

PRESS RELEASE 5/99

Drott's streamlining continues through sale of properties for SEK 195 million – pretax capital gain of SEK 76 million (SEK 0.75 per share)

The sales price corresponds to nearly SEK 5,000 per square meter and a yield of some 7%, based on the forecast operating surplus for 1999. Sales of properties in the United Kingdom account for SEK 12 million of the capital gain.

Drott's real estate portfolio is being concentrated continuously to growth regions, and to properties in which Drott can contribute to the achievement of long-term value growth well in excess of the rate of inflation. Greater Stockholm accounts for more than 50% of the value of Drott properties in Sweden, and the country's three largest cities for nearly 90%.

Properties sold (1)	Rentable floor space sq. m.	- of which, housing sq. m.
Newcastle	12 144	-
London	2 663	-
Piteå	19 090	16 031
Lund	6 237	5 670
Total	40 134	21 701

Drott AB (publ)

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(1 A specification of the properties sold/acquired by Drott to date during 1999 can be ordered from Drott – call Pia Oscarius (Tel: +46-8-545 83 018).

Drott is a pure real estate company which focuses on the Swedish market. The Company's mission is to generate a return on shareholders' equity through management of its own real estate and active use of its capital structure (real estate transactions, dividends, redemption and the like). With the support of satisfied tenants, profitable properties and a strong position in local growth markets – mainly for offices and housing – Drott aims to secure a favorable operating surplus in real terms combined with growth in cash flow per share. Following the above transactions, Drott owns 549 properties with approximately 3.0 million square meters of rentable floor space, of which housing (19,274 apartments) accounts for about 1.3 million square meters. Contracted annual rental revenues from these properties is approximately SEK 2.6 billion, with the Stockholm area accounting for approximately half. Drott has about 300 employees. The Company has 57,000 shareholders and is the largest real estate company on the Stockholm Stock Exchange.