

INTERIM REPORT

JANUARY–JUNE 1999



- *Income after financial items, excluding sales of properties, increased to SEK 243 M (141).*
- *Rental revenue, which rose 14%, amounted to SEK 1,136 M (1,000).*
- *The vacancy rate in Vasakronan properties has declined and amounts to 7 (8)% of rentable space. The estimated loss of rental revenue was lower, amounting to 5 (6)%.*
- *Vasakronan is forecasting that income for 1999 after financial items, based on the present portfolio and before income from sales of properties, will improve, compared with 1998 income.*
- *Following the end of the reporting period, Vasakronan concluded an agreement to acquire InfraCity AB, which owns properties with a market value of approximately SEK 800 M.*

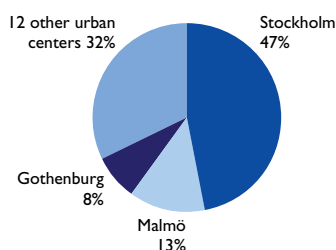
FINANCIAL DATA

SEK M	Jan.–June 1999	Jan.–June 1998	July 1998–June 1999	Full year 1998
Rental revenues	1,136	1,000	2,246	2,110
Income after financial items	251	1,005	360	1,114
Income after financial items, excluding property sales	243	141	382	280
Cash flow before investments	452	–125	772	195
Investments, including property acquisitions	655	4,913	1,397	5,655
Shareholders' equity	8,438	7,903	8,438	8,254
Book value, properties	16,593	16,482	16,593	16,508
Equity/assets ratio, %	46	44	46	46
Vacancy rate, floor space, %	7	8	7	8
Vacancy rate, rent, %	5	6	5	5



Lease portfolio, June 30, 1999

Lease period until	Number of leases	Annual rent, SEK M	Share %
1999	472	204	9
2000	593	305	13
2001	486	347	15
2002	463	412	18
2003	118	168	7
2004 and later	158	798	36
Housing	1,259	53	2
Total	3,549	2,287	100

Rental revenues, distributed geographically, June 30, 1999**Market**

The real estate market in Sweden is developing favorably and is characterized by a large number of properties for sale not only in the three large cities but in the regional centers as well. The direct-yield requirement has declined throughout the country. Interest in investing in properties is strong as a result of the low inflation and low interest rates.

Real estate transactions during the second quarter were somewhat fewer in number and were characterized to a greater degree by small deals. Prices of real estate shares on the Stockholm Stock Exchange have increased slightly during 1999. Kungsleden's shares were listed publicly in April 1999.

The market for rental space is strong and the metropolitan areas of Stockholm, Gothenburg and Malmö continue to show increases in levels of rents. There are few vacant office premises in central Stockholm. The major university cities – Uppsala, Lund, Linköping and Umeå – also show a favorable trend of rents.

Rental revenue

Vasakronan's rental revenue for the first half of 1999, which increased by

14%, amounted to SEK 1,136 M (1,000). The increase for comparable units was 3%, and the net effect of acquisitions and divestments of properties was 11%. Leases amounting to SEK 116 M in annual rentals were renegotiated during the first half of the year and rents have been increased, on average, by 32%. In all, 14% of the leases, 5% of them during the first half of the year, will be renegotiated in 1999.

Rental revenue included SEK 49 M (38) in real estate taxes paid by tenants.

The vacancy rate amounted to 7 (8)% of rentable space. The estimated loss of rental revenue was lower, 5 (6)%, due primarily to the fact that the vacancies occurred in premises with lower-than-average rents and in development properties. One percentage point of the vacant space is in four development properties.

Income

Income after financial items, excluding sales of properties, increased by SEK 102 M, to SEK 243 M (141). Income from sales of properties amounted to SEK 8 M (864).

