

Press release

5 February 2004

Year end report 2003

- Rental income decreased to SEK 1,994m (2,282) due to sales of properties
- Profit after tax decreased to SEK 718m (979), equivalent to SEK 11.66 (15.55) per share
- The liquidity from the operations amounted to 3,407m (1,984)
- Equity/assets ratio increased to 31.4 per cent (27.3)
- Net asset value per share increased to SEK 116 (109.50)
- Write-downs totalling SEK 205m have been made for some ten properties, mainly in the Stockholm region
- Proposed dividend: SEK 6.00 (4.50) per share

Wihlborgs' profit after financial items amounted to SEK 826 million (1,010). The profit includes gains from property sales amounting to SEK 740 million (606).

"I see great opportunities in the current market situation, not least in the Stockholm region. With a well-honed administration and an experienced and skilled project department, Wihlborgs can take on new challenges in 2004," says Erik Paulsson, president and CEO of Wihlborgs Fastigheter AB.

"Wihlborgs in 2004 is strong and focused on the principal markets of Stockholm and Öresund. The equity/assets ratio target of 30 per cent was surpassed last year. I anticipate that 2004 will be a good year for Wihlborgs," Paulsson continues.

Appendix: Year end report 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 16.6 billion. The real estate, which is concentrated on the Stockholm and Öresund regions, has a rental value on a twelve-month basis totalling SEK 1.7 billion, and a rentable area of 1.8 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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- **Proposed dividend: SEK 6.00 (4.50) per share**

Results

The profit after financial items amounted to SEK 826 million (1,010)¹⁾ and EPS after tax²⁾ to SEK 11.66(15.55). Due to sales of properties, rental income decreased to SEK 1,994 million (2,282) and the operating surplus before depreciation decreased to SEK 1,195 million (1,412). The operating profit totalled SEK 1,512 million (1,785), including SEK 740 million (606) in profits from the sale of properties. The financial net amounted to SEK -686 million (-775), 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 1.7 billion, a total leasable floor area of 1.8 million sq.m. and a book value of SEK 16.6 billion. A new organisation based on 14 administrative units, known as blocks, was introduced in 2003. Under the new organisation, more Wihlborgs employees have moved out to the local offices and in so doing have come closer to the tenants. As a consequence, more attention is paid to existing relationships, while many valuable new contacts are created and knowledge of the market is increased at the same time.

The market and property holdings

55 per cent, 43 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. 68 per cent, 20 per cent, 10 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 91 per cent. Broken down by Wihlborgs' market areas, the letting levels in the Stockholm and Öresund regions are 91 per cent and 90 per cent, respectively. The overall vacancy rate for the Wihlborgs property stock at the end of the fourth quarter had increased by one percentage point compared with the previous quarter, chiefly due to the sale of Klara Zenit, which was fully let.

The rental market for commercial premises

The continued weakness in the economy poses major challenges for the property sector, particularly in the Stockholm region, where a high level of activity and an ample supply of vacant premises are features of the

1) The comparative figures for Profit & Loss Account items refer to values for the period from January to December 2002, whilst those for Balance Sheet items refer to values as of 31 December 2002.
2) For definitions, please see page 11.
3) Refers to rental values on a full year basis, which are defined as rent payable as per 31 December 2003 on a full year basis plus estimated market rental on a full year basis for vacant floor area.

market. The rental markets are, however, very local, and there is therefore great variation in the market picture. The market in the Öresund region continues to be stable, with mostly unchanged rent levels.

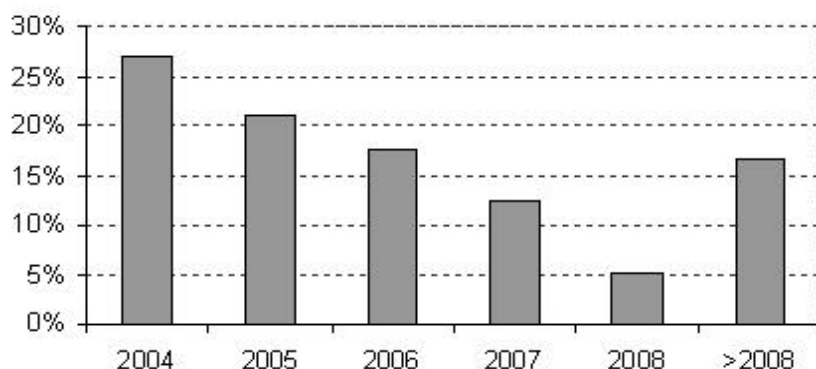
The rental market for accommodation

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.

