

Lundbergs

Interim Report January – September 2001

- Profit after full tax amounted to SEK 2,002 m. (754), which corresponds to SEK 31.57 (10.36) per share.
- On September 30, 2001, estimated net asset value per share was SEK 222 (Dec 31, 2000: 236) and SEK 202 (Dec 31, 2000: 205) after deferred tax. The corresponding values on November 12, 2001 were SEK 235 and SEK 212, respectively.
- Real estate operations reported profit of SEK 318 m. (221) before depreciation, an increase of 44%.

L E Lundbergföretagen AB (publ)

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SALES AND PROFIT

The Group's net sales amounted to SEK 2,312 m. (1,196). Profit after financial items amounted to SEK 1,935 m. (808). Profit after full tax was SEK 2,002 m. (754), which corresponds to SEK 31.57 (10.36) per share. Net sales and profit include an extraordinary dividend of SEK 1,307 m. from Holmen.

REAL ESTATE

Operating profit for Lundbergs' Real Estate business area rose to SEK 290 m. (218).

As of January 1, 2001, depreciation of the Group's completed properties complies with the Swedish Financial Accounting Standards Council's Recommendation RR12 (see Changed accounting principles on page 5). Such depreciation amounted to SEK 22 m. In connection with this change, property fixtures and fittings were subject to excess depreciation in an amount of SEK 4 m.

Operating profit before depreciation rose by 44% to SEK 318 m. (221) during the period and by 46% to SEK 117 m. (80) during the third quarter. The increase was attributable to higher rental revenues and reduced costs for maintenance and tenant-oriented property improvements. For seasonal reasons, the fourth quarter will be charged with increased costs, mainly for heating.

Favorable rental-revenue and vacancy-rate trends were noted for both housing and commercial premises during the first nine months of 2001. Housing accounted for 49% and commercial premises, etc. for 51% of total rental revenues, which increased to SEK 584 m. (550).

The overall vacancy rate during the period corresponded to 2.4% of rental revenues (2000 average: 3.9). The vacancy rate for housing was 1.0% (2000 average: 1.8), while the vacancy rate for commercial premises was 3.7% (2000 average: 5.8). The average vacancy rate during the third quarter was 1.9%, comprising a vacancy rate of 0.9% for housing and a rate of 2.8% for commercial premises. The overall vacancy rate in October 2001 was 2.0%, whereby the rate for housing was 0.6% and that for commercial premises was 3.3%.

In total, properties were sold for SEK 5 m. (15), generating pretax gains of SEK 0 m. (7).

Property costs before depreciation decreased to SEK 251 m. (315). The decrease was attributable to lower maintenance and tenant-oriented property improvement costs, which totaled SEK 79 m. (142).

SEK 13 m. (64) was invested in wholly and partly owned properties during the period.

The Group's completed properties (excluding sold properties), which have a book value of SEK 2,672 m. (2,675), generated an annualized yield (operating net in relation to book value) of 18% (13). The book value of properties held for future development was SEK 139 m. (164).

SEK m.	Floor space thousand m ²	Rental revenues	Operating net	Book value, September 30, 2001	Operating net as a % of book value (annualized yield)
Completed properties	1,006	582	361	2,672	18.0
Properties held for future development	11	2	1	139	
Properties sold during January-September 2001		0	0		
TOTAL	1,017	584	362	2,811	
Properties sold during January-September 2000		1	0		
Properties sold during full year 2000		1	0		

Results per quarter

Quarter	I	II	III	IV	Full year
Rental revenues etc, SEK m.					
2001	194	193	197		
2000	183	182	186	188	739
Operating net, SEK m.					
2001	109	122	130		
2000	83	88	94	86	351
Vacancy rate, %					
2001	2.7	2.7	1.9		
2000	4.6	4.2	3.4	3.0	3.8

The figures have been adjusted for the effects of rental revenues and operating net from sold properties.

INVEST

Lundbergs Invest reported operating profit of SEK 1,713 m. (630). Operating profit includes an extraordinary dividend of SEK 1,307 m. (98). An operating loss of SEK 8 m. (loss: 2) was reported for the third quarter.

