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YEAR-END REPORT 2002 VASAKRONAN AB

- Income after net financial items before items affecting comparability rose to SEK 617 M (603), up 2%. Items affecting comparability included gains on divestment of properties, write-down on properties and costs for prepayment of future interest expense. Income after net financial items amounted to SEK 601 M (2,281).
- Rental revenues amounted to SEK 2,899 M (2,725). The rent increase in new and renewed contracts was 48% (44).
- The forecast for 2003 is for income after net financial items, before items affecting comparability, amounting to approximately SEK 550 M.
- The Board of Directors is proposing a dividend of SEK 216 M (537) to the Annual General Meeting.

“The economic downturn has impacted adversely on the premises rental market,” comments Håkan Bryngelson, President of Vasakronan. “Vasakronan was also affected, but reported somewhat improved earnings compared with a year earlier. The main reason was a continued increase in the rents in renegotiated contracts.”

“Income after net financial items before items affecting comparability such as gains on divestment of properties, write-down on properties and costs for prepayment of future interest expense has developed positively since 1996 and amounted in 2003 to SEK 617 M (603).”

“The value of the property portfolio increased two-fold from the original SEK 16 billion to the current SEK 34 billion. However, the property market is cyclical and the weaker economy resulted in a decline of 3% in the portfolio’s value in 2002, attributable mainly to the Stockholm market.”

“The market in 2003 will continue to be characterized by uncertainty and the weak economy. Even if economic growth rebounds at the end of the year, there will be a delay until 2004 before demand for premises in the rental market is affected positively, says Håkan Bryngelson.

The Year-end report will be published at www.vasakronan.com on wednesday February 12th.

For further information, contact:

Håkan Bryngelson, President and CEO	+46 8 783 21 05
Björn Lindström, Chief Financial Officer	+46 8 783 21 12
Bengt Möller, Senior Vice President Corporate Communications	+46 8 783 21 09

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