

## P R E S S   R E L E A S E

### **Diligentia expands in Öresund region – strategic acquisition in Copenhagen for DKK 428 million**

**Diligentia has acquired five office buildings in central Copenhagen for a total of DKK 428 million. The properties have a combined lettable area of just under 39,000 square meters.**

Four of the five properties are newly constructed or renovated and have been acquired from, among others, the listed real estate development companies KEOPS and TK Development. The combined annual rent amounts to DKK 33 million, equivalent to an initial yield of 7 percent.

All the properties are fully let, with leases varying between five and ten years in duration. The leases are fully indexed.

Among the major tenants are Rigspolitiet i Köpenhamn, Leo Burnett Denmark, Capilex A/S (L'Oréal) and Gallup A/S.

“For more than a year we have closely studied and followed the real estate market in Copenhagen in order to learn how it works and who the players are,” says Mats Cederholm, Managing Director and CEO of Diligentia AB. “In general, the Danish real estate market differs in many ways from the Swedish market, which is why we have been especially careful in our search for suitable properties. Together with the two properties we already owned, the portfolio we have now acquired gives us a critical mass with a stable cash flow and makes us a player to be reckoned with in Copenhagen from here on.”

“The natural centers that we see, for example, in Swedish cities don't have a direct counterpart in Copenhagen,” explains Anders Jarl, Managing Director of Diligentia Syd AB. “Instead, it's the quality of the property that counts. One result is that there are a number of very attractive locations in Copenhagen, but you won't find anything like Stockholm's so-called 'Golden Triangle.' The newly acquired properties are of good quality and have attractive locations. The average rent level together with the purchase price of approximately DKK 11,000 per square meter, makes us optimistic about future improvements in the value of the properties.”

“On several occasions I have expressed our interest in the Öresund region, whose cities and business communities will eventually merge into one,” Mats Cederholm

continues. “That’s why we want to be on both sides of the sound. Our commitment to working with Malmö College and acquisition of the 100,000-sq.m. property Bilen 4, the former Saab factory in the Västra Hamnen section of the city, are examples of this. Still, the largest, dominant city in this region is Copenhagen, and from that standpoint it is natural that we are increasing our property holdings there. Following this acquisition we have slightly more than 60,000 square meters in Copenhagen.

“We have chosen as our strategy to utilize a stable property portfolio as a base to pave the way for Diligentia’s positive development in Copenhagen.”

## Property portfolio in Copenhagen

### New acquisitions

Address – District	Lettable area	Seller
Kanonbådsskurene – Holmen	12,638 sq.m.	KEOPS/Sötoftegård A/S
Halmtorvet 20-22 – Vesterbro	7,240 sq.m.	Hegedal A/S
Stationsparken 37 - Glostrup	6,808 sq.m.	KEOPS
Masnedögade 20 - Österbro	6,221 sq.m.	TK Development
Masnedögade 22-26 - Österbro	5,721 sq.m.	KEOPS/Sötoftegård A/S
<b>Sum</b>	<b>38,628 sq.m</b>	

### Previously owned

Address – District	Lettable area
Avedöreholmen 46	14,951 sq.m.
Oslo Plads 2 – Österport	7,146 sq.m.
<b>Sum</b>	<b>22,097 sq.m.</b>
<b>Total</b>	<b>60,725 sq.m.</b>

*Diligentia is one of Sweden’s largest real estate companies. The book value of the Group’s Swedish property portfolio amounted to SEK 10,345 million on June 30, 1999. The book value of the international properties amounted to SEK 861 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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