



# PRESSINFORMATION

## Wallenstam

Wallenstam was established in 1944 and is a dedicated property company with about 300 properties in the three major urban areas Gothenburg, Stockholm and Helsingborg. The focus of the Group's portfolio is residential and commercial properties in Göteborg. The Group's rental income is more than SEK 1 billion and the value of its property portfolio is just under SEK 13 billion. The Group's Series B shares have been listed on the Stockholm Stock Exchange since 1984.

### Wallenstam buys commercial properties in Göteborg for SEK 1.4 billion

Wallenstam has increased its property holdings in Göteborg by acquiring 27 properties from Drott with a total floor space of 118,422 m<sup>2</sup>. The purchase price is SEK 1.42 billion, which corresponds to a direct rate of return of about 7.5%. This acquisition further strengthens Wallenstam as the leading player in the market for commercial premises in Göteborg.

#### Portfolio

The portfolio consists of 27 properties, including 3 site-leasehold rights. The total floor space is 118,422 m<sup>2</sup> and consists mainly of office premises, which account for 61% of the rental value. Shops account for 12% of the rental value. Rental income is currently more than SEK 137 million per year and the economic vacancy rate is about 10%. The largest individual property is Kungstorget 1, in the centre of Göteborg. See the attached list of properties, where all the properties are shown. The properties will be taken over on 21-12-2003.

#### Impact on Wallenstam

The acquisition strengthens Wallenstam's position as the leading commercial player on the Göteborg market. After the acquisition, the value of all the company's residential properties accounts for 59% (69) of the total property value. Apartments account for 55% (62) of the properties' total floor space. After the acquisition, Wallenstam's total floor space amounts to approx. 1,256,000 m<sup>2</sup> with an estimated market value of SEK 12.7 billion.

The table below shows Wallenstam's figures as forecast for the whole of 2003, including properties acquired.\*

Key figures	Proforma, 2003	31-12-2002
Profit margin, %	60.5	54.1
Return on reported equity, %	44.2	41.8
Book value of properties, MSEK	9,366	7,224
Market value of properties, MSEK	12,665	10,596
Direct rate of return on properties, %	7.2	6.9
Loan level, %	64.3	58.0
Reported equity ratio, %	11.5	11.2
Adjusted equity ratio after deferred tax, %	27.0	29.9
<b>Per-share data</b>		
Value of properties according to valuation	876	679
Reported equity	76.09	54.09
Net asset value after deferred tax	240	210
Number of shares, thousands	14,450	15,594

\* properties purchased from Drott as well as properties on Avenyen acquired from Alecta.

**Organisation**

In conjunction with the property transaction, Wallenstam will carry out a reorganisation, which, in brief, will result in the company being divided into a residential division and a commercial division. This will be done in order to be able to focus more fully on the respective markets. The new organisation will take effect on 1 January, 2004.

**Goal attainment**

This year, Wallenstam will achieve a profit from property management of at least SEK 140 million. This means that Wallenstam will have met all its financial objectives two years earlier than originally planned, i.e. 2005. With its financial strength, Wallenstam considered itself ready to make this acquisition, which represents a large step in its development.

“The decision to strengthen Wallenstam’s commercial property portfolio is based on its strong faith in the market for commercial premises in Göteborg. This acquisition will make it possible to increase Wallenstam’s future profits from property management by about SEK 20 million”, says MD Hans Wallenstam in a comment on the acquisition.

“With the company’s current financial platform, this acquisition has given us a good balance between residential and commercial properties. After the weak economic climate in recent years, we are now seeing more and more signs of a recovery. Consequently, we felt that this was the right time to make this acquisition”, says Hans Wallenstam.

Göteborg, 23 October, 2003

Lennart Wallenstam Byggnads AB

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Encl: List of properties

Property	Address	Area	Total floor space
Gullbergsvass 1:12	Hamntorget 6	Centre	5 981
Inom Vallgraven 15:3	Södra Hamng. 29, Drottningg. 30	Centre	4 456
Inom Vallgraven 17:13	Västra Hamngatan 8, m fl	Centre	2 802
Inom Vallgraven 23:11	Södra Larmgatan 20, m fl	Centre	3 110
Inom Vallgraven 25:1+4	Kungssportsplatsen 1, m fl	Centre	5 521
Inom Vallgraven 26:8	Grönsakstorget 3, m fl	Centre	4 194
Inom Vallgraven 26:9	Kungstorget 1 m fl	Centre	14 382
Inom Vallgraven 53:14	Lilla Torget 1	Centre	3 197
Inom Vallgraven 53:15	Lilla Torget 2, m fl	Centre	3 051
Nordstaden 24:11	Kronhusgatan 16	Centre	3 322
Stampen 6:17	Odinsgatan 13, m fl	Centre	7 480
Arendal 5:1	Kärrlyckevägen 24	Arendal	2 398
Biskopsgården 45:1	Ruskvädersgatan 22, m.fl.	Biskopsgården	2 305
Högsbo 5:7	Olof Asklundsgata 25	Högsbo	3 213
Kobbegården 6:169	Datavägen 18	Kobbegården	1 615
Kobbegården 6:55	Datavägen 29	Kobbegården	1 290
Kobbegården 6:731	Ekonomivägen 3-5	Kobbegården	4 251
Kärra 72:33	Tagenevägen 34	Kärra	6 165
Kärra 75:2	Transportgatan 37	Kärra	7 899
Kärra 75:4	Transportgatan 39	Kärra	8 000
Kärra 90:1	Orrekulla Industrigata 61	Kärra	10 740
Solsten 1:110	Företagsvägen 2	Härryda	2 885
Solsten 1:126	Mölnlycke företagspark	Härryda	0
Solsten 1:132	Konstruktionsvägen 14	Härryda	4 953
Tynnered 1:15	Femvägsskälet 4	Tynnered	2 500
Önnered 762:369	Önnereds Brygga 1-17	Önnered	2 711
			<b>118 422</b>