

Lundbergs

Interim Report January – March 2001

- Profit after full tax amounted to SEK 1,617 m. (352), which corresponds to SEK 25.05 (4.64) per share.
- On March 31, 2001, estimated net asset value per share was SEK 221 (Dec 31, 2000: 236) and SEK 200 (Dec 31, 2000: 205) after deferred tax. The corresponding values on May 11, 2001 were SEK 231 and SEK 208, respectively.
- Real estate operations reported profit of SEK 95 m. (68) before depreciation, an increase of 40%.
- Lundbergs acquires a 20% interest in Stadium.

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SALES AND PROFIT

The Group's net sales amounted to SEK 1,780 m. (506). Profit after financial items amounted to SEK 1,631 m. (372). Profit after full tax was SEK 1,617 m. (352), which corresponds to SEK 25.05 (4.64) per share. Net sales and profit for the first quarter of 2001 include an extraordinary dividend of SEK 1,307 m. from Holmen.

REAL ESTATE

Operating profit for Lundbergs' Real Estate business area rose to SEK 82 m. (67).

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 7 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 approximately 40% to SEK 95 m. (68). The increase was attributable to higher rental revenues and reduced costs for maintenance and tenant-oriented property improvements.

Favorable rental-revenue and vacancy-rate trends were noted for both housing and commercial premises during the first quarter. Most of the negotiated rent increases for housing in 2001 are recognized in rental revenue as of the first quarter of 2001. Housing accounted for 49% and commercial premises, etc. for 51% of total rental revenues, which increased to SEK 194 m. (182).

The overall vacancy rate during the period corresponded to 2.7% of rental revenues (2000 average: 3.9). The vacancy rate for housing was 1.1% (2000 average: 1.8), while the vacancy rate for commercial premises was 4.1% (2000 average: 5.8). The overall vacancy rate in April 2001 was 2.8%, whereby the rate for housing was 1.0% and that for commercial premises was 4.6%.

In total, properties were sold for SEK 4 m. (3), generating pretax gains of SEK 0 m. (2).

Property costs decreased to SEK 107 m. (111). The decrease was attributable to lower maintenance and tenant-oriented property improvement costs, which totaled SEK 25 m. (41). Since real estate operations are affected by weather conditions, heating costs are generally higher during the first quarter. Such costs rose by SEK 3 m. to SEK 24 m. due to a colder winter. It is estimated that the costs reported for the first quarter of 2001 were at a normal level for the type of operations conducted.

SEK 7 m. (31) 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 2,678 m. (2,644), generated an annualized yield (operating net in relation to book value) of 16% (13). The book value of properties held for future development was SEK 144 m. (163).

SEK m.	Floor space thousand m ²	Rental revenues	Operating net	Book value, March 31, 2001	Operating net as a % of book value (annualized yield)
Completed properties	1,006	193	109	2,678	16.3
Properties held for future development	11	1	1	144	
Properties sold during Q1 2001		0	0		
TOTAL	1,017	194	110	2,822	
Properties sold during Q1 2000		0	0		
Properties sold during full-year 2000		1	0		

INVEST

Lundbergs Invest reported operating profit of SEK 1,581 m. (314). Operating profit includes an extraordinary dividend of SEK 1,307 m. from Holmen.

Invest's net sales of SEK 1,585 m. include dividends of SEK 1,503 m. from Holmen and of SEK 79 m. from Hufvudstaden. The remaining portion of net sales derived from sales of securities as part of asset management operations. Following the close of the report period, dividends of SEK 70 m. were received from Cardo and of SEK 63 m. from NCC. The net sales of SEK 322 m. for the first quarter of 2000 included dividends of SEK 215 m. from Hufvudstaden and NCC, of which an extraordinary dividend from NCC accounted for SEK 98 m.

The subsidiary L E Lundberg Kapitalförvaltning, whose results are reported in Lundbergs Invest, reported operating profit of SEK 0 m. (13) and profit after financial items of SEK 1 m. (12). On March 31, 2001, exposure to shares and interest-bearing paper amounted to approximately SEK 56 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 64 m., respectively. Lundbergs' voting rights and share capital in NCC were affected by NCC's repurchases of its own shares and by the restamping of shares.