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 2003, Wihlborgs has sold 35 properties for approximately SEK 1 billion 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 32 months. The total contractual value is SEK 1.4 billion. The total number of contracts is around 2,500.

The property holding as of 31 December 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	163	811,811	9,729	958	91	910	514
Öresund	199	895,973	6,499	748	90	695	455
Total	362	1,707,784	16,228	1,706	91	1,605	969

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 2,227 million.

3) Rental value is defined as rental income as of 31 December 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 31 December 2003 for Wihlborgs' property holding as of 31 December 2003.

Investments

The investments in existing properties and projects, comprising land, new construction and renovation, totalled SEK 1,547 million (1,374). This included SEK 567 million for Ladugårdsgärdet (the OM building), SEK 188 million for Klara Zenit in Stockholm, SEK 120 million for Järla Sjö in Nacka and SEK 237 million for Västra Hamnen (Western Harbour) in Malmö.

Property acquisitions

Three properties were acquired for SEK 219 million (868). (See page 4 for more details.)

Property sales

84 properties have been sold for the combined sum of SEK 5,487 million (4,665), yielding a profit of SEK 740 million (606). (See page 4 for more details.) The greatest single sale was Klara Zenit, which was sold for SEK 3,200m at a profit of SEK 500 million, of which SEK 400 million is included in earnings for 2003. The purchaser was the German property fund CGI. The deal is divided into two parts: property sale for SEK 2,950 million and signing of a work contract for SEK 250 million. Wihlborgs will manage the property for two years after CGI takes possession, which is included in the acquisition price. 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.

Acquisitions and sales January-December 2003

	SEKm	Sq.m	No. of properties
Acquisitions			
Q 2, Stockholm region	183	6,850	2
Q 2, Öresund region	20	7,351	1
Q 4, Öresund region	16	3,466	2
Sales			
Q 1, Öresund region	618	48,064	7
Q 2, Stockholm region	511	63,866	26
Q 2, Öresund region	488	52,747	18
Q 3, Stockholm region	320	17,510	4
Q 3, Öresund region	67	6,894	4
Q 4, Stockholm region	3,464	137,939	24
Q 4, Öresund region	19	1,755	1

A complete list of properties purchased and sold is available at www.wihlborgs.se.

Project portfolio as of 31 December 2003

Property name	Property type	Municipality	Estimated occupation	Lettable space, sq.m.	Degree of rentability, %	Book value 31.12.2003 SEK ⁴⁾	Added investment, SEKm	Total investment	Estimated annual rent, SEKm
Järla Sjö, stage 2 ¹⁾	Office	Nacka	2004-2005	15,000	50	274	46	320	30
The OM building ²⁾	Office	Stockholm	Q1 2004	34,000	100	748	93	841	84
The Telia building	Office	Malmö	Q2 2004	13,500	100	176	114	290	24
Other projects and land ³⁾						793	-	793	-
Total				62,500		1,991	253	2,244	138

- 1) "Ättiksfabriken", approx 4,500 sq.m., has not been started. In addition, there is about 3,000 sq.m of undeveloped premises in "Turbinhallen".
- 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 2,227 million.

Financial position

Wihlborgs' shareholders' equity totalled SEK 6,389 million (6,182) as of 31 December. The equity/assets ratio amounted to 31.4 per cent (27.3).

The result created a liquidity contribution of SEK 1,053 million (1,095). Following a decrease in the operating capital of SEK 859 million, primarily as a result of realisation of claims for completed sales, the ongoing business created a liquidity increase of SEK 1,912 million (567). The property sales exceeded investments and acquisitions, including acquisition of shares in Drott AB (publ), by SEK 1,495 million. Overall, the business created a SEK 3,407 million (1,984) increase in liquidity. The Group's liquid assets, including unutilised current account overdrafts, totalled SEK 1,391 million (1,038).

