

Press release

30 October 2003

Interim report January-September 2003

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- The profit after tax totalled SEK 409 million (505), equivalent to SEK 6.63 (8.01) per share
- For the twelve-month period 2003, the profit after financial items will exceed the profit for the previous year (SEK 1,010 million)
- Wihlborgs owns 28,000 'A' shares and 10,633,200 'B' shares in Drott AB (publ), equivalent to 12.0 percent of the capital and 11.7 percent of the votes. The shares were acquired at an average price of SEK 96.50.

Wihlborgs' profit after financial items amounted to SEK 573 million (705). The profit includes gains from property sales amounting to SEK 300 million (390).

"Our property portfolio has decreased as a result of sales, which has affected our income from property management. At the same time we have large capital gains from property sales. During the first nine months of the year we sold 59 properties for SEK 2 billion, and after the end of the period we sold Klara Zenit for SEK 3.2 billion. The total profit from property sales so far is SEK 800 million, of which SEK 700 million is recorded during 2003," says Erik Paulsson, President and CEO of Wihlborgs Fastigheter AB.

Appendix: Interim report January-September 2003

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Wihlborgs Fastigheter AB (publ) is one of Sweden's biggest real-estate companies, with real estate to a book value of SEK 19.4 billion. The real estate, which is concentrated on the Stockholm and Öresund regions, has a rental value on a twelve-month basis totalling SEK 2.1 billion, and a rentable area of 2 million square metres. The company has offices in Stockholm, Malmö, Copenhagen and Helsingborg. Wihlborgs' shares are listed on Attract40 on the Stockholm Stock Exchange.

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Results

The profit after financial items amounted to SEK 573 million (705)¹⁾ and EPS after tax²⁾ to SEK 6.63 (8.01). Due to sales of properties, rental income decreased to SEK 1,526 million (1,751) and the operating surplus before depreciation decreased to SEK 941 million (1,077). The operating profit totalled SEK 1,077 million (1,292), including SEK 300 million (390) in profits from the sale of properties. The financial net amounted to SEK -504 million (-587), of which dividend on shares in Drott AB (publ) amounted to SEK 35 million (-).

Operations

Wihlborgs is one of Sweden's larger property companies. The operations are concentrated on the growth regions of Stockholm and Öresund. The property holdings comprises commercial premises and residential accommodation with an annual rental value of SEK 2.1 billion, a total leasable floor area of 2.0 million sq.m. and a book value of SEK 19.4 billion.

The market and property holdings

61 per cent, 37 per cent and 2 per cent of the total property holding's rental value³⁾ are to be found in the Stockholm, Öresund and Other regions, respectively. 69 per cent, 18 per cent, 11 per cent and 2 per cent of the property holding's rental value comprises Offices/Shops, Industrial/Hotel premises, Residential premises and Other, respectively. At the period end, the economic letting level for the Group's property holding was 92 per cent. Broken down by Wihlborgs' market areas, the letting levels in the Stockholm and Öresund regions are 93 per cent and 91 per cent, respectively. At the end of the third quarter the combined degree of vacancy for Wihlborgs' property stock had increased by one percentage unit compared with the previous quarter.

The rental market for commercial premises

The Stockholm region is characterised by great activity and a large range of premises to rent. The weakened state of the economy principally affects demand for less efficient premises in less good locations. But the rental markets are very localised, and the picture of the market thus displays major variation. In the Öresund region the market continues to be stable, with largely unchanged levels of rent.

The rental market for accommodation

Demand for accommodation remains very strong, and virtually all the apartments in the Wihlborgs stock, both in Stockholm and in the Öresund Region, are let.

1) The comparative figures for Profit & Loss Account items refer to values for the period from January to September 2002, whilst those for Balance Sheet items refer to values as of 31 December 2002.

