



Faberge AB (publ)

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Continued positive trend in the property sector

Continued healthy demand for office premises in Stockholm and rising rent levels in all our submarkets. Rising rental income and continued low interest expenses meant that earnings from property management increased by 11 per cent in comparison with the previous year.

Growth in value continued both in the management portfolio and through the major projects during the quarter. After take-overs and changes in value, property value at 31 March 2017 was just over SEK 50bn. Growth in value of SEK 833m (1,519) was driven primarily by higher rent levels, but also a continued decline in yield requirements.

Rental income amounted to SEK 546m (519) and net operating income to SEK 379m (355). In an identical portfolio, rental income rose by around 8 per cent (4) and net operating income increased by roughly 11 per cent (2). The surplus ratio was 69 per cent (68).

Profit after tax for the period was SEK 882m (1,665), corresponding to earnings per share of SEK 5.33 (10.07). Profit before tax for the period amounted to SEK 1,135m (1,756). The decrease is entirely due to unrealised changes in the value of the property value having decreased in comparison with the previous year.

Faberge started one large new project in Hammarby Sjöstads, Triåfabriken 9 during the quarter. The investment for the project is estimated to around SEK 450m. . The building is planned to meet the requirements for environmental certification to BREEAM-SE, level 'Very good', and will have lettable space of around 16,700 sqm when completed. The project will be completed during Q2 of 2019. Faberge has signed a 6-year green agreement with the Swedish Environmental Protection Agency, which means that the project is pre-let to around 50 per cent.

Good prospects

"I anticipate continued good market conditions and a positive trend in rent levels and property values which is also supported by the government's latest GDP forecast. Completed projects in 2017 and 2018 will appreciably strengthen operating cash flow. Our development rights offer considerable potential and we have a committed organisation, which is working hard to create value. We are well positioned to capitalise on the business opportunities that lie ahead.", says CEO Christian Hermelin.

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Faberge is a property company focusing on city district development and commercial properties. We develop attractive and sustainable districts with modern offices, housing and a broad range of services – together with strategic partners. Both our perspective and approach to ownership are long term and our passion is creating the right conditions for all those living, working and visiting our areas. We have a presence in a limited number of high-growth submarkets in the Stockholm region. Faberge's shares are listed on Nasdaq Stockholm, in the Large Cap segment. For further information, visit www.faberge.com