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Drott sells residential property in Stockholm for gain of SEK 75 million

Drott has sold the residential property Fanan 32 in Karlaplan, in Stockholm's Östermalm district, for SEK 265 million. The price is 22 percent higher than the property's independently appraised market value as of December 31, 2002. The property has 10,147 square meters of rentable space, 8,744 sq. m. of which is residential space.

The buyer is the local tenant-owner association, and closing is scheduled for today's date.

As a result, Drott has sold three residential properties to tenant-owner associations in the month of October (Propellern 10, Folkungaträdet 4 and Fanan 32). Thus far this year (January-October), Drott has sold 12 properties to tenant-owner associations for a total of SEK 606 million (24 percent higher than the appraised market values as of December 31, 2002).

Drott AB (publ)

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Drott is being divided into two focused, publicly listed companies. Shareholders at the Annual General Meeting in 2004 will vote on the Board of Directors' proposal to distribute **Bostadsaktiebolaget Drott**, a streamlined residential real estate company active in around ten Swedish growth regions. As proposed, today's Drott would at the same time change its name to **Fabege AB**, an active, streamlined commercial real estate company focused on Stockholm.