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

%	May 11, 2001		March 31, 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	87.4	44.1	87.4	44.1	87.2	43.1
NCC	16.6	13.3	16.6	13.3	16.5	13.2

SEK m.	May 11, 2001		March 31, 2001		December 31, 2000	
	Book value	Market value	Book value	Market value	Book value	Market value
Cardo	1,890	1,730	1,890	1,680	1,890	1,539
Holmen	2,547	4,342	2,547	3,922	2,503	6,263
Hufvudstaden	2,825	2,656	2,825	2,657	2,761	2,827
NCC	1,076	1,031	1,076	1,017	1,076	974
TOTAL	8,338	9,759	8,338	9,276	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 March 31, 2001 of SEK 258 m. (Dec 31, 2000: 250) and a market value of SEK 229 m. (Dec 31, 2000: 224). On May 11, 2001, the book and market values were SEK 286 m. and SEK 263 m., respectively.

FINANCIAL ITEMS

Financial items amounted to an expense of SEK 30 m. (expense: 8), of which net interest expense accounted for SEK 30 m. (expense: 8).

FINANCIAL POSITION

Liquid assets (excluding credit facilities) rose to SEK 101 m. (Dec 31, 2000: 8). Interest-bearing liabilities decreased to SEK 1,543 m. (2,539). The average period of fixed interest was approximately 2.5 months and the average interest rate was 4.3%.

The Group's interest-bearing net debt decreased to approximately SEK 1,300 m. (Dec 31, 2000: 2,500). The net decrease was due mainly to the extraordinary dividend from Holmen, as well as to repurchases of Company

shares and investments in the Group's major shareholdings in listed companies. Following the close of the report period, dividends of SEK 333 m. were paid to Lundberg shareholders and dividends of SEK 133 m. were received from associated companies. The debt/equity ratio was 0.14 (Dec 31, 2000: 0.30). The Group's reported shareholders' equity on March 31, 2001 was SEK 9,273 m. (Dec 31, 2000: 8,291). The equity/assets ratio rose to 79% (Dec 31, 2000: 72).

NET ASSET VALUE

On March 31, 2001, estimated net asset value per share was SEK 221 (Dec 31, 2000: 236). After a deduction for deferred tax, net asset value per share was SEK 200 (Dec 31, 2000: 205). Reported shareholders' equity accounted for SEK 146 (Dec 31, 2000: 127) of net asset value per share. A deduction has been made for approved but as yet unpaid dividends to Lundberg shareholders in an amount of SEK 5.25 per share, or a total of SEK 333 m.

On May 11, 2001 estimated net asset value per share was SEK 231 and SEK 208 after deferred tax.

	March 31, 2001		December 31, 2000	
	SEK m.	SEK/share	SEK m.	SEK/share
Real Estate	6,687	105	6,692	102
Invest				
Cardo	1,680	26	1,539	24
Holmen	3,922	62	6,263	96
Hufvudstaden	2,657	42	2,827	43
NCC	1,017	16	974	15
Other publicly traded shares	229	4	224	3
Other assets/liabilities, net	-2,208	-34	-3,107	-47
NET ASSET VALUE BEFORE DEFERRED TAX	13,984	221	15,412	236
NET ASSET VALUE AFTER DEFERRED TAX	12,648	200	13,395	205
Market value	9,002	142	9,287	142
Price/NAV, %		71		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 quarter have been for investments and sales. Other assets and liabilities are included at book value on December 31, 2000 and March 31, 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 March 31, 2001, 4,900,300 of these shares had been repurchased for SEK 693 m., or an average of SEK 141.19 per share. The repurchased shares correspond to 7.2% of the share capital and 1.7% of the voting rights. Shares in an amount of SEK 302 m. were repurchased during the first quarter of 2001.

As at May 11, 2001, 4,925,300 shares had been repurchased for SEK 697 m., or an average of SEK 141.17 per share. The repurchased shares correspond to 7.2% of the share capital and 1.7% of the voting rights. The average number of shares outstanding during the first quarter of 2001 was 64,557,716. The number of shares outstanding on March 31, 2001 was 63,392,083 and the number of shares outstanding on May 11, 2001 was 63,367,083.