Invest's net sales of SEK 1,727 m. (643) include dividends of SEK 1,716 m. (506) from major shareholdings in listed companies. The remaining SEK 11 m. of net sales was attributable to the sales of securities in asset management operations (SEK 1 m.) and to dividends from other listed companies (SEK 10 m.).

The subsidiary L E Lundberg Kapitalförvaltning, whose results are reported in Lundbergs Invest's earnings, reported a loss of SEK 6 m. (profit: 16). After financial items, the loss amounted to SEK 6 m. (profit: 15). On September 30, 2001, exposure to shares and interest-bearing paper amounted to approximately SEK 232 m. (Dec 31, 2000: 28).

MAJOR SHAREHOLDINGS IN PUBLICLY TRADED COMPANIES

During 2001, additional Holmen and Hufvudstaden shares were purchased for SEK 44 m. and SEK 67 m., respectively. Lundbergs' shareholding in NCC were affected by NCC's repurchases of its own shares. The voting rights in Hufvudstaden and NCC were affected by the restamping of shares in these companies.

The tables below show the voting rights, percentage shareholding, book value and market value of the Group's shares in publicly traded companies.

	November 12, 2001		September 30, 2001		December 31, 2000	
%	Voting rights	Share-holding	Voting rights	Share-holding	Voting rights	Share-holding
Cardo	33.5	33.5	33.5	33.5	33.5	33.5
Holmen	52.0	27.2	52.0	27.2	51.4	27.0
Hufvudstaden	87.6	44.2	87.6	44.2	87.2	43.1
NCC	16.7	13.3	16.7	13.3	16.5	13.2

	November 12, 2001		September 30, 2001		December 31, 2000	
SEK m.	Book value	Market value	Book value	Market value	Book value	Market value
Cardo	1,890	1,549	1,890	1,408	1,890	1,539
Holmen	2,547	5,000	2,547	4,346	2,503	6,263
Hufvudstaden	2,828	2,306	2,828	2,399	2,761	2,827
NCC	1,076	839	1,076	812	1,076	974
TOTAL	8,341	9,694	8,341	8,965	8,230	11,603

PORTFOLIO INVESTMENTS

In addition to the major shareholdings in publicly traded companies, the Group owned publicly traded shares with a book value on September 30, 2001 of SEK 335 m. (Dec 31, 2000: 250) and a market value of SEK 271 m. (Dec 31, 2000: 224). On November 12, 2001, the book and market values were SEK 362 m. and SEK 322 m., respectively.

OTHER SHAREHOLDINGS

During May 2001, Lundbergs has reached an agreement with the owners of Stadium, whereby Lundbergs, through a private placement of Stadium's shares in an amount of SEK 250 m., will acquire 20% interest in Stadium. Payment for the shares has been effected on August 31, 2001.

FINANCIAL ITEMS

Financial items amounted to an expense of SEK 63 m. (expense: 41), of which net interest expense accounted for SEK 64 m. (expense: 44).

FINANCIAL POSITION

Liquid assets (excluding credit facilities) rose to SEK 138 m. (Dec 31, 2000: 8). Interest-bearing liabilities decreased to SEK 2,048 m. (Dec 31, 2000: 2,539). The average period of fixed interest was approximately 1.5 months and the average interest rate was 4.2%.

The Group's interest-bearing net debt decreased to approximately SEK 1,800 m. (Dec 31, 2000: 2,500). The net decrease was due mainly to the extraordinary dividend from Holmen, to repurchases of Company shares as well as investments in the Group's major shareholdings in listed companies and Stadium. The debt/equity ratio was 0.19 (Dec 31, 2000: 0.30). The Group's reported shareholders' equity on September 30, 2001 was SEK 9,468 m. (Dec 31, 2000: 8,291). The equity/assets ratio rose to 78% (Dec 31, 2000: 72).