The Group's loan structure as of 31 December 2003

	SEKm	Average interest, %	Share, %
< 1 year	6,799	4.66	56
1-2 years	2,359	6.02	20
2-3 years	1,254	6.20	10
3-4 years	1,180	6.04	10
6-7 years	500	6.72	4
Current account	16	5.00	0
Total	12,108	5.31	100

The loan volume was SEK 12,108 million (14,738) at the period end, with an average interest rate of 5.31 per cent (5.89). The total loan volume includes individual loans for ongoing projects totalling SEK 1,345 million. The average fixed interest term for the loans, including the effects of derivative instruments utilised, was 17 months (21 months) on 31 December. Of total loans with short interest – SEK 8,339 million – SEK 2,390 million have been extended with the aid of interest swaps of one month 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 2004 have an average fixed interest term of 146 days. The average capital-binding period was 5.1 years (6.2).

Repurchase of own shares

During the fourth quarter 254,506 shares were repurchased. The total holding as of 31 December is 1,654,906 (-) own shares, equivalent to 2.6 per cent of the registered shares. The average number of own shares during the period was 827,453 (-). The holding has been purchased at an average price of SEK 76.50 per share.

Acquisition of shares in Drott AB (publ)

During the fourth quarter Wihlborgs acquired 3,113,300 'B' shares in Drott AB (publ). The total holding in Drott as of 5 February 2004 is 28,000 'A' shares and 18,013,100 'B' shares, equivalent to 20.2 per cent of the capital and 19.5 per cent of the votes. The holding in Drott has been acquired at an average price of SEK 113.50 per share.

Changed tax assessment for one of Wihlborgs' subsidiaries

On 15 December the Stockholm Tax Authority made a reassessment decision regarding the income-tax assessment for the year 2002 for one of Wihlborgs' subsidiaries, Wihlborgs Fastigheter i Stockholm AB. The decision to raise Wihlborgs' taxed income is chiefly the result of the tax authority deeming a dividend of SEK 346 million paid by a subsidiary to Wihlborgs Fastigheter i Stockholm AB to be liable to tax. This is because the tax authority has reclassified Wihlborgs Fastigheter i Stockholm AB from a property-administration company to a company carrying out trade in properties. Wihlborgs has appealed the decision and has been granted a delay in making the payment of SEK 97 million until the case has been settled in the county court. For the time being, Wihlborgs regards the tax authority decision as a contingent liability.

Valuation of properties

The Wihlborgs property stock has been valued according to the same principles as in 2002. Its market value at 31 December 2003 stood at SEK 16.7 billion.

Net asset value per share

Net asset value per share at the end of the year amounted to SEK 116 (109.50). Account has been taken of both the market value of the properties and the market value of the shareholding in Drott AB in calculating net asset value.

Write-downs of properties

According to the accounting principles applied, a recovery value per property is calculated when there is an indication of a decline in value. For some ten properties, most of which are located in the Stockholm region, the calculated recovery value is less than the book value, and a write-down totalling SEK 205 million has therefore been made. The recovery value for the rest of the portfolio exceeds book value by a significant amount.

Parent company

Turnover for the period totalled SEK 114 million (178) and the net profit totalled SEK 1,272 million (207). Investments amounted to SEK 8 million (20). The company's liquid assets including non-utilised bank-overdraft facilities totalled SEK 678 million (634).

Personnel

The total number of employees at the end of the period was 145 (157). The decrease is due to sales of properties and improved efficiency in administrative functions.

Proposal regarding members of the board

The Nomination Committee proposes re-election of all seven board members at Wihlborgs AGM on 31 March 2004: Stefan Dahlbo, Göte Dahlin, Kerstin Fredriksson, Sven-Åke Johansson, Erik Paulsson, Mats Qviberg and Mats O. Sundqvist. Wihlborgs' Nomination Committee comprises Sten Kottmeier, Björn Lind and Mats Qviberg.

Proposed dividend, repurchase and withdrawal of repurchased shares

The Board will propose that the Annual General Meeting resolve:

- that a dividend of SEK 6.00 (4.50) per share be paid, which is equivalent to SEK 365 million (281)
- to authorise the Board at the next Annual General Meeting to buy back Wihlborgs shares corresponding to a maximum of 10 per cent of outstanding shares.
- that the repurchased shares be withdrawn against the share capital. The proposal will relate to the number of shares bought back at the time when the next Annual General Meeting is called. It is anticipated that the meeting will be called on 1 March 2004.

