

PRESS RELEASE

Hufvudstaden acquires two properties in central Gothenburg

Hufvudstaden has in Gothenburg acquired the properties Inom Vallgraven 12:1 and 12:9, which have a prime commercial location on Fredsgatan, next to the NK department store. The seller is Alecta Pension Insurance, Mutual. The purchase sum is SEK 175 million and the completion date is March 30, 2010.

The total rentable floor space is approximately 4,100 square metres, comprising 1,700 square metres of office space, 1,500 square metres of retailing space, 800 square metres of residential space and 100 square metres of storage space. The properties are fully let and the outgoing net operating income is SEK 8.5 million. It is Hufvudstaden's assessment that there is positive rental potential as well as scope for cost savings, which over the next few years could increase net operating income even further.

The acquisition is in line with Hufvudstaden's strategy of concentrating its holdings in central Gothenburg and Stockholm and complement in a natural way Hufvudstaden's existing holdings in the central areas of Gothenburg.

"The properties fit well into Hufvudstaden's holdings, particularly in the light of the fact that we already own almost the whole block. We consider the properties to have development potential and the acquisition will lead to short-term and long-term synergy effects from both an income and cost point of view. Hufvudstaden's position as one of the leading, long-term property owners in Gothenburg will be reinforced even further by this acquisition", states Ivo Stopner, President of Hufvudstaden.

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HUFVUDSTADEN AB (publ)

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