

P R E S S R E L E A S E

Diligentia acquires Malmö property for SEK 143 million

Diligentia is acquiring part of the property Bilen 4 in the Västra Hamnen section of Malmö from Malmö Municipality for SEK 143 million.

Diligentia today reached an agreement with Malmö Municipality to acquire part of the property Bilen 4 (formerly a Saab plant). The hand-over is scheduled for October 1, 1999, after Malmö's engineering board and city council approve the sale.

The acquired area is situated adjacent to the planned housing show Bo 01 and is part of Malmö's most attractive development zone for both housing and commercial enterprises. It also adjoins Malmö College and the planned City Tunnel.

In total, the area measures just over 100,000 square meters and is currently being used primarily as a trade show and convention center. In its current use, the property is generating a return of 5.5 percent a year.

Diligentia intends to gradually upgrade the property. In the first phase, it plans to convert part of the property to attractive, modern offices totaling 30,000 square meters, ready for occupation by the middle of next year.

"After having finished new educational facilities for Malmö College on Citadellsvägen, this acquisition now further strengthens our presence in Malmö's most attractive development zone," says Anders Jarl, Managing Director of Diligentia Syd. "We expect to invest an additional SEK 300-400 million in the property in the years ahead."

Diligentia is one of Sweden's largest real estate companies. The book value of the Group's Swedish property assets amounted to SEK 10,455 million on March 31, 1999. The book value of its international properties was SEK 850 million. Diligentia's overall strategy is to concentrate its operations on select market sectors in Stockholm, Gothenburg and the Öresund region. Diligentia is quoted on the A-list of the Stockholm Stock Exchange.

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