

Heimstaden Bostad receives preliminary 'BBB-' rating from S&P and intends to investigate the possibilities to carry out its first issue in the bond market

Heimstaden Bostad has received a preliminary Investment Grade rating from S&P of 'BBB-' with a stable outlook. The Company has further mandated Danske Bank, DNB, J.P. Morgan and Nordea to investigate the conditions for a first time multi tranche bond issue. The reasons for why Heimstaden Bostad wants to investigate the possibility of a bond issue are inter alia:

- To extend the average tenor of the debt portfolio by issuing bonds with longer maturities than the debt that will be repaid.
- In accordance to the S&P rating criteria reduce the amount of secured debt by issuing unsecured bonds and repay secured bank debt.
- To get access to new debt capital sources considering the growth strategy of the company.

"As part of our growth strategy we are looking forward to enter the international debt capital market. Subject to a successful first time bond issue we will proceed to improve the credit rating of the company with the ambition to reach BBB (flat) within 18 months.", says Magnus Nordholm Deputy CEO of Heimstaden Bostad.

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Heimstaden is one of the leading residential real estate companies in the Nordic region. The Group owns, develops and manages homes in Sweden, Norway and Denmark. Heimstaden has about 36 500 apartments and a real estate value of SEK 70 billion. Heimstaden has a preference share listing on Nasdaq First North Premier with the short name HEIMPREF and 2 bonds at Nasdaq Stockholm. The head office is located in Malmö. Certified Adviser is Erik Fenser Bank, +46 8 463 83 00.