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## **PRESS RELEASE 17/2003**

# **Drott sells all its commercial properties in Öresund region for SEK 2.2 billion**

**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 45 properties – six of which are leaseholds – with 201,000 square meters of rentable space (including 8,000 sq. m. of residential space).

The occupancy rate is 94 percent. Current leases generate annual rent of SEK 222 million and an operating surplus of SEK 143 million.

The sale is being executed through a special purpose company, with the closing scheduled for December 30, 2003. The buyer is Kungsleden AB.

### **Effects for Drott**

The sales price amounts to SEK 2,223 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 2,230 million.

For accounting purposes, the sale results in a gain of approximately SEK 280 million, which will be reported in the fourth quarter 2003.

The fiscal residual value in the portfolio is approximately SEK 770 million less than the sales price. The effect on liquidity based on the difference is estimated at SEK 50 million.

Outstanding tax loss carryforwards are reduced by approximately SEK 40 million.

The sales proceeds will be received upon closing, with the exception of SEK 350 million, which will be received in 2004.

The sale initially reduces the Group's annual cash flow by approximately SEK 70 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.

Following the sale, Drott's property portfolio in the Öresund region is concentrated on residential properties. In Malmö, Drott owns a total of 44 properties with 2,606 apartments, and in Lund it owns nine properties with 537 apartments.

## Drott AB (publ)

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## Schedule of real estate

Area	Properties sold	Address	Rentable space excl. garages	Of which residential space
Central Malmö	Claus Mortensen 29	Baltzarsgatan 41	6,204	
Central Malmö	David 15	Kungsgatan 6	11,553	
Central Malmö	Druvan 1	Engelbrektsgatan 7	2,782	
Central Malmö	Gustav Adolf 12	Lilla Nygatan 11	3,157	
Central Malmö	Kamelen 14	Storgatan 43	13,500	
Central Malmö	Laxen 23	S Förstadsgatan 34	7,455	
Central Malmö	Lejonet 2	Stortorget 17	5,679	314
Central Malmö	Oscar 16	Södergatan 3	2,115	
Central Malmö	Stjärnan 10	Engelbrektsgatan 6	901	
Central Malmö	Söderport 7	Gustav Adolfs Torg 43	2,052	556
Central Malmö	Söderport 8	Per Weijersgatan 4	1,582	
Central Malmö	Söderport 9	Gustav Adolfs Torg 47	2,100	
Central Malmö	Von Conow 51	Kalendegatan 4	1,929	
Central Malmö	Von Conow 54	Baltzarsgatan 31	20,810	2,582
Malmö Fosie	Armringen 2	Agnesfridsvägen 190	4,867	
Malmö Jägersro	Brudbuketten 11	Derbyvägen 24	1,344	
Malmö Sorgenfri	Brännaren 3	Industrigatan 13	4,380	
Malmö Sorgenfri	Brännaren 8	Agneslundsvägen 14	5,395	
Malmö Sorgenfri	Dadeln 23	Industrigatan 4	3,480	
Malmö Fosie	Flintkärnan 2	Agnesfridsvägen 154	4,608	
Malmö Bulltofta	Flygbasen 4	Höjrodergatan 17	1,681	
Malmö Bulltofta	Flygledaren 1	Höjrodergatan 14	916	
Malmö Limhamn	Gråsejen 1	Prångaregatan 5	2,365	
Malmö Hindby	Gullriset 4	Camillavägen 17-21	648	
Malmö Kirseberg	Hammaren 5	S Bulltoftavägen 17-19	4,299	
Malmö Fosie	Krukskärnan 11	Flintyregatan 8A	2,610	
Malmö Limhamn	Kupolen 2	Krossverksgatan 7-17	9,922	
Malmö Sofielund	Masugnen 22	Annelundsgatan 59	2,369	
Malmö Sofielund	Sämjan 2	Bokgatan 18 m fl	9,417	
Malmö Fosie	Torshammaren 11	Hornyxegatan 6	647	
Malmö Limhamn	Vakteln 17	Linnégatan 34	2,560	196
Malmö Limhamn	Vakteln 3, 23	Järnvägsgatan 40	1,871	969
Malmö Limhamn	Vildanden 8	Geijersgatan 4-6	8,561	
Malmö Limhamn	Vildanden 9	Geijersgatan 2	5,825	
Helsingborg Gäseback	Asien 20	Kvarnstensgatan 11 m fl	2,548	
Helsingborg Berga	Dolken 3	Mörsaregatan 12	3,845	
Helsingborg Centrum	Fiskaren 40, 41 Delfinen 17	Kullagatan 31-37	6,743	3,418
Helsingborg Ringstorp	Jupiter 12	Grenadsjägatan 8	1,459	
Helsingborg Berga	Kavalleristen 11	Bergavägen 1A	2,184	
Central Helsingborg	Rådhuset 7	Stortorget 7	3,092	
Central Helsingborg	Springposten 3	Springpostgränden 3	2,127	
Central Helsingborg	Terminalen 1	Järnvägsgatan 10-12	19,239	
			<b>200,821</b>	<b>8,035</b>

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.

