

Sveafastigheter acquires properties worth EUR 74 million in Finland

Sveafastigheter carries out its third acquisition in Finland in two months – acquires 116 retail properties around Finland

The real estate fund Sveafastigheter Fund II has signed an agreement to acquire 116 retail properties in Finland with a total of 108,000 square metres of lettable space. The properties are spread geographically across Finland. Total purchase price amounts to EUR 74 million. Sveafastigheter will access the properties on July 3, 2006. Seller of the properties is Varma Mutual Pension Insurance Company, Finland's largest private insurance company.

The main part of the portfolio area is let to the food wholesaler and retailer Spar, which was recently acquired by the co-operative S Group. The S Group is one of Finland's two largest food retail chains with a market share of approximately 40 per cent. Finnish asset management company HGR Property Partners will be responsible for the letting and asset management of the portfolio as well as being a minority owner in the portfolio.

Sveafastigheter has in 2006, through Sveafastigheter Fund II, acquired retail properties in Finland with a total lettable space of 137,000 square metres. All acquisitions in Finland have been carried out in co-operation with HGR Property Partners which is also a minority owner in the portfolios.

HGR Property Partners is a real estate investment company, which acts as a local operating partner with mostly foreign investors. HGR also operates with the same concept with local investors and carries out investments on its own account. During 2006, HGR has been involved in investments worth EUR 125 million. HGR is also responsible for the asset management in these investments.

This acquisition is the fifth carried out in the Sveafastigheter Fund II real estate fund. Since the fund was launched in April, properties worth over SEK 1.5 billion have been acquired. Since 2003, Sveafastigheter has carried out acquisitions with an underlying property value of SEK 6.4 billion in its funds Sveafastigheter Sverige I and Sveafastigheter Fund II.

– Finland is a very interesting market for us, which our recent acquisitions clearly show. The acquisition pace has been high and we are currently evaluating a number of further deals in Sweden and Finland. The intention going forward is that we shall make acquisitions in the Baltic states and possibly in Poland and we are therefore currently seeking interesting investment opportunities in these markets as well, says Simon de Château, CEO of Sveafastigheter.

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 primarily targets investment opportunities in Sweden, Finland and around the Baltic Sea with a high and sustainable current income, regardless of location and type of property.

Sveafastigheter owns through its funds properties with an underlying value of SEK 6.4 billion with total lettable space of 860,000 square metres.

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More information about Sveafastigheter is available at www.sveafastigheter.se.

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