

July 14, 2000

Interim Report January - June 2000, VASAKRONAN AB

- ◆ **Rental revenues increased by 12 % and operating surplus rose by 13 %.**
- ◆ **Unchanged income after net financial items due to an increase in net financial items.**

- Income after financial items amounted to SEK 256 M (251).
- Rental revenues rose by 12% to SEK 1 271 M (1 136). The demand for rented premises is very strong.
- Investments amounted to SEK 1 374 M (655), of which property acquisitions accounted for SEK 826 M (236) and investments in properties represented SEK 548 M (419). Property divestments amounted to SEK 192 M (61), with a capital gain of SEK 43 M (8).
- The proportion of central government authorities has declined and now amounts to 45%. There has been a marked increase in the proportion of other tenant categories to 55%.
- The outlook for 2000 is that income after net financial items for the existing portfolio, prior to the gain on property sales, will amount to approximately SEK 400 M.

"Vasakronan has a project portfolio of investments amounting to SEK 2,5 billion. Most of the property projects is in Stockholm, but major projects is under way also in Gothenburg, Malmö, Växjö, Linköping and Luleå," Håkan Bryngelson, Vasakronan's President commented."

"Vasakronan continues expand through acquisitions of properties. During the second quarter an exchange transaction with Skanska took place in April, and Vasakronan acquired a property in Lund from Ericsson i June."

"Rental revenues increased by 12 % during the first half of the year. Leases corresponding to annual rents of SEK 114 M were renegotiated during, with an increase of 42 % in rents."

"The outlook for the full year is an income of SEK 400 M. The strong development of the operating surplus has been offset by higher financial costs as a result of property acquisitions, investments and dividends," Håkan Bryngelson says.

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Vasakronan AB is one of the leading real estate companies in Sweden. Vasakronan focuses on office properties and has locations in Stockholm, Malmö, Gothenburg and 12 other urban centers in Sweden. Vasakronan is owned by the Kingdom of Sweden.