The improvement in Group income was due primarily to the fact

Acquisitions

Date	Location	Property	Seller	Price SEK M	Date of possession	Rental revenues	Operating net Full year
1999-03-26	Kristianstad	Karl X I	Balder	12	1999-03-31	2	1
1999-03-26	Lund	Repslagaren 3 I	LKB, Lunds Kommun Fastighets AB	75	1999-06-01	6	5
1999-03-29	Stockholm	Apollo I	Skandia	32	1999-04-29	2	2
1999-05-19	Gothenburg	Nordstaden 17:6	Akelius Fastighet AB	35	1999-06-01	3	2
1999-05-31	Stockholm	Knarrarnäs 6	Océ Svenska AB	75	1999-07-01	8	6

Sales

Date	Location	Property	Buyer	Price SEK M	Date of possession	Rental revenues	Operating net Full year
1999-01-26	Växjö	Regementsparken	Sällhem AB	6	1999-05-01	0	0
1999-02-12	Växjö	Gripen 2	Späför Fastighets AB	2	1999-04-01	0	0
1999-04-07	Malmö	Jasminen I	Brf Versailles	15	1999-04-07	2	1
1999-04-30	Malmö	Hagen I	MKB	10	1999-04-30	1	1
1999-04-30	Malmö	Lodet I	MKB	9	1999-04-30	1	1
1999-04-22	Karlstad	Freja 12	JM Byggnads AB	15	2000-01-02	3	2
1999-05-07	Stockholm	Ekerö 1:800	Värmdö kommun	2	1999-05-07	0	0
1999-06-24	Gothenburg	Torp 50:3	Sveriges Radio	2	1999-09-01	–	–

Real estate portfolio, June 30, 1999

	Number of registered properties	Floor space 1,000 m ²	Rental revenues ¹ SEK M	Vacancy rate, % floor space	Vacancy rate, % rental value	Book value ² SEK M
Southern region						
Malmö	39	342	143	9	7	2,603
Lund	10	40	13	9	7	203
Kristianstad	12	67	24	2	1	157
Växjö	10	81	23	22	13	301
Linköping	9	60	25	3	2	297
Total	80	590	228	9	6	3,561
Western region						
Gothenburg	20	178	89	3	1	1,501
Karlstad	8	86	34	7	6	306
Örebro	9	84	49	6	1	551
Jönköping	6	79	35	1	1	366
Other	5	13	1	90	82	31
Total	48	440	208	7	3	2,755
Stockholm region						
Stockholm						
– City	9	83	97	4	4	2,129
– “Old Town”	7	20	15	–	–	211
– Östermalm	10	290	138	9	5	1,869
– Vasastan	8	38	26	4	3	376
– Other inner city	11	160	97	1	1	1,332
– Greater Stockholm North	28	297	129	7	3	1,798
– Greater Stockholm South	9	79	34	9	11	486
Uppsala	9	67	30	8	6	438
Total	91	1,034	566	6	4	8,639
Northern region						
Sundsvall	22	128	55	6	5	665
Gävle	18	116	44	6	5	438
Umeå	14	58	21	11	8	211
Luleå	11	69	23	9	9	310
Other	8	12	1	50	58	14
Total	73	383	144	9	7	1,638
Eliminations	–	–	–10	–	–	–
Group total	292	2,447	1,136	7	5	16,593

¹ Jan.–June 1999² Includes surplus value and deferred tax. Excludes work in progress.

Income before financial items

SEK M	Rental revenues		Operating surplus		Operating income	
	Jan.–June 1999	Jan.–June 1998	Jan.–June 1999	Jan.–June 1998	Jan.–June 1999	Jan.–June 1998
Southern region	228	211	131	117	107	101
Western region	208	156	133	87	107	66
Stockholm region	566	517	353	267	266	1,030
Northern region	144	125	69	60	49	47
Eliminations	–10	–9	–3	–3	–	–
Total	1,136	1,000	683	528	529	1,244
Unallocated costs	–	–	–	–	–23	–40
Total	1,136	1,000	683	528	506	1,204

Property transactions

SEK M	Jan.–June 1999	Full year 1998	Full year 1997	Full year 1996	Full year 1995	Full year 1993/94	Total 1993–99
Sales	61	2,192	6,541	577	415	50	9,836
Capital gains	8	834	2,008	144	61	17	3,072
Acquisitions	236	4,992	2,357	246	148	64	8,043

Vasakronan is continuing to expand in Gothenburg through the acquisition of the Nordstaden 17:4 property from Akelius Fastigheter AB. The purchase price of the centrally located property was SEK 35 M.



Vasakronan is the largest player in the office-rental market in Jönköping. The company further strengthened its position by acquiring the Öriktet 1 property from NCC.

that Vasakronan's maintenance costs were SEK 63 M lower than in the comparable period a year earlier. Maintenance costs during the first half of 1999 amounted to SEK 113 M (176).

