

# Pressrelease

From September 23 1998

## Wihlborgs reinforces its position in Stockholm City - introduces new project format

Wihlborgs Fastigheter AB, in co-operation with Peab AB and Svedeg GmbH, has acquired the Blåmannen 20 property in the Stockholm City area. The property comprises 77,000 sq.m. and the vendor is the Swedish Post Office Pension Fund (Postens Pensionsstiftelse).

The property is situated on Drottninggatan - a highly sought after commercial and office location in the Stockholm City area. The property will be renovated and upgraded, focusing on shops and offices, with the aim of achieving high and long-term sustainable letting levels at rents in line with the geographical position.

The acquisition means that Wihlborgs and Peab will each own 25% of Blåmannen, and that Svedeg will have a 50% proprietary share. Svedeg is owned by a German banking consortium and Bergaliden AB. The purchase price is slightly in excess of SEK 1 billion. The parties have agreed that Wihlborgs will - once the renovation work is completed - acquire the entire property in the year 2002 at a price corresponding to a 7% dividend yield at the date of acquisition.

There are several advantages to a project in which construction firms, financiers and the long-term landlord are joint owners. The principal incentives are that the price of the renovation work carried out will be right and the quality of the work will be high, as will the degree of concern shown for the environment, whilst the financial terms and conditions will be advantageous. A project group with the following composition was formed prior to the acquisition of Blåmannen 20:

Peab - one of Sweden's leading construction and civil engineering companies - brings in-depth knowledge and experience of similar commissions to the project.

Svedeg - which specialises in European property financing - is organising a financial consortium comprising FöreningsSparbanken, Westdeutsche Immobilien-Bank and Landesbank Kiel.

Wihlborgs - a property company with a strong position in the Stockholm and Öresund regions - brings informed project management know-how, together with experience of previous acquisitions. At the same time, the company constitutes an efficient channel to existing and potential tenants, as well as providing a slim-lined management organisation for future operation and maintenance.

### Comments by Wihlborgs:

- We are continuing our strategy of strengthening our positions in the Stockholm and Öresund regions. The acquisition of this property is part of Wihlborgs's long-term strategy of acquiring objects which, after renovation and upgrading work, will yield sustainably high returns, says Wihlborgs President, Erik Paulsson. Running the project in the form of an initial joint ownership structure comprising the parties involved is also an interesting format for ensuring quality and commitment.

**Comments by Peab:**

- Our joint ownership of the property means that we can, using our know-how and experience, bring significant qualities to the project in terms of cost effectiveness, environmental considerations and project management. This object reinforces our position as one of the market's leading project development companies, says Göte Brännvall, President of Peab Öst.

**Comments by Svedeg:**

- Our participation in this acquisition has established us in the Swedish property market. This generates considerable potential for us to successfully finance additional objects in this interesting market , says Svedeg's President, Lothar Loitz.

Wihlborgs Fastigheter AB (publ.)

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***This is Wihlborgs***

*Wihlborgs Fastigheter AB (publ.) is one of Sweden's largest listed property companies, holding properties with a book value of SEK 19 billion. The property holding is concentrated on the Stockholm and Öresund regions and has a leasable floor area of 3.1 million sq.m., broken down into 2.1 million sq.m. commercial premises and 1 million sq.m. residential premises. The Wihlborgs share is quoted on the A-list of the Stockholm Stock Exchange.*