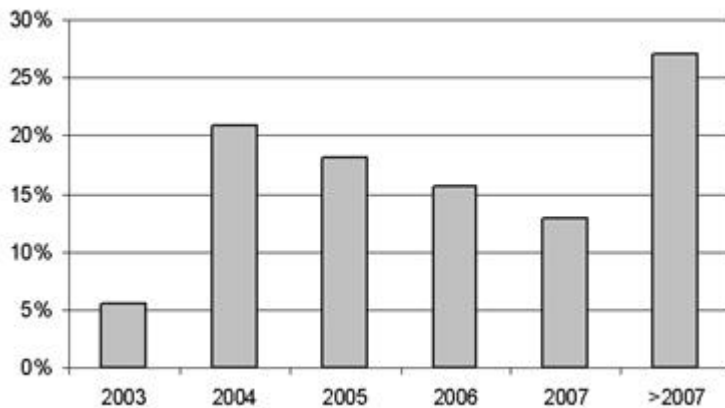
2) For definitions, please see page 10.

- 3) Refers to rental values on a full year basis, which are defined as rent payable as per 30 September 2003 on a full year basis plus estimated market rental on a full year basis for vacant floor area.

The property market

The property market remains strong, with a high level of interest in property-related business from both Swedish and foreign investors. Interest in conversion to tenant ownership remains at a high level. During the first nine months, Wihlborgs has sold 15 properties to newly formed tenant-ownership associations in Stockholm and Malmö.

Duration of leases, commercial premises



The average contractual period for commercial premises, weighted in accordance with the rental value, is 37 months. The total contractual value is SEK 1.6 billion.

The property holding as of 30 September 2003

Region ¹⁾	No. Properties	Area, sq.m.	Book value, SEKm ²⁾	Rental value, SEKm ³⁾	Econ. letting level, per cent	Rental income, SEKm ⁴⁾	Operating surplus, SEKm ⁴⁾
Stockholm	190	1,001,926	12,573	1,253	93	887	545
Öresund	196	902,731	6,401	752	91	511	336
Total	386	1,904,657	18,974	2,005	92	1,398	881

- 1) Wihlborgs owns 8 properties with a total rental value of SEK 47 million outside the main regions Stockholm and Öresund. These properties are not included in the table.
- 2) Book value includes the project portfolio with a value of SEK 1,412 million.
- 3) Rental value is defined as rental income as of 30 September 2003, plus estimated market rent for unoccupied floor area on a full year basis.
- 4) Rental income and operating surplus refer to the period from 1 January 2003 to 30 September 2003 for Wihlborgs' property holding as of 30 September 2003.

Investments

The investments in existing properties and projects, comprising land, new construction and renovation, totalled SEK 1,064 million (923). This included SEK 388 million for Ladugårdsgärdet (the OM building), SEK 108 million for Klara Zenit in Stockholm, SEK 93 million for Järila Sjö in Nacka and SEK 189 million for Västra Hamnen in Malmö.

Property acquisitions

Three properties were acquired for SEK 203 million (783). (See page 9 for more details.)

Property sales

59 properties have been sold for the combined sum of SEK 2,004 million (3,320), yielding a profit of SEK 300 million (390). (See page 9-10 for more details.)

Project portfolio as of 30 September 2003

Property name	Property type	Municipality	Estimated occupation	Lettable space, sq.m.	Degree of rentability, %	Book value 30.09.2003 SEKm ⁴⁾	Added investment, SEKm	Total investment	Estimated annual rent, SEKm
Järla Sjö, stage 2 ¹⁾	Office	Nacka	2004-2005	15,000	50	247	73	320	30
The OM building ²⁾	Office	Stockholm	Q4 2003	34,000	100	570	44	614	75
The Telia building	Office	Malmö	Q2 2004	13,500	100	128	162	290	24
Other projects and land ³⁾						231	-	231	-
Total				62,500		1,176	279	1,455	129

1) "Ättiksfabriken" has not been started.

2) The acquisition of the property Ladugårdsgärdet 1:48 for SEK 236 million is not included.

3) In Hammarby Sjöstad, Wihlborgs owns office and industrial properties. The area is under development, and planning is in progress.

