

PRESS RELEASE

31 AUGUST 2007

Sveafastigheter and HGR create financially strong domestic actor on the Finnish real estate market

Through a mutually owned company with Sveafastigheter, HGR creates possibilities for further expansion from Finnish platform and investments in larger development projects.

Sveafastigheter and HGR Property Partners, who have previously co-operated concerning investments in cash flow generating properties on the Finnish market, are now developing this collaboration through by founding the mutually owned company Sveafastigheter-HGR Investments Oy. The new company combines HGR's local base and knowledge with Sveafastigheter's financial strength and aims to invest mainly in development projects on the Finnish market. The company's first transaction, acquisition of KOy Herttokaari, has taken place today. The seller was OKO Bank Plc and value of the property was 7.3 million euros.

Due to the fact that the newly founded company concentrates on development projects, Sveafastigheter will spend additional proprietary resources on finding interesting acquisition possibilities in Finland. Sveafastigheter has during the last 18 months, on its own and together with HGR, carried out acquisitions in Finland worth approximately 150 million euros and is actively looking for new investment opportunities, standalone or together with a local partner.

For HGR the new co-operation provides an increased financial capacity and consequently the possibility to carry out projects that were previously too large as they were not part of the prior cooperation agreement.

– We are very satisfied with the co-operation with HGR and now that we know each other well it is time to take the next mutual step on the Finnish market. HGR's network, knowledge and local presence can now be utilized fully and we have already seen that there are many interesting transactions to be made by a financially strong local investor, says Simon de Château, CEO of Sveafastigheter.

– Through the new agreement with Sveafastigheter, we now have the possibility to carry out transactions that were previously out of reach. We are obviously excited over the opportunity to take part in larger development projects and other potential transactions. We have already started looking for new investment possibilities and welcome ideas from real estate owners who want to discuss possible deals, says Patrick Gylling, Managing Director at HGR Property Partners.

About Sveafastigheter

Sveafastigheter is a private equity firm focusing exclusively on real estate investments. The company launched its first fund, Sveafastigheter Sverige I in 2003. In April 2006, Sveafastigheter launched its second fund, Sveafastigheter Fund II.

Sveafastigheter Fund II is a real estate private equity fund for institutional investors and has a capacity to acquire properties with a value of approximately SEK 10 billion. The fund invests in development projects and income generating properties in Sweden, Finland and the other countries around the Baltic Sea.

Through its funds Sveafastigheter owns properties worth more than SEK 5 billion with a lettable area exceeding 650 000 square meters.

For comments and additional information, please contact:

Simon de Château, Managing Director Sveafastigheter, phone +46 8 545 075 01 or +46 8 708 48 51 52,
simon.de.chateau@sveafastigheter.se

Jörgen Österberg, investor relations Sveafastigheter, phone +46 8 545 075 08 or +46 708 67 54 41,
jorgen.osterberg@sveafastigheter.se

Patrick Gylling, HGR Property Partners, +358 9 6969 3402

More information about Sveafastigheter can be found on www.sveafastigheter.se

More information about HGR can be found on www.hgrpropertypartners.fi