

## P R E S S   R E L E A S E

### Diligentia's Jericho project Jericho progressing – Ernst & Young rents 15,000 sq.m

**Diligentia has signed a lease with Ernst & Young of approximately 15,000 square meter, of which just under 14,000 sq.m. is office, in Jericho in central Stockholm. The yearly rent value is SEK 50 m and the lease is for ten years. Ernst & Young also has an option to additional space in the property.**

An agreement has been signed to the effect that Diligentia will make adjustments, renovation and new construction in the buildings close to Regeringsgatan. The project includes a total area of 22,500 sq.m consisting of 16,000 sq.m offices, 3,500 sq.m residential, 2,500 sq.m warehouse and 500 sq.m shops. Diligentia is thereby making use of its building rights for 4,000 sq.m. The estimated total rent value is approximately SEK 66 million and the investment amounts to more than SEK 400 million. Construction is scheduled to start in the spring of the year 2000 and to be completed by October, 2001.

Jericho is a centrally located block in a quickly developing prime business area of Stockholm. As a major property owner in the area, Diligentia is an active participant in this development process. In line with the City of Stockholm's plan for the area, Diligentia will also build approximately 65 rental flats in Jericho.

Diligentia has been granted building rights of 5,000 sq.m. in the building next to Norrlandsgatan.

The Jericho block is Diligentia's largest development project. The property was purchased from Telia in June 1998 for SEK 1.25 billion and had initially a lettable area of 54,000 sq.m. Included in the construction project is a new underground entrance that will optimise the loading and unloading of goods and reduce the environmental impact of this traffic. The current closed character of the block will change in the process.

"I am very satisfied with this agreement with Ernst & Young", says Björn Tigler, Managing Director of Diligentia Stockholm AB. We hope that the addition of such an interesting company to our client list is only the beginning of a close business relationship. Letting 15,000 sq.m to one large and important client in

central Stockholm with a rent at market level confirms that our acquisition of the Jericho block was strategically right.

Advisor in the transaction has been the Scandinavian branch of CB Richard Ellis, a world leading property consultant company.

"We are very happy with this agreement which give us the possibility to concentrate our competence to one office", says Steve Ribbestam, Managing Director of Ernst & Young AB. At present, we are located in different parts of Stockholm due to a substantial expansion the last couple of years. This is a good deal, both financially and from a human resource point of view. Our staff will be located in first rate offices in a prime location of Stockholm.

"Together with Diligentia, we will develop premises with a modern profile, designed for a business in constant change", says Stefan Hultstrand, Head of Office at Ernst & Young AB in Sweden. It is our ambition to make it the number one meeting place for competence and business development.

"The tenant is extremely progressive with complicated demands that Diligentia has been able to meet in very high competition from other interesting projects in central Stockholm", says Rolf Blom at CB Richard Ellis, advisor in evaluation and negotiation for Ernst & Young.

*Diligentia is one of Sweden's largest real estate companies. The book value of the Group's Swedish property portfolio amounted to SEK 10,390 million on September 30, 1999. The book value of the international properties amounted to SEK 557 million. Diligentia's overall strategy is to concentrate and develop its operations in select market sectors in Stockholm, Gothenburg and the Öresund region. Diligentia is listed on the A-list of the Stockholm Stock Exchange.*

*Ernst & Young is a global knowledge organisation with more than 85,000 employees in 130 countries. The firm is represented in 80 cities in Sweden with a total of 1,800 employees. Ernst & Young are involved in four different fields: Corporate Finance, Management Consulting, Audit and Tax/Law.*

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