP-fund	2,537,342	1.5	1.6
SHB Funds	2,500,982	1.5	1.5
Second AP-fund	2,061,923	1.3	1.3
AMF Försäkring & Fonder	1,630,000	1.0	1.0
Third AP-fund	1,381,895	0.9	0.9
Avanza Pension Försäkring AB	1,057,197	0.6	0.7
Nordea Funds	883,972	0.5	0.5
Other Swedish shareholders	38,693,819	24.0	24.5
Other foreign shareholders	47,850,505	28.9	29.5
Total no. of outstanding shares	162,225,084	98.1	100.0
Treasury shares	3,166,488	1.9	0.0
Total no. of shares	165,391,572	100.00	100.0

¹⁾ Certain shareholders may, through custodial accounts, have had different holdings than are apparent from the shareholder's register. Source: SIS ÄgarService AB, data derived from Euroclear Sweden AB, as of March 31, 2012.

Definitions

CASH FLOW PER SHARE

Profit before tax plus depreciation-, plus/minus unrealised changes in value less current tax, divided by average number of shares.

CAPITAL EMPLOYED

Total assets less non-interest bearing liabilities and provisions.

CONTRACT VALUE

Stated as an annual value. Index-adjusted basic rent under the rental agreement plus rent supplements.

DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity.

DEVELOPMENT 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 development work.

DIVIDEND YIELD

Dividend for the year divided by the share price at year-end.

EQUITY/ASSETS RATIO

Shareholders' equity (including minority share) divided by total assets.

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.

INTEREST COVERAGE RATIO

Profit after financial items plus financial expenses and plus/minus unrealised changes in value, divided by financial expenses.

INVESTMENT PROPERTIES

Properties that are being actively managed on an ongoing basis.

LAND & PROJECT PROPERTIES

Land and developable properties and properties in which a new build/complete redevelopment is in progress.

LEVERAGE, PROPERTIES

Interest-bearing liabilities divided by the carrying amount of the properties at the end of the period.

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.

RENTAL VALUE

Contract value plus estimated annual rent for vacant premises after a reasonable general renovation.

RETURN ON CAPITAL EMPLOYED

Profit before tax plus interest expenses-, divided by average capital employed. In interim reports, the return is converted to its annualised value without taking account of seasonal variations

RETURN ON EQUITY

Profit for the period/year divided by average shareholders' equity. In interim reports the return is converted to its annualised value without taking account of seasonal variations.

SEGMENT REPORT

In accordance with IFRS 8, segments are reported as viewed by management, i.e. broken down into two segments: Investment Properties and Development Properties. Rental income and property expenses as well as realised and unrealised changes in value including tax are directly attributable to properties in each segment (direct income and expenses). In cases where a property changes character during the year, earnings attributable to the property will be allocated to either segment based on the period of time that the property belonged to the segment. Central administration and items in net financial items have been allocated to the segments in a standardised manner based on each segment's share of the total property value (indirect income and expenses).

The property asset is directly attributable to each segment and is recognised as of the closing date.

SURPLUS RATIO

Net operating income divided by rental income.

Consolidated statement of comprehensive income (summary)

SEKm	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Mar	Rolling 12 months Apr 11-Mar 12
Rental income	453	446	1,804	1,811
Property expenses	-163	-171	-577	-572
Net operating income	290	275	1,227	1,239
Surplus ratio, %	64%	62%	68%	68%
Central administration and marketing	-13	-15	-63	-61
Net interest expense	-152	-147	-609	-614
Share in profit/loss of associated companies	0	0	9	9
Profit/loss from property management activities	125	113	564	573
Realised changes in value of properties	1	0	173	174
Unrealised changes in value of properties	406	291	1,093	1,208
Unrealised change in value of fixed income derivatives	220	109	-397	-286
Change in value of equities	1	-2	-16	-13
Profit/loss before tax	753	511	1,417	1,656
Current tax	0	0	-1	-1
Deferred tax	-192	-133	-275	-334
Profit/loss for period/year	561	378	1,141	1,321
Comprehensive income attributable to parent company shareholders	561	378	1,141	1,321
Earnings per share, SEK	3.46	2.32	7.01	8.13
No. of shares at end of period, millions	162.2	163.0	162.2	162.5
Average no. of shares, millions	162.2	163.0	162.7	162.5

Consolidated statement of financial position (summary)

SEKm	31 Mar 2012	31 Mar 2011	31 Dec 2011
Assets			
Properties	29,967	27,717	29,150
Other tangible fixed assets	1	2	1
Financial fixed assets	1,136	699	1,124
Current assets	309	345	362
Cash and cash equivalents	138	144	74
Total assets	31,551	28,907	30,711
Equity and liabilities			
Equity	11,964	11,165	11,890
Provisions	766	549	585
Interest-bearing liabilities ¹⁾	17,086	15,495	16,755
Derivatives	444	158	664
Non-interest-bearing liabilities	1,291	1,540	817
Total equity and liabilities	31,551	28,907	30,711
Equity/assets ratio, %	38	39	39
Contingent liabilities	3,417	2,522	3,376

¹⁾ Of which short-term SEK 3,975m (4,415).