4) The project portfolio amounts to a total of SEK 1,412 million.

Financial position

Wihlborgs' shareholders' equity totalled SEK 6,098 million (6,182) as of 30 September. The equity/assets ratio amounted to 27.8 per cent (27.3).

The result created a liquidity contribution of SEK 594 million (796). Following a decrease in the operating capital of SEK 485 million, primarily as a result of realisation of claims for completed sales, the ongoing business created a liquidity increase of SEK 1,079 million (-215). The investments, including acquisition of shares in Drott AB (publ), exceeded property sales by SEK 474 million. Overall, the business created a SEK 605 million (860) decrease in liquidity. The Group's liquid assets, including unutilised current account overdrafts, totalled SEK 673 million (372).

The Group's loan structure as of 30 september 2003

	SEKm	Average interest, %	Share, %
2003	2,189	4.28	15
2004	5,292	4.78	37
2005	2,394	6.04	17
2006	1,159	6.69	8
2007	1,180	6.04	8
2008	1,493	5.43	10
>2008	500	6.77	4
Current account	26	4.05	0
Total	14,234	5.31	100

The loan volume was SEK 14,234 million (14,738) at the period end, with an average interest rate of 5.31 per cent (5.61). The total loan volume includes individual loans for ongoing projects totalling SEK 1,988 million. The average fixed interest term for the loans, including the effects of derivative instruments utilised, was 20 months (20 months) on 30 September.

Of total loans with short interest – SEK 4,579 million – SEK 2,390 million have been extended with the aid of interest swaps of three months to seven years. SEK 400 million are covered by interest rate caps at 4 per cent. The

loans that are subject to interest recalculation in 2003 have an average fixed interest term of 63 days. The average capital-binding period was 6.0 years (3.5).

Repurchase of own shares

During the third quarter 680,000 shares were repurchased. The total holding as of 30 September is 1,400,400 (-) own shares, equivalent to 2.2 per cent of the registered shares. The average number of own shares during the period was 700,200 (-). The holding has been purchased at an average price of SEK 74 per share.

Acquisition of shares in Drott AB (publ)

During the third quarter Wihlborgs acquired 28,000 'A' shares and 1,742,700 'B' shares in Drott AB (publ). The total holding in Drott as of 30 October is 28,000 'A' shares and 10,633,200 'B' shares, equivalent to 12.0 per cent of the capital and 11.7 per cent of the votes. The holding in Drott has been acquired at an average price of SEK 96.50 per share.

Sale of shares in Klöver AB (publ)

On 7 August Wihlborgs sold 1,727,135 'B' shares in Klöver AB (publ), and consequently does not own any shares in Klöver. The shares were sold at a price of SEK 13.20 per share, which meant a profit of SEK 5.5 million.

Properties in Skärholmen returns to Wihlborgs

Five properties in Skärholmen that were sold earlier in the year have returned to Wihlborgs, as it was not possible to conclude the deal. The profit for the sale should have been SEK 25 million, and this was also entered in the profit for the second quarter. Wihlborgs' profit for January-September has been corrected for this lack of income.

Personnel

The total number of employees at the end of the period was 146 (160). The decrease is due to sales of properties and improved efficiency in administrative functions.

Accounting principles

Wihlborgs' accounting principles are the same as last year's. The company follows the recommendations of the Swedish Financial Accounting Standards Council and statements made by its emergency group.