As of June 30, 1999, Vasakronan has redeemed and refinanced its pension liability. A gain of SEK 20 M arose in connection with the redemption; of this amount SEK 18 M was reported among administrative costs and SEK 2 M in net financial items.

The improvement in income was also attributable to Vasakronan's larger real estate portfolio in the first half of 1999 following acquisitions from Skandinaviska Enskilda Banken (SEB).

The surplus operating margin improved to 60 (53)%.

Change in real estate portfolio

Vasakronan's policy has been to refine its real estate portfolio to focus on properties with commercial space, primarily office premises in

Stockholm, Malmö, Gothenburg and 12 other cities.

During the first six months of 1999 Vasakronan acquired properties, including land registration fees amounting to SEK 236 M (4,674) and divested properties amounting to SEK 61 M (1,796).

In March the Karl X 1 property in Kristianstad was acquired from Balder for SEK 12 M and the Repslagen 31 property in Lund was purchased from LKB for SEK 12 M. In April, the Apollo 1 building in Stockholm's Old Town was acquired from Försäkrings AB Skandia for SEK 32 M. In May, Vasakronan acquired the Nordstaden 17:6 property in Gothenburg from Akelius Fastigheter AB for SEK 35 M. In June, the Knarrarnäs 6 property in Kista (Stockholm) was acquired from OCE for SEK 75M.

Following the end of the report period an agreement was reached to acquire InfraCity AB from Agilia Holding AB, SEB Invest AB and Fas-



tighets AB Stämjärnet (owned by MeritaNordbanken). The agreement requires further study of the buildings and Vasakronan is expected to take possession in September 1999. The price for all of the InfraCity AB shares amounts to SEK 292.5 M, representing a property value of approximately SEK 800 M.

Following the end of the report period Vasakronan acquired two properties in Jönköping from NCC. Öriket 1 on the so-called Island, one of Jönköping's truly distinctive buildings, was acquired for SEK 157.5 M and the Rälsten 1 property at the Railway Station was purchased for SEK 10 M.

At the same time Vasakronan has continued to refine its real estate portfolio and has sold residential buildings. MKB purchased two residential properties in Malmö for SEK 19.5 and Jasmine, the newly formed tenant-owner association, purchased one property for SEK 14.5 M. Residential buildings in Växjö were sold

for SEK 8 M. The police building in Karlstad was sold to JM for SEK 15 M. JM will rebuild the structure to house mainly residential units.

Investments

Investments during the period ended June 30, 1999 amounted to SEK 655 M (4,913). Of this amount, SEK 236 M (4,674) pertained to acquisitions of properties and SEK 419 M (239) to investments in buildings and installations.

Financing

Net financial income and expense amounted to an expense of SEK 255 M (199), an increase of SEK 56 M. The increase was attributable to higher net debt.

Liquid funds at June 30, 1999 amounted to SEK 445 M (721). In addition, the Company had unutilized lines of credit amounting to SEK 7,416 M.

Interest-bearing liabilities at June 30, 1999 amounted to SEK 8,025 M

Maturity date structure, June 30, 1999

	Fixed interest term SEK M	Interest, %	Date due SEK M	Lines of credit SEK M
1999	2,332	4.2	2,317	3,725
2000	1,021	10.2	1,521	
2001	1,153	9.2	1,623	2,542
2002	1,103	6.5	528	1,300
2003	675	6.8	645	
2004	1,150	5.4	1,150	
2005	500	5.0	150	
2007	100	9.0	100	
Total	8,034	6.5	8,034	7,567

The term includes derivatives. Loans are reported at nominal amounts.

Sources of financing, June 30, 1999

SEK M	Borrowing framework	Of which utilized
Commercial paper program	4,000	850
MTN program 1995	3,520	3,520
MTN program 1998	6,000	1,968
Syndicated bank loans		
– Nordic	1,300	–
– International	2,542	–
Mortgage loans	–	173
Other credit		
institution borrowings	3,725	151
Private placements	477	477
Loans from sister companies	–	895
Total		8,034

In June 1999 Vasakronan made its first property acquisition in Kista, between Stockholm and the Arlanda airport. The Knarrarnäs 6 building was purchased from OCÉ Svenska AB for SEK 75 M.



(7,872). Net interest-bearing liabilities increased by SEK 3,200 M, to SEK 7,605 M. The increase was largely attributable to the net effects of acquisitions and divestments, with acquisitions of properties from SEB accounting for the largest item, SEK 4.2 billion. Average net interest-bearing liabilities during the first half of the year amounted to SEK 7,689 M (4,515).