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. In 2005, quoted companies in the EU will report according to IFRS (International Financial Reporting Standards). An analysis of the accounting principles shows that the main difference compared with today is the value at which Wihlborgs has to state its property stock on the balance sheet. The company has to choose between reporting the properties at their realisable value or acquisition value with component depreciation. When Wihlborgs makes its choice of principle, this will entail a departure from present-day reporting whichever alternative is adopted. Wihlborgs at present applies IFRS rules on deferred taxation, and no revaluation of deferred taxation will therefore be necessary.

Events after the period end

Wihlborgs sells four properties to Klöver AB

Wihlborgs has sold four properties to Klöver AB (publ) for SEK 120 million. The sale will not have any effect on the result. The properties are situated in Örnköldsvik, Norrköping and Örebro.

Sells 13 properties for SEK 753 million and buys one property for SEK 200 million

See press release.

Outlook for 2004

Wihlborgs in 2004 is strong and focused on the principal markets of Stockholm and the Öresund. The new decentralised organisation has further strengthened Wihlborgs' business performance. The equity/assets ratio target of 30 per cent has been surpassed. 2004 can therefore be expected to be yet another good year for Wihlborgs.

Annual report and AGM

The AGM will be held on Wednesday 31 March at 5pm at Konserthuset, Malmö. The annual report for 2003 will be sent out to shareholders who have requested financial information.

Financial report dates 2004

Annual Report	March
Annual General Meeting	31 March
Interim Report Q1	6 May
Interim Report Q2	5 August
Interim Report Q3	28 October

Malmö, 5 February 2004

Wihlborgs Fastigheter AB (publ.)

Board of Directors

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Corporate identity number: 556049-1523. www.wihlborgs.se.

Consolidated Profit and Loss Accounts (SEKm)

	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Rental income	468	531	1,994	2,282
Property costs	-214	-196	-799	-870
Operating surplus	254	335	1,195	1,412
Depreciation	-39	-43	-165	-184
Gross profit	215	292	1,030	1,228
Central administration	-15	-15	-53	-49
Profit on sale of properties	440	216	740	606
Write-downs	-205	-	-205	-
Operating profit	435	493	1,512	1,785
Interest income and dividends	7	7	80	39
Interest grants	-	-	2	3
Interest expenses	-189	-195	-768	-817
Profit after financial items	253	305	826	1,010
Paid tax	-69	50	-76	-54
Deferred tax	125	119	-32	23
Profit after taxes	309	474	718	979
Minority holdings	-	-3	-	-8
Net profit	309	471	718	971
Profit per share, SEK	5.07	7.55	11.66	15.55
Number of shares at end of period, millions	60.8	62.4	60.8	62.4
Average number of shares, millions	60.9	62.4	61.6	62.4

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

Consolidated Balance Sheets (SEKm)

	31 Dec 2003	31 Dec 2002
Assets		
Properties	16,580	19,940
Other tangible fixed assets	15	17
Financial fixed assets	2,305	924
Current assets	313	996
Liquid assets	1,139	780
Total assets	20,352	22,657
Shareholders' equity and liabilities		
Shareholders' equities	6,389	6,182
Allocations	793	781
Interest bearing liabilities	12,108	14,738
Non-interest bearing liabilities	1,062	956
Total shareholders' equity and liabilities	20,352	22,657

Statement of change in equity (SEKm)

	31 Dec 2003	31 Dec 2002
Initial balance for period of report	6,182	5,478
Cash dividend to shareholders	-278	-250
Distribution of shares in Klöver to the shareholders	-102	-
Buy back of own shares	-127	-
Translation gains/losses	-4	-17
Net profit/loss	718	971
Closing balance for period of report	6,389	6,182

Consolidated Cash flow Analyses (SEKm)

	Jan-Dec 2003	Jan-Dec 2002
Operating profit/loss ex. depreciation and profits on the sale of properties	1,885	1,974
Net financial items paid	-727	-742
Taxes paid	-105	-137
Change in other operating capital	859	-528
Cash flow from the ongoing operations	1,912	567
Investments and property acquisitions	-1,766	-2,317
Book value properties sold	4,747	4,059
Acquisition of participations in other companies	-1,473	-139
Book value of sold participations in other companies	17	20
Other investments (net)	-30	-206
Cash flow from investment activities	1,495	1,417
Total cash flow from operations and investments	3,407	1,984
Dividends	-278	-250
Buy back of own shares	-127	-
Change in interest-bearing liabilities	-2,623	-1,003
Allocations, minority holdings etc, acquired	-20	-157
Cash flow from financing activities	-3,048	-1,410
Change in liquid assets	359	574
Liquid assets at the beginning of the period	780	206
Liquid assets at the period end	1,139	780