Events after the period end

Wihlborgs sells Klara Zenit for SEK 3.2 billion

Wihlborgs has sold the property Klara Zenit (Blåmannen 20) for SEK 3,200 million. The profit amounts to SEK 500 million, of which SEK 400 million will be included in earnings for the fourth quarter of 2003. The remaining SEK 100 million will be accounted for when settlement of the work contract (see below) takes place. The purchaser is Commerz Grundbesitz Investmentgesellschaft which will take possession of the property on 1 December 2003. The deal is divided into two parts: property sale for SEK 2,950 million and signing of a work contract for SEK 250 million. Klara Zenit comprises a total of 65,000 sq.m of lettable space at Drottninggatan-Mäster Samuelsgatan in central Stockholm. The work contract relates to the older part of the property, known as Postgirohuset, which Wihlborgs will be converting and undertakes to let. Postgirohuset comprises around 12,000 sq.m and the move-in date will be at year-end 2005. The deal gives Wihlborgs a liquidity injection of SEK 950 million as of 1 December 2003. Taking account of reduced interest expenses and increased interest income, it is calculated that the sale will have a net effect on Wihlborgs' operating earnings from property management of SEK -40 million on an annual basis.

Forecast for full year 2003

For the twelve-month period 2003 the profit after financial items will exceed the previous year's profit, SEK 1,010 million.

Financial report dates 2003

Year End Report for 2003	5 February 2004
Annual Report	March 2004
Annual General Meeting	31 March 2004

This Interim Report has not been subject to review by the company's Auditors.

Malmö, 30 October 2003

Wihlborgs Fastigheter AB (publ.)

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Consolidated Profit and Loss Accounts (SEKm)

	July- Sept 2003	July- Sept 2002	Jan-Sept 2003	Jan-Sept 2002	Jan-Dec 2002	12-month rolling
Rental income	496	577	1,526	1,751	2,282	2,057
Property costs	-187	-207	-585	-674	-870	-781
Operating surplus	309	370	941	1,077	1,412	1,276
Depreciation	-41	-46	-126	-141	-184	-169
Gross profit	268	324	815	936	1,228	1,107
Central administration	-13	-13	-38	-34	-49	-53
Profit on sale of properties	15	165	300	390	606	516
Operating profit	270	476	1,077	1,292	1,785	1,570
Interest income and dividends	16	23	73	32	39	80
Interest grants	1	1	2	3	3	2
Interest expenses	-177	-213	-579	-622	-817	-774
Profit after financial items	110	287	573	705	1,010	878
Paid tax	-4	-54	-7	-104	-54	43
Deferred tax	-30	-28	-157	-96	23	-38
Profit after taxes	76	205	409	505	979	883
Minority holdings	-	-2	-	-5	-8	-3
Net profit	76	203	409	500	971	880
Profit per share, SEK	1.24	3.25	6.63	8.01	15.55	14.22
Number of shares at end of period, millions	61.0	62.4	61.0	62.4	62.4	61.0
Average number of shares, millions	61.4	62.4	61.7	62.4	62.4	61.9

There are no dilution effects as a result of potential ordinary shares, e.g. warrants, to take into account.

Consolidated Balance Sheets (SEKm)

	30 Sept 2003	30 Sept 2002	31 Dec 2002
Assets			
Properties	19,360	20,571	19,940
Other tangible fixed assets	14	17	17
Financial fixed assets	1,831	674	924
Current assets	329	1,379	996
Liquid assets	400	176	780
Total assets	21,934	22,817	22,657
Shareholders' equity and liabilities			
Shareholders' equities	6,098	5,719	6,182
Minority holdings	-	26	-
Allocations	928	915	781
Interest bearing liabilities	14,234	15,201	14,738
Non-interest bearing liabilities	674	956	956
Total shareholders' equity and liabilities	21,934	22,817	22,657

Statement of change in equity

	30 Sept 2003	30 Sept 2002	31 Dec 2002
Initial balance for period of report	6,182	5,478	5,478
Cash dividend to shareholders	-278	-250	-250
Distribution of shares in Klöver to the shareholders	-102	-	-
Buy back of own shares	-104	-	-
Translation gains/losses	-9	-9	-17
Net profit/loss	409	500	971
Closing balance for period of report	6,098	5,719	6,182

Consolidated Cash flow Analyses (SEKm)

