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Drott sells 27 Gothenburg properties for SEK 1,420 million

The sale is an element in the new strategic direction for Drott's commercial real estate operations, where the focus is on properties in Stockholm.

The portfolio comprises 27 properties – three of which are leaseholds – with 118,400 square meters of rentable space (including 3,400 sq. m. of residential space).

The occupancy rate is 90 percent. Current leases generate annual rent of SEK 131 million and an operating surplus of SEK 84 million.

The sale is being executed through a special purpose company, with the closing and payment of the full proceeds scheduled for December 30, 2003. The buyer is Lennart Wallenstam Byggnads AB (publ), a publicly listed real estate company based in Gothenburg.

Effects for Drott

The sales price amounts to SEK 1,420 million. An independent appraisal of the market value of Drott's property portfolio was made as per December 31, 2002. The market value of the properties now being sold was appraised at the time at SEK 1,473 million.

For accounting purposes, the sale results in a gain of SEK 165 million, which will be reported in the fourth quarter 2003. A provision of approximately SEK 20 million for estimated future costs associated with the sale is accounted for in the gain.

The fiscal residual value in the portfolio is approximately SEK 425 million less than the sales price. The effect on liquidity based on the difference is estimated at SEK 25 million. Outstanding tax loss carryforwards are not affected by the sale.

The sale initially reduces the Group's annual cash flow by approximately SEK 40 million.

The sale requires negotiations pursuant to the provisions of the Co-determination in the Workplace Act, which will begin immediately.

Catella Corporate Finance has served as Drott's adviser in the sales process.

Drott AB (publ)

For further information, please contact:

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Schedule of real estate

Area	Properties sold	Address	Rentable space excl. garages	Of which residential space
Inner city	Gullbergsvass 1:12	Hamntorget 6	5,981	0
Inner city	Inom Vallgraven 15:3	Södra Hamng. 29, Drottningg. 30	4,456	0
Inner city	Inom Vallgraven 17:13	Västra Hamngatan 8, etc.	2,802	0
Inner city	Inom Vallgraven 23:11	Södra Larmgatan 20, etc.	3,110	0
Inner city	Inom Vallgraven 25:1+4	Kungssportsplatsen 1, etc.	5,521	0
Inner city	Inom Vallgraven 26:8	Grönsakstorget 3, etc.	4,194	0
Inner city	Inom Vallgraven 26:9	Kungstorget 1 etc.	14,382	3 252
Inner city	Inom Vallgraven 53:14	Lilla Torget 1	3,197	0
Inner city	Inom Vallgraven 53:15	Lilla Torget 2, etc.	3,051	0
Inner city	Nordstaden 24:11	Kronhusgatan 16	3,322	136
Inner city	Stampen 6:17	Odinsgatan 13, etc.	7,480	0
Arendal	Arendal 5:1	Kärrlyckevägen 24	2,398	0
Biskopsgården	Biskopsgården 45:1	Ruskvädersgatan 22, etc.	2,305	0
Högsbo	Högsbo 5:7	Olof Asklundsgata 25	3,213	0
Kobbegården	Kobbegården 6:169	Datavägen 18	1,615	0
Kobbegården	Kobbegården 6:55	Datavägen 29	1,290	0
Kobbegården	Kobbegården 6:731	Ekonomivägen 3-5	4,251	0
Kärä	Kärä 72:33	Tagenevägen 34	6,165	0
Kärä	Kärä 75:2	Transportgatan 37	7,899	0
Kärä	Kärä 75:4	Transportgatan 39	8,000	0
Kärä	Kärä 90:1	Orrekulla Industrigata 61	10,740	0
Häräda	Solsten 1:110	Företagsvägen 2	2,885	0
Häräda	Solsten 1:126	Mölnlycke företagspark	0	0
Häräda	Solsten 1:132	Konstruktionsvägen 14	4,953	0
Tynnered	Tynnered 1:15	Femvägsskålet 4	2,500	0
Önnered	Önnered 762:369	Önnereds Brygga 1-17	2,711	0
			118,422	3,388

Drott is being divided into two focused, publicly listed companies. Shareholders at the Annual General Meeting in 2004 will vote on the Board of Directors' proposal to distribute **Bostadsaktiebolaget Drott**, a streamlined residential real estate company active in around ten Swedish growth regions. As proposed, today's Drott would at the same time

change its name to **Fabege AB**, an active, streamlined commercial real estate company focused on Stockholm.

