

PRESS RELEASE 23/2000

Drott signs lease contracts for MSEK 72 in Kista

Fully leased before project start-up

Drott has decided to build an 18,600 sq.m. office complex in Kista, north of Stockholm. The total investment will amount to MSEK 325, excluding the land which is already owned by Drott. The entire complex has been leased to Ericsson on a 10-year contract, with occupancy slated for spring 2002. Furthermore, Ericsson has an option to lease a similar newly produced complex at Isafjord 2 – a decision on the project start-up will be made at the beginning of next year, at the earliest.

New tenants in existing properties

Drott has signed agreements regarding new lease contracts (3-5 years) for around 13,000 sq.m. of space in existing Drott properties in Kista - Helgafjäll 4, Gullfoss 3, Geysir 1 and Knarranäs 9. Ericsson plans to occupy the first three properties in the first quarter of 2001 and Intel moved into Knarranäs 9 during September this year.

Summary

The above contracts will provide Drott with annual rents of MSEK 61.2 (incl. garage rents of MSEK 3.6). Over the past two years, rents for new office leases in Kista have increased by around 35 per cent and are now in the range of SEK 1,500 – 2,500 per sq.m.

In addition, Nokia has decided to exercise a lease option for the remaining third of Helgafjäll 7, also this on a 10-year contract, providing additional rents of MSEK 10.4. Helgafjäll 7, with a total 23,400 sq.m. of office space, will be completed in spring 2001.

Drott's Kista portfolio – before completion of Isafjord 2 – contains a combined 260,000 sq.m. of rentable space and over 100,000 building rights on freehold land.

Drott AB (publ)

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