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Skandia and Jones Lang LaSalle to form joint property asset management company serving the Nordic Region

Skandia Fastighet, the real estate subsidiary of Skandia, Sweden's leading insurance company, and Jones Lang LaSalle, a leading international real estate services and investment management company, are to form a joint company for the asset management of real estate in the Nordic region. The new company will begin its activities early in January 2000.

Under an agreement signed by the two companies on 2nd September 1999, the new company, which will bear the Jones Lang LaSalle name, will take on responsibility for managing Skandia Life's investment property portfolio in the Nordic region (Sweden, Denmark, Norway and Finland) through a five year exclusive property asset management assignment. The present portfolio of some 250 properties has a market value of approximately SEK 20 billion (US\$ 2.4 billion). The company will initially be owned 55% by Jones Lang LaSalle and 45% by Skandia Fastighet, and after three years Jones Lang LaSalle will have the right to acquire its entire share capital. A central objective of the new company will be to win additional asset management business throughout the Nordic region from other investors with property holdings in any or all of the four countries. The new company, based in Stockholm, will retain the property management personnel of Skandia Fastighet and will include specialists from Jones Lang LaSalle.

Based on a successful ten-year relationship, Skandia and Jones Lang LaSalle first announced their decision to explore the mutual benefits of establishing a joint asset management company in June this year, starting a due diligence process scheduled to be completed by 1st September.

The signing of yesterday's agreement follows the successful, timely completion of this process and starts a transition period that will last the four months until the new company begins its operations. During this transition period, Skandia Fastighet will retain full responsibility for managing its assets and the two companies will finalise the remaining details of the new company, including its board members and managing director. There will also be full consultations with the Skandia Fastighet's staff and the appropriate regulatory authorities.

The new venture combines the proven local expertise of Skandia Fastighet's property management personnel with Jones Lang LaSalle's knowledge of international best practice in asset management. It is designed to maximise the performance of Skandia Life's portfolio and will enable Skandia Fastighet's fund management team to focus on investment strategy. For Jones Lang LaSalle it establishes a platform for expanding its asset management activities across the Nordic region, and in time for developing its full range of property services in the region.

Skandia Fastighet is a fully-owned subsidiary of the Swedish insurance company Försäkringsbolaget Skandia. Skandia's shares are quoted on the Stockholm, London, Frankfurt and Copenhagen stock exchanges.

Jones Lang LaSalle is a leading global real estate services and investment management company with operations in 34 countries on five continents. It is quoted on the New York Stock Exchange (JLL).

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