Statement of changes in equity

SEKm	Equity	Of which, attributable to parent company shareholders	Of which, attributable to minority
Equity, 1 Jan 2011	11,276	11,276	-
Share buybacks	-38	-38	-
Cash dividend	-489	-489	-
Profit/loss for the period	1,141	1,141	-
Equity, 31 Dec 2011	11,890	11,890	-
Share buybacks	-	-	-
Approved dividend	-487	-487	-
Profit/loss for the period	561	561	-
Equity, 31 Mar 2012	11,964	11,964	-

Statement of cash flows

SEKm	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net operating income and realised changes in the value of existing property portfolio excluding depreciation	292	275	1,407
Central administration	-13	-15	-63
Net financial items paid	-130	-150	-595
Income tax paid	0	0	-1
Change in other working capital	7	1,556	1,198
Cash flow from operations	156	1,666	1,946
Investments and acquisition of properties	-411	-617	-1,986
Sale of properties, carrying amount of divested properties	-	160	756
Other investments (net)	-11	13	-297
Cash flow from investing activities	-422	-444	-1,527
Dividend to shareholders	-	-	-489
Share buybacks	-	-	-38
Change in interest-bearing liabilities	331	-1,151	109
Cash flow from financing activities	331	-1,151	-418
Change in cash and cash equivalents	65	71	1
Cash and cash equivalents at beginning of period	73	73	73
Cash and cash equivalents at end of period	138	144	74

Key ratios

	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Financial			
Return on capital employed, %	12.3	9.6	7.2
Return on equity, %	18.8	13.5	9.9
Interest coverage ratio, times	1.8	1.8	2.2
Equity/assets ratio, %	38	39	39
Loan-to-value ratio, properties, %	57	56	57
Debt/equity ratio, times	1.4	1.4	1.4
Share-related ¹⁾			
Earnings per share for the period, SEK	3.46	2.32	7.01
Equity per share, SEK	74	69	73
Cash flow per share, SEK	0.81	0.70	4.49
No. of outstanding shares at end of period, '000	162,225	162,980	162,225
Average no. of shares, '000	162,225	162,980	162,719
Property-related			
No. of properties	98	103	97
Carrying amount, properties, SEKm	29,967	27,717	29,150
Lettable area, sqm	1,107,000	1,131,000	1,107,000
Financial occupancy rate, %	89	89	90
Surplus ratio, %	64	62	68

¹⁾ No dilution effect arises, since there are no potential shares (such as convertibles).

Parent Company profit and loss account (summary)

SEKm	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Income	25	30	102
Expenses	-41	-49	-193
Net financial items	-44	-51	1,877
Change in value, fixed income derivatives	220	109	-397
Change in value, equities	1	0	0
Profit/loss before tax	161	39	1,389
Tax	-43	-11	158
Profit/loss for period/year	118	28	1,547

Parent Company balance sheet (summary)

SEKm	31 Mar 2012	31 Mar 2011	31 Dec 2011
Interests in Group companies	13,328	13,328	13,328
Other fixed assets	39,504	36,895	39,090
<i>of which, receivables from Group companies</i>	<i>39,253</i>	<i>36,761</i>	<i>38,815</i>
Other current assets	165	3	161
Cash and cash equivalents	137	141	69
Total assets	53,134	50,367	52,648
Equity	10,013	8,901	10,382
Provisions	67	64	68
Long-term liabilities	38,481	36,428	38,892
<i>of which, liabilities to Group companies</i>	<i>25,530</i>	<i>25,190</i>	<i>25,156</i>
Short-term liabilities	4,573	4,974	3,306
Total equity and liabilities	53,134	50,367	52,648



This is Fabege

Fabege, which is one of the leading property companies in Sweden, conducts operations that are primarily focused on letting office premises and property development.

The company's portfolio is highly concentrated to three sub-markets offering robust growth in the Stockholm area; Stockholm's inner city, Solna and Hammarby Sjöstad. Fabege offers attractive and efficient premises, principally for offices but also for retail and other operations.

Fabege manages a well-located property portfolio, which is developed continuously through improvements, sales and acquisitions. By collecting properties in clusters, increased customer proximity is achieved which, combined with comprehensive market knowledge, creates conditions for efficient management and a high occupancy rate.

At 31 March 2012, Fabege owned 98 properties with a combined market value of SEK 30.0bn. The rental income amounted to SEK 2.1bn.

Questions concerning the report will be answered by:

CHRISTIAN HERMELIN

Chief Executive Officer

Phone: +46 (0)8-555 148 25,
+46 (0)733-87 18 25

ÅSA BERGSTRÖM

Deputy CEO and Chief Financial Officer

Phone: +46 (0)8-555 148 29,
+46 (0)706-66 13 80

BO NILSSON

Director of Communications

Phone: +46 (0)8-555 148 20,
+46 (0)702-45 86 29

www.fabege.se

More information about Fabege and its operations is available on the Group's website. The website also includes a webcast presentation from 26 April 2012, in which Christian Hermelin and Åsa Bergström present earnings for the quarter.

The information contained in this report is such that Fabege is legally obliged to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. The information was released for publication on 26 April 2012.

Fabege AB (publ)

Box 730, SE-169 27 Solna,
Visit address: Pyramidvägen 7,
SE-169 56 Solna, Sweden

Phone: +46 (0)8-555 148 00

Fax: +46 (0)8-555 148 01

E-mail: info@fabege.se

Internet: www.fabege.se

Company registration no: 556049-1523

Registered office of the Board: Stockholm