Consolidated key ratios

	31 Dec 2003	31 Dec 2002
Return on capital employed, %	8.1	8.7
Return on shareholders' equity, %	11.4	16.7
Interest coverage ratio, times	2.1	2.2
Equity/assets ratio, %	31.4	27.3
Income per share, SEK	11.66	15.55
Cash flow per share, SEK	18.23	18.34
Reported shareholders' equity per share, SEK	105.15	99.03

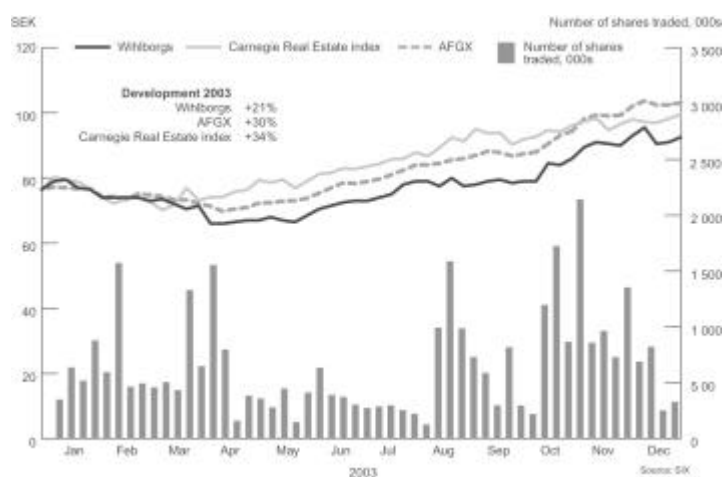
Business ratio for profit per share and information on the number of shares is recorded directly after the profit/loss statement on p. 7. There are no dilution effects of potential ordinary shares to be taken into account in calculating key ratios.

Largest shareholders in Wihlborgs Fastigheter AB at 31.12.2003

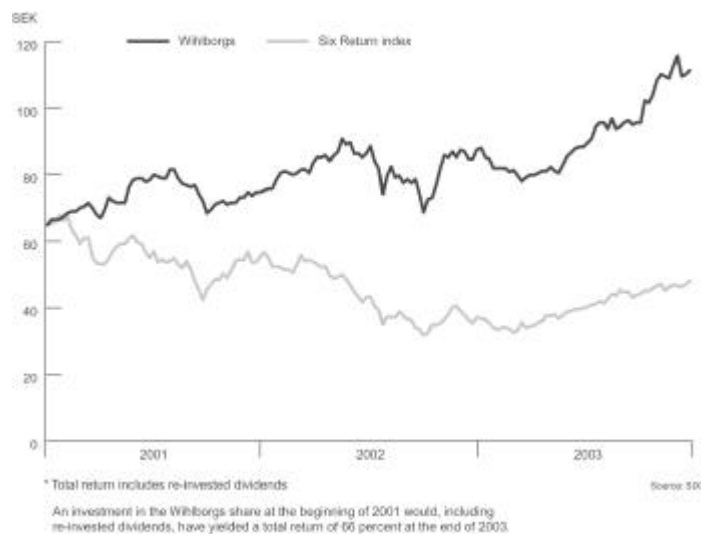
	Number of shares	Proportion of capital and votes, %
Investment AB Öresund	7,751,200	12.4
Erik Paulsson	4,178,515	6.7
AMF Pension	3,485,000	5.6
HQ Fonder	2,481,542	4.0
Robur Fonder	2,156,719	3.5
Sten K Johnson	1,847,000	3.0
SPP Livförsäkring AB	1,755,000	2.8
Skandia	1,295,251	2.1
Mats Qviberg	1,196,343	1.9
Maths O Sundqvist	1,151,822	1.8
Foreign shareholders	10,906,180	17.5
Other	22,564,336	36.1
Repurchased own shares	1,654,906	2.6
Total number of registered shares	62,423,814	100

As of 31 December the number of shareholders was 26,228.

Development of the share 2003



Total return 2001-2003



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 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 in accordance with the balance sheet in relation to the number of shares at the end of the period.