The average rate of interest expense was 6.7 (6.8)%. The average rate at June 30, 1999 was 6.5 (6.8)%. The fixed-interest-rate period was 2.2 (1.7) years.

The interest coverage ratio was 2.0 (5.2).

The pension liability of SEK 252 M was redeemed and refinanced as of June 30, 1999. Following the redemption, there remains a pension liability of only SEK 25 M, which pertains to revocable pension commitments.

Vasakronan's MTN program (launched in June 1998) was updated in June 1999, which made it possible

to issue bonds denominated in euros. At the same time the framework agreement was increased to SEK 6 billion (or the equivalent in euros). The program has received a credit rating of BBB+ from Standard and Poor's.

Shareholders' equity

As of June 30, 1999, Vasakronan had visible shareholder equity amounting to SEK 8,438 M. Unrestricted equity amounted to SEK 3,008 M. Vasakronan has restricted equity of SEK 5,430 M, of which shareholders' equity amounts to SEK 4,000 M. There are 4,000,000 shares outstanding, each with an unchanged par value of SEK 1,000 per share.

Vasakronan's properties were valued at SEK 22.3 billion at year-end 1998. The book value on the same date was SEK 16.5 billion.

Cash flow

The cash flow before investments in current management operations improved to SEK 452 M, compared

with a negative cash flow of SEK 125 M in the year-earlier period. The negative cash flow in the first half of 1998 was attributable to an "extra" tax charge of approximately SEK 500 M pertaining to capital gains in 1997.

Personnel

The average number of employees during the period was 331 (337). As of June 30, 1999, 332 persons were employed in the Vasakronan Group. Vasakronan conducted two trainee programs during the first half of 1999. In one program, which covers the entire Group, four young persons are undergoing training for a period of six months with the objective of becoming administrators. In the second program, which pertains to operations in Stockholm, four persons are being trained to become operating technicians.

Parent Company

Rental revenue of the Parent Company, Vasakronan AB, during the



six-month period ended June 30, 1999 amounted to SEK 1,031 M (898). Revenue from external management assignments amounted to SEK 4 M (2). Parent Company income after net financial items was SEK 281 M (1,004), of which income from sales of properties amounted to SEK 3 (863) M. Liquid funds at June 30, 1999 amounted to SEK 439 (556) M. Investments during the first half of 1999 amounted to SEK 584 M (4,810). Borrowing totaled SEK 8,025 M (7,503). Of this debt, SEK 3,362 M (3,505) was short-term and SEK 4,663 M (3,998) was long-term.

The National Audit Bureau has decided not to appoint an auditor in Vasakronan AB. At an extra General Meeting, held on June 24, 1999, Bertil Forsslundh, Authorised Public Accountant, thereby resigned on his own request.

Outlook for 1999

14% of the leases will be renegotiated during the year. These renegotiations will yield higher levels of rents. Based on an increased amount of leasing, the vacancy rate is expected to continue to decline. Vasakronan's rental revenue will increase to approximately SEK 2.2 billion in 1999

as a result of the acquisitions of properties in 1998.

As a consequence of large development projects, mainly in Stockholm, investments will continue to be high. Maintenance expenses will be further reduced.

Interest expense will increase due to increased borrowing for acquisitions that were made during 1998.

Vasakronan is forecasting that income for 1999 after financial items, based on the present portfolio and before income from sales of properties, will improve, compared with 1998 income.

Stockholm, July 14, 1999

Håkan Bryngelson
President

Classification of tenants	Percent of rental revenue
Information technology companies	16
Medical / technical companies	5
Sales and service companies	12
Service and hotel	34
Stores	11
Warehousing and light industry	22



VASAKRONAN BUYS INFRA CITY - LOCATED BETWEEN STOCKHOLM AND ARLANDA

Vasakronan has concluded an agreement to acquire InfraCity AB from Agilia Holding AB, SEB Invest AB and Fastighets AB Stjämjärnet (owned by MeritaNordbanken). The agreement requires further study of the properties and Vasakronan is expected to take possession during September 1999. The price for all of the InfraCity AB shares is SEK 292.5 M, representing a property value of approximately SEK 800 M.

The InfraCity Corporate Park has slightly more than 190,000 square meters of floor space and is located between Stockholm and Arlanda. The Park has acquired many new tenants in recent years and today has an attractive tenant structure.