	Jan-Sept 2003	Jan-Sept 2002	Jan-Dec 2002
Operating profit/loss ex. depreciation and profits on the sale of properties	1,206	1,437	1,974
Net financial items paid	-537	-547	-742
Taxes paid	-75	-94	-137
Change in other operating capital	485	-1,011	-528
Cash flow from the ongoing operations	1,079	-215	567
Investments and property acquisitions	-1,267	-1,781	-2,317
Book value properties sold	1,704	2,930	4,059
Other investments (net)	-911	-74	-325
Cash flow from investment activities	-474	1,075	1,417
Total cash flow from operations and investments	605	860	1,984
Dividends	-278	-250	-250
Extra distribution of shares in Klöver	-102	-	-
Buy back of own shares	-104	-	-
Change in interest-bearing liabilities	-491	-527	-1,003
Allocations, minority holdings etc, acquired	-10	-113	-157
Cash flow from financing activities	-985	-890	-1,410
Change in liquid assets	-380	-30	574
Liquid assets at the beginning of the period	780	206	206
Liquid assets at the period end	400	176	780

Consolidated key ratios

	30 Sept 2003	30 Sept 2002	31 Dec 2002
Return on capital employed, %	7.4	8.4	8.7
Return on shareholders' equity, %	8.9	11.9	16.7
Interest coverage ratio, times	2.0	2.1	2.2
Equity/assets ratio, %	27.8	25.2	27.3
Income per share, SEK	6.63	8.01	15.55
Cash flow per share, SEK	11.26	11.95	18.34
Reported shareholders' equity per share, SEK	99.94	91.58	99.03

Business ratio for profit per share and information on the number of shares is recorded directly after the profit/loss statement on p. 6.

Largest shareholders in Wihlborgs Fastigheter AB at 30.09.2003

	Number of shares	Proportion of capital and votes, %
Investment AB Öresund	7,751,200	12.4
Erik Paulsson	3,687,915	5.9
AMF Pension	3,345,000	5.4
HQ Fonder	2,194,240	3.5
Robur Fonder	2,135,009	3.4
Sten K Johnson	2,128,300	3.4
Skandia	1,446,551	2.3
SEB Fonder	1,324,646	2.1
Mats Qviberg	1,196,343	1.9
Maths O Sundqvist	1,151,822	1.8
Foreign shareholders	12,385,132	19.8
Other	23,677,656	37.9
Total number of registered shares	62,423,814	100

As of 30 September the number of shareholders was 26,308.

List of property acquisitions and sales January-September 2003

Property acquisitions Q2				
Property	Region	Municipality	Area, Sq.m.	Category
Katsan 1	Stockholm	Stockholm	5,093	Office
Linjalen 1	Stockholm	Täby	1,757	Wareh/Office
Plåtförädlingen 9	Öresund	Helsingborg	7,351	Wareh/office
Total property acquisitions January-June 2003			14,201	
Property sales Q1				
Property	Region	Municipality	Area, Sq.m.	Category
Östbanegade 117-133	Öresund	Köpenhamn	28,954	Office
Bybjergvej 5	Öresund	Helsingör	7,672	Ind/wareh
Bybjergvej 13	Öresund	Helsingör	1,256	Ind/wareh
Maribo 1	Öresund	Malmö	4,038	Residential
Malmen 13	Öresund	Malmö	4,781	Residential
Eskilstorp 14:105	Öresund	Vellinge	1,363	Ind/wareh
Arlöv 19:142	Öresund	Burlöv	-	Land
Total property sales January-March 2003			48,064	
Property sales Q2				
Property	Region	Municipality	Area, Sq.m.	Category
Dörrhaken 1	Stockholm	Stockholm	11,755	Residential
Askim 1	Öresund	Malmö	1,242	Residential
Dimman 12	Öresund	Malmö	23,047	Residential
Duvan 25	Öresund	Malmö	4,215	Residential
Concordia 27	Öresund	Malmö	4,857	Resid/retail
Hising 6	Öresund	Malmö	2,345	Residential
Svante 5	Öresund	Malmö	-	Building right
Svante 8	Öresund	Malmö	802	Resid/office
Svante 17	Öresund	Malmö	2,589	Residential
Svante 19	Öresund	Malmö	1,061	Resid/office
Svante 20	Öresund	Malmö	543	Office
Svante 24	Öresund	Malmö	2,702	Resid/office
Russinet 1	Stockholm	Stockholm	1,594	Residential
Peppardosan 1	Stockholm	Stockholm	801	Residential
Peppardosan 2	Stockholm	Stockholm	1,597	Residential
Muskotblomman 1	Stockholm	Stockholm	836	Residential
Muskotblomman 2	Stockholm	Stockholm	803	Residential
Korinten 1	Stockholm	Stockholm	807	Residential
Krakmandeln 1	Stockholm	Stockholm	1,189	Residential
Kardemumman 1	Stockholm	Stockholm	1,769	Residential
Kardemumman 2	Stockholm	Stockholm	960	Residential
Kardemumman 3	Stockholm	Stockholm	1,653	Residential
Kardemumman 4	Stockholm	Stockholm	1,180	Residential
Kardemumman 5	Stockholm	Stockholm	1,166	Residential

