

PRESS RELEASE 19/2000

Drott further increases its presence in Kista

- Drott and Ericsson intensify their cooperation
- Drott acquires properties for SEK 2 billion, of which 75% are in Stockholm
- Cash flow on an annual basis will increase by SEK 68 million (SEK 0.67 per share)
- The acquisition includes 125,000 square meters of development rights in Stockholm

The acquisition comprises 13 properties and one leasehold, corresponding to a total floor area of slightly more than 400,000 square meters. Companies within the Ericsson corporation will account for 85% of the resulting rental revenues, which will total SEK 241 million.

As a result of the acquisition, Drott's holdings in Kista will increase by 54,000 square meters to a total of 232,000 square meters, in addition to the takeover of a development right of approximately 100,000 square meters. Also in Stockholm, Drott is acquiring a property at Telefonplan (14,500 square meters plus a development right of about 25,000 square meters). The demand for premises is considerable in both these locations, and the potential for development projects will be utilized progressively, starting this year. Drott is also acquiring a warehouse property in the Stockholm suburb Huddinge, as well as eight industrial properties in other parts of Sweden.

Based on current leases, the acquired properties will provide a yield of 11.6%. The average term per lease is six years, both in and outside the Stockholm region. Following the transaction, Ericsson will account for 11% of Drott's total rental revenues.

As a result of the transaction, Drott's cash flow will increase by SEK 68 million (SEK 0.67 per share) on an annual basis.

Takeover will occur on September 1, 2000.

Mats Mared, President and Chief Executive Officer, Drott:

"Drott – together with such companies as Ericsson – is now accepting greater responsibility for the continued development of Kista into Europe's most attractive location for the establishment of operations representing the new technology.

"Ericsson, in common with other high-growth companies, is subjecting its landlords to increasing demands in terms of expertise, service levels and flexibility. The transaction is an important element in more in-depth cooperation with Ericsson."

Drott AB (publ)

Further information: Mats Mared, President (Tel: +46-70-640 5715)

ACQUISITIONS FROM ERICSSON

Location	Property	Rentable floor space square meters	Annual rent SEK M	Operating surplus SEK M	Develop- ment rights square meters	Price SEK M
Kista	Isafjord 1+2	49 000			100 000	
Kista	Borg 2 (leasehold)	5 000				
Midsommarkransen	Tvålflingan 5	14 500			25 000	
Huddinge	Regulatorn 2	48 000				
Stockholm region		116 500	116	95	125 000	
Borås	Skruven 3	28 200				
Norrköping	Reläet 9	40 200				
Katrineholm	Rådmannen 3	18 100				
Kumla	Transistorn 2	35 200				
Gävle	Hemsta 11:11, 15:7	41 200				
Falun	Främby 1:33	40 500				
Söderhamn	Björnänge 5:1	39 300				
Hudiksvall	Östanbräck 1:45	45 500				
Outside Stockholm region		288 200	125	97	-	
TOTAL		404 700	241	192	125 000	2000