Between Stockholm and Arlanda

InfraCity is situated along the E4 highway – 21 kilometers from Stock-

holm and 17 kilometers from Arlanda – and comprises buildings with approximately 190,000 square meters of floor space. The area consists of five different parts, with a mixture of offices, stores, a hotel and other types of occupancy. Scandic Hotels operates a 21-story hotel with an eye-catching glass facade. InfraCity has a total of 105 tenants, of which Scandic Hotels, Dell, Cederroth, Ericsson, Meto and Telia are the largest.

A large real estate development project comprising approximately 40,000 square meters of floor space at a cost of slightly more than SEK 300 M is under way to create Infra Business Center. 45% of this project has already been leased to – among others – Scandic Hotels, which is expanding strongly. The vacancy rate in InfraCity has declined markedly

during the past year and amounts to 18%, excluding the project currently under way. Rental revenues in 1999 will amount to SEK 90 M and the operating net will amount to slightly more than SEK 60 M.

Vasakronan providing additional market know-how

“Vasakronan can provide InfraCity with additional market know-how,” says Håkan Bryngelson, Vasakronan’s president. “Economic growth in Stockholm is strong at the present time and we accordingly believe that the time is right to begin this type of project. We see a substantial growth potential in InfraCity and the situation is highly attractive.

“Through its associate company, Agilia Holding AB, Vasakronan has followed developments in InfraCity for approximately two years. The



InfraCity – one of Sweden's first Edge Cities

InfraCity is one of Sweden's first Edge Cities. The definition of an Edge City is: "a spontaneously arisen social structure that occurs in locations that are highly accessible." Edge Cities emerge in areas outside city centers where there is a new vitality, creativity and development potential. They seldom occur as the result of the work of city planners, but rather as the logical consequence of people

bringing city functions with them to the suburbs.

The growth in InfraCity shows that its commercial development is following the pattern of similar communities in other parts of Europe and in the United States. Examples include the expansion that has taken place outside London, close to the Heathrow Airport; between Nimes and Montpellier in France, and on the outskirts of New York, Los Angeles and San Francisco.

trend during this period has been positive and we have participated in a large number of investment decisions with respect to Infra Business Center that were taken in April 1999."

"In InfraCity we can offer attractive premises at competitive prices and with good communications," says Christer Alvemur, Executive

Vice President and Head of Vasakronan Region Stockholm. "The vacancies offer opportunities and Vasakronan has an organisation with substantial customer contacts. InfraCity is a large meeting place, offering premises for companies that need both offices and space for high-technology production."

InfraCity contains five blocks with buildings

Block 1 Kanalvägen 6-14	Floor space	
Offices	58,180 m ²	63%
Stores	1,000 m ²	1%
Warehouse	678 m ²	1%
Hotel	32,182 m ²	35%
Other	29 m ²	0%
Total	92,069 m²	

Large tenants: Scandic Hotel Infra City, Dell, Sykeskoncernen

Block 2 Kanalvägen 1, 3, och 5	Floor space	
Offices	12,337 m ²	24%
Stores	7,066 m ²	14%
Production	14,449 m ²	28%
Warehouse	14,392 m ²	28%
Other	3,363 m ²	6%
Total	51,607 m²	

Large tenants: Ericsson, Cederroth, ICA

Block 3 Kanalvägen 7	Floor space	
Offices	1,780 m ²	40%
Stores	1,640 m ²	37%
Warehouse	7 m ²	0%
Other	970 m ²	2%
Total	4,397 m²	

Large tenants: Applebees, Kings Saddlery, Väsbjörns Läkargrupp

Block 4 Kanalvägen 16-20	Floor space	
Offices	17,597 m ²	77%
Warehouse/production	5,173 m ²	23%
Total	22,770 m²	

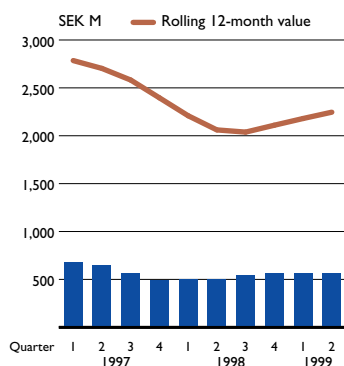
Large tenants: Meto, Telia

Block 5 Stockholmsvägen 35, 37, Kranvägen 8	Floor space	
Offices	1,628 m ²	8%
Stores	5,611 m ²	28%
Production	3,427 m ²	18%
Warehouse	6,517 m ²	33%
Other	2,400 m ²	13%
Total	19,583 m²	