Property sales Q2				
Property	Region	Municipality	Area, Sq.m.	Category
Bittermandeln 1	Stockholm	Stockholm	1,101	Residential
Kaffebalen 1	Stockholm	Stockholm	7,457	Residential
Hårnätet 1	Stockholm	Stockholm	3,597	Residential
Nackspegeln 1	Stockholm	Stockholm	12,852	Residential
Solfjädern 1	Stockholm	Stockholm	11,353	Residential
Brynjan 13	Stockholm	Södertälje	936	Office
Mandarin 66	Stockholm	Täby	460	Other
Skeppsbyggnaden 11	Öresund	Helsingborg	634	Retail
Berga 6:547	Stockholm	Österåker	-	Land
Sicklaön 145:16, 145:18, 145:21-23	Stockholm	Nacka	-	Project
Banken 1,15	Öresund	Lund	3,787	Retail
Kannan 13	Öresund	Lund	217	Office
Reval 4	Öresund	Malmö	1,172	Residential
Ingelstad 3	Öresund	Malmö	1,418	Residential
Inland 2	Öresund	Malmö	2,116	Residential
Lundåkra 12:10, part of	Öresund	Landskrona	-	Land
Total property sales April-June 2003			116,613	
Property sales Q3				
Property	Region	Municipality	Area, Sq.m.	Category
Låskolven 1	Stockholm	Stockholm	5,054	Residential
Låsregeln 1	Stockholm	Stockholm	3,126	Residential
Dörrvredet 2	Stockholm	Stockholm	3,391	Residential
Järnlodet 23	Stockholm	Stockholm	5,939	Resid/retail
Beritsholm 11	Öresund	Malmö	1,546	Residential
Olga 1	Öresund	Malmö	1,847	Residential
Gasklockan 4	Öresund	Malmö	2,501	Residential
Smörbollen 13	Öresund	Malmö	1,000	Ind/wareh
Total property sales July-September 2003			24,404	

Definitions

Calculation of key ratios per share

Key ratios based on the average number of shares, shareholders' equity and capital employed have been calculated on the basis of the weighted average. There are no dilution effects as a result of potential ordinary shares, e.g. warrants, to take into account.

Capital employed

Balance sheet total less non-interest bearing liabilities and allocations.

Return on capital employed

Profit before tax plus interest expenses in relation to average capital employed.

Return on shareholders' equity

Profit in relation to average shareholders' equity.

Interest coverage ratio

Income after net financial items plus financial expenses, in relation to financial expenses.

Equity/assets ratio

Shareholders' equity including minority holdings in relation to the balance sheet total.

Profit per share

Profit for the period in relation to average number of shares.

Cash flow per share

Profit before tax plus depreciation and writing down less tax paid in relation to average number of shares.

Reported shareholders' equity per share

Shareholders' equity and minority holdings in accordance with the balance sheet in relation to the number of shares at the end of the period.