NET ASSET VALUE

On September 30, 2001, estimated net asset value per share was SEK 222 (Dec 31, 2000: 236). After a deduction for deferred tax, net asset value per share was SEK 202 (Dec 31, 2000: 205). Reported shareholders' equity accounted for SEK 152 (Dec 31, 2000: 127) of net asset value per share.

On November 12, 2001, estimated net asset value per share was SEK 235 and SEK 212 after deferred tax.

	September 30, 2001		December 31, 2000	
	SEK m.	SEK/share	SEK m.	SEK/share
Real Estate	6,695	107	6,692	102
Invest				
Cardo	1,408	23	1,539	24
Holmen	4,346	70	6,263	96
Hufvudstaden	2,399	39	2,827	43
NCC	812	13	974	15
Stadium	250	4		
Other publicly traded shares	271	4	224	3
Other assets/liabilities, net	-2,362	-38	-3,107	-47
NET ASSET VALUE BEFORE DEFERRED TAX	13,819	222	15,412	236
NET ASSET VALUE AFTER DEFERRED TAX	12,575	202	13,395	205
Market value	8,825	142	9,287	142
Price/NAV, %		70		69

Net asset value is calculated as follows: Publicly traded shares are included at current market price. The Group's completed properties are included at estimated market value on December 31, 2000, in accordance with independent and internal valuations. The only corrections made during the first nine months of 2001 have been for investments and sales. Other assets and liabilities are included at book value on December 31, 2000 and September 30, 2001.

REPURCHASE OF OWN SHARES

The Annual General Meeting on March 28, 2001 renewed the Board's authorization to repurchase shares in Lundbergs during the period up to the next Annual General Meeting. The Board has decided to exercise the authorization received from the Annual General Meeting. The purchases are subject to the limitation that the Company's holding may not exceed 10% of the total number of shares in the Company, corresponding to 6,829,000 shares, at any time. As at September 30, 2001, 6,146,900 of these shares had been repurchased for SEK 884 m., or an average of SEK 143.48 per share. The repurchased shares correspond to 9.0% of the share capital and 2.2% of the voting rights. Shares in an amount of SEK 492 m. were repurchased during the first nine months of 2001, of which SEK 65 m. were repurchased during the third quarter.

No additional shares were repurchased during the period up to and including November 13, 2001. The average number of shares outstanding during the first nine months of 2001 was 63,421,975. The number of shares outstanding on September 30, 2001 was 62,145,483.

PARENT COMPANY

L E Lundbergföretagen AB (publ) reported net sales of SEK 1,647 m. (470). Reported profit after financial items amounted to SEK 1,642 m. (486).

CHANGED ACCOUNTING PRINCIPLES

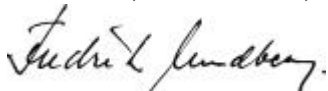
This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendation RR20 (Interim Reporting).

As of the 2001 fiscal year, the accounts have been adapted to the Swedish Financial Accounting Standards Council's Recommendation RR9 (Income Taxes). When calculating the deferred tax on timing differences, a tax rate of 28% has been applied. As a result, the deferred tax liability under the provisions item increased by SEK 235 m. at December 31, 2000. Of this increase, SEK 221 m. was reported directly against unrestricted shareholders' equity and SEK 14 m. was reported against profit for 2000. A change in deferred tax had a positive effect of SEK 14 m. on earnings during the first nine months of 2001.

As of January 1, 2001, completed properties have been reclassified from current to fixed assets in accordance with the Swedish Financial Accounting Standards Council's Recommendation RR12 (Tangible Fixed Assets). Accordingly, as of the same date, depreciation is applied at a rate of 1 - 2% of the acquisition value of the properties.

In all other respects, the Group applies the same accounting and calculation principles as in the 2000 Annual Report.

Stockholm, November 13, 2001



FREDRIK LUNDBERG
President

This interim report has not been subject to specific examination by the auditors of L E Lundbergföretagen AB (publ).