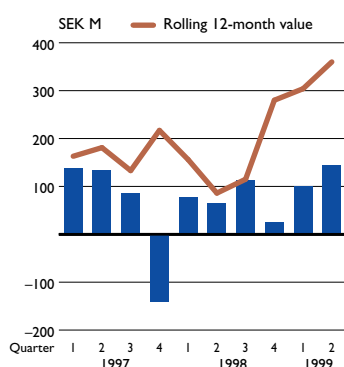
Largest tenants: Philipson, Edström car interiors, Laminova.

INFRA CITY	Floor space	
Offices	91,522 m ²	48%
Stores	15,317 m ²	8%
Production	17,876 m ²	9%
Warehouse	26,767 m ²	14%
Hotel	32,182 m ²	17%
Other	6,762 m ²	4%
Total	190,426 m²	

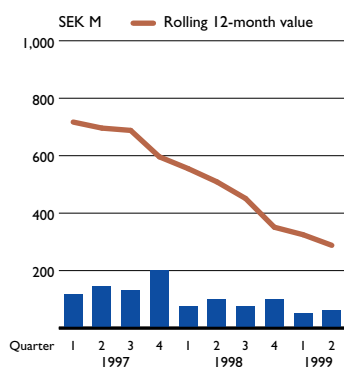
Rental revenues



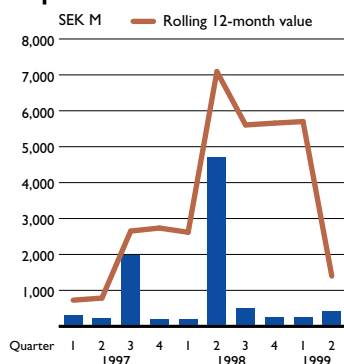
Income after financial items, excluding property sales



Maintenance



Investments including property acquisitions



Income statement

Mkr	Jan.-June 1999	Jan.-June 1998	Full year 1998
Rental revenues	1,136	1,000	2,110
Operating expenses	-245	-206	-453
Other administrative expenses	-35	-40	-67
Maintenance	-113	-176	-351
Property tax	-60	-50	-108
Operating surplus	683	528	1,131
Property depreciation	-164	-149	-314
Gross income	519	379	817
Administration	-231	-40	-79
Gain on sale of properties	8	864	834
External assignments	2	1	1
Operating income	506	1,204	1,573
Net financial items	-255	-199	-459
Income after financial items	251	1,005	1,114
Tax	-66 ¹	-276 ²	-284
Income for the period after tax	185	729	830

¹ Redemption of pension liability has effected the administrative cost of +SEK 18 M.

² Includes provision for estimates allocations.

Balance sheet

SEK M	June 30 1999	June 30 1998	December 31 1998
Assets			
Properties and fixed assets	17,459	16,889	17,022
Financial assets	23	25	23
Current receivables	252	240	421
Liquid assets	445	721	352
Total assets	18,179	17,875	17,818
Shareholders' equity and liabilities			
Shareholders' equity	8,438	7,903	8,254
Provisions	476	788	718
Interest-free liabilities	1,240	1,312	1,311
Interest-bearing liabilities	8,025	7,872	7,535
Total shareholders' equity and liabilities	18,179	17,875	17,818

Statement of changes in financial position

SEK M	Jan.-June 1999	Jan.-June 1998	Full year 1998
Operating income	1,150	1,012	2,135
Cost of operations	-482	-523	-1,070
Gross income	668	489	1,065
Financial income and expense	-255	-199	-459
Tax expense	-66	-276	-284
Change in working capital	105	-139	-129
Change in long-term receivables	-	-	2
Cash flow before investments	452	-125	195
Investments			
Investments in fixed assets	-655	-4,913	-5,655
Sale of properties	61	1,796	2,192
Net change in investments	-594	-3,117	-3,463
Cash flow after investments	-142	-3,242	-3,268
Loan financing	235	1,651	1,311
Dividend	-	-330	-330
Shareholder financing	-	-	-3
Net change in financing	235	1,321	978
Change in liquid assets	93	-1,921	-2,290
Change in interest-bearing liabilities, including pension liabilities	-235	-1,651	-1,311
Change in net loan liabilities	-142	-3,572	-3,601
Net loan liabilities at January 1	-7,463	-3,862	-3,862
Net loan liabilities at June 30	-7,605	-7,434	-7,463