FORTHCOMING FINANCIAL INFORMATION

Lundbergs' website	November 30, 2001
• Interim report January - September 2001, with complete consolidation of subsidiaries and associated companies in accordance with the Annual Accounts Act	
Year-end report 2001	February 20, 2002
Annual report 2001	March 2002
Annual General Meeting	April 4, 2002

CONSOLIDATED INCOME STATEMENT

SEK m.	January - September		Quarter III		Full year
	2001	2000	2001	2000	2000
REAL ESTATE					
Net sales					
Rental revenues, etc.	584	550	197	186	737
Sales of properties	0	7	0	0	4
Other net sales	1	-4	0	-2	-6
	585	553	197	184	735
Property costs					
Operating expenses	-118	-117	-32	-33	-157
Property tax	-25	-29	-6	-9	-37
Maintenance and tenant-oriented property improvements	-79	-142	-29	-51	-194
Direct sales and administrative costs	-29	-27	-8	-7	-41
Depreciation	-28	-3	-8	-1	-4
	-279	-318	-83	-101	-433
Central administrative costs, etc.	-16	-17	-5	-4	-25
OPERATING PROFIT, REAL ESTATE	290	218	109	79	277
INVEST					
Net sales	1,727	643	-4	1	643
Operating expenses	-14	-13	-4	-3	-17
OPERATING PROFIT, INVEST	1,713	630	-8	-2	626
Central administrative costs, etc.	-5	-6	-1	-2	-8
Items affecting comparability	-	7	-	7	28
OPERATING PROFIT	1,998	849	100	82	923
Financial items	-63	-41	-18	-20	-65
PROFIT AFTER FINANCIAL ITEMS	1,935	808	82	62	858
Current tax ¹⁾	53 ²⁾	-56	-41	-22	-52
Deferred tax	14	2	18	6	-14
Minority share	0	0	0	0	0
REPORTED PROFIT FOR THE PERIOD	2,002	754	59	46	792

1) Dividends from Cardo, Holmen, Hufvudstaden and NCC are tax exempt.

2) The reason for the positive tax amount is that the Administrative Court of Appeal has approved previously rejected tax deductions involving tax-loss carryforwards. The verdict has become legally effective.

CONSOLIDATED CASH FLOW STATEMENT

SEK m.	January - September		Full year
	2001	2000	2000
Cash flow from operations	2,383	494	619
Cash flow from investment activities	-866	-1,628	-2,033
Cash flow from financing activities	-1,387	1,081	1,310
Change in cash and bank balances	130	-53	-104
Cash and bank balances, January 1	8	112	112
Cash and bank balances, period end	138	59	8

CONSOLIDATED BALANCE SHEET

SEK m.	September 30 2001	September 30 2000	December 31 2000
ASSETS			
Fixed assets			
Tangible fixed assets	2,684	14	13
Financial fixed assets	8,935	8,182	8,576
	11,619	8,196	8,589
Current assets			
Properties classified as current assets	139	2,839	2,835
Other current assets	430	166	120
	569	3,005	2,955
TOTAL ASSETS	12,188	11,201	11,544
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	9,468	8,253	8,291
Minority interest	0	0	0
Provisions	414	482	463
Long-term liabilities ¹⁾	105	1,811	2,062
Current liabilities ¹⁾	2,201	655	728
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	12,188	11,201	11,544

1) The change between long-term and current liabilities was due to a reclassification of financial instruments.

SHAREHOLDERS' EQUITY

SEK m.	September 30 2001	September 30 2000	December 31 2000
January 1	8,526	9,380	9,380
Effect of new accounting principle	-235	-221	-221
Adjusted amount at January 1	8,291	9,159	9,159
Dividend	-333	-360	-360
Repurchase of Parent company shares	-492	-1,300	-1,300
Net profit for the period	2,002	754	792
BALANCE, PERIOD END	9,468	8,253	8,291

KEY FIGURES, GROUP

	September 30 2001	September 30 2000	December 31 2000
Earnings per share after full tax, SEK	31.57	10.36	11.16
Reported shareholders' equity per share, SEK	152	126	127
Debt/equity ratio, multiple	0.19	0.26	0.30
Equity/assets ratio, %	78	76	72
Number of shares outstanding	62,145,483	65,403,583	65,403,583