Key data

	June 30 1999	June 30 1998	December 31 1998
Operating surplus margin, %	60	53	54
Interest coverage ratio, multiple	2.0	5.2	3.2
Cash flow before investments, SEK M	452	-125	195
Investments - excluding property acquisition, SEK M	419	239	663
Investments - property acquisition, SEK M	236	4,674	4,992
Shareholders' equity, SEK M	8,346	7,704	7,879
Yield on shareholders' equity, %	3.2	23.6	10.5
Direct yield, %	7.8	6.0	7.7
Equity / assets ratio, %	46	44	46
Net debt, SEK M	7,605	7,434	7,463
Net debt / equity ratio, multiple	0.9	0.9	0.9
Income per share, SEK	46	182	208
Cash flow per share, SEK	113	-31	49
Shareholders' equity per share, SEK	2,110	1,976	2,064
Premises floor space, 1,000 m ²	2,447	2,474	2,444

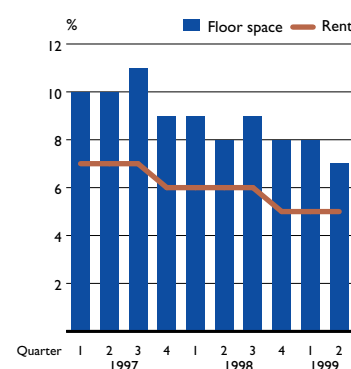
AUDITOR'S REPORT

I have examined this six-month report summarily in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accounts (FAR). A summary examination is significantly limited compared with an audit. Nothing has come to light which indicates that the six-month report does not fulfill the requirements of the Annual Accounts Act.

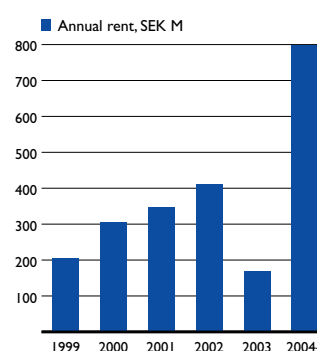
Stockholm, July 14, 1999

Göran Tidström
Authorized Public Accountant

Vacancy rate, floor space and rent



Terms for leases, annual rent



Definitions

Return on shareholders' equity.
12-month rolling income after estimated tax divided by shareholders' equity.

Direct yield
12-month rolling operating surplus divided by average book value of properties.

Operating surplus.
Rental revenues less operating, administration and maintenance costs.

Operating surplus margin.
Operating surplus divided by rental revenues.

Duration.
The average remaining loan term, taking into account the final due date and any interest payments and amortization.

Shareholders' equity.
Average visible shareholders' equity.

Shareholders' equity per share.
Shareholders' equity at year-end, divided by the number of shares.

Cash flow before investments.
Income after net financial items with restitution of depreciation and capital gains, and changes in working capital, long-term receivables and tax.

Cash flow per share.
Cash flow before investments divided by the number of shares.

Floor space.
Rentable area.

Net debt/equity ratio.
Interest-bearing liabilities including pension liabilities, less liquid assets, divided by shareholders' equity at year-end.

Income per share.
Income after estimated tax divided by the number of shares.

Interest coverage ratio.
Income after net financial items plus financial expense, divided by financial expense.

Equity/assets ratio.
Shareholders' equity as a percentage of total assets.

Vacancy rate, floor space.
Proportion of space not rented.

Vacancy rate, rent.
Estimated annual rent loss due to vacant premises as a percentage of the total annual rent of properties when fully tenanted.

Vasakronan is one of Sweden's leading real estate companies, and the largest in the field of commercial premises, mainly office space. Vasakronan is active in Stockholm, Malmö, Gothenburg and 12 other cities. Its real estate portfolio comprises a total of 292 properties. The portfolio contains 2,447,000 square meters of space. Approximately 65,000 men and women work in these premises. They are people who are to be made comfortable in their premises, made to feel that that they have functional space and efficient service.

Financial information from Vasakronan

Interim Report Jan.–Sept. 1999	October 21, 1999
Year-end Report 1999	February 15, 2000
Annual Report 1999 (Swedish)	February 2000
Annual Report 1999 (English)	March 2000

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