PARENT COMPANY

L E Lundbergföretagen AB (publ) reported net sales of SEK 1,503 m. (154). Reported profit after financial items amounted to SEK 1,490 m. (163).

SIGNIFICANT EVENTS FOLLOWING THE CLOSE OF THE REPORT PERIOD

Lundbergs has reached an agreement with the owners of Stadium, whereby Lundbergs, through a private placement of Stadiums shares in an amount of SEK 250 m., will acquire 20% interest in Stadium. The intention is to list Stadium on the stock exchange within a period of 5 - 7 years.

Stadium, a retail chain active in the sports products and sports fashion segments, has increased its sales by an average of 20% per year during the past five years. Stadium currently has 60 outlets in Sweden, of which 10 were opened during 2000 and 2001. Stadium opened its first outlet outside Sweden, namely in Copenhagen, in October 2000, and plans to open a number of additional new outlets in the Copenhagen region. Stadium's first outlet in the city of Helsinki was opened in April 2001 and will be followed by the establishment of two more stores in the region in September and October. Stadium currently has annual sales of approximately SEK 2.6 billion, with 2,000 employees.

Through its involvement in Stadium, Lundbergs will be able to participate actively in an exciting sector with major growth opportunities. Lundbergs has considerable confidence in Stadium's business concept and brand, as well as in the company's management. The capital that will be contributed by Lundbergs will provide Stadium with the financial resources required for continuing successful expansion of the company.

CHANGED ACCOUNTING PRINCIPLES

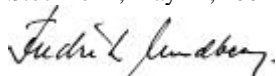
This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendation RR20 (Interim Reporting).

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. Profit for the first quarter of 2001 has been charged with deferred tax of SEK 2 m.

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, May 14, 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,	May 30, 2001
• Interim report, January - March 2001, with complete consolidation of subsidiaries and associated companies in accordance with the Annual Accounts Act	
Interim report, January - June 2001	August 22, 2001
Interim report, January - September 2001	November 13, 2001
Year-end report 2001	February 2002
Annual report 2001	March 2002

CONSOLIDATED INCOME STATEMENT

SEK m.	January - March		Full year
	2001	2000	2000
REAL ESTATE			
Net sales			
Rental revenues, etc.	194	182	737
Sales of properties	0	2	4
Other net sales	1	0	-6
	195	184	735
Property costs			
Operating expenses	-50	-49	-157
Property tax	-9	-10	-37
Maintenance and tenant-oriented property improvements	-25	-41	-194
Direct sales and administrative costs	-10	-10	-41
Depreciation	-13	-1	-4
	-107	-111	-433
Central administrative costs, etc.	-6	-6	-25
OPERATING PROFIT, REAL ESTATE	82	67	277
INVEST			
Net sales	1,585	322	643
Operating expenses	-4	-7	-17
OPERATING PROFIT, INVEST	1,581	315	626
Central administrative costs, etc.	-2	-2	-8
Items affecting comparability			28
OPERATING PROFIT	1,661	380	923
Financial items	-30	-8	-65
PROFIT AFTER FINANCIAL ITEMS	1,631	372	858
Current tax ¹⁾	-12	-16	-52
Deferred tax	-2	-4	-14
Minority share	0	0	0
REPORTED PROFIT FOR THE PERIOD	1,617	352	792

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

CONSOLIDATED CASH FLOW STATEMENT

SEK m.	January - March		Full year
	2001	2000	2000
Cash flow from operations	1,835	-114	619
Cash flow from investment activities	-414	-245	-2,033
Cash flow from financing activities	-1,328	378	1,310
Change in cash and bank balances	93	19	-104
Cash and bank balances, January 1	8	112	112
Cash and bank balances, period end	101	131	8

CONSOLIDATED BALANCE SHEET

SEK m.	March 31 2001	March 31 2000	December 31 2000
ASSETS			
Fixed assets			
Tangible fixed assets	2,691	14	13
Financial fixed assets	8,684	8,135	8,576
	11,375	8,149	8,589
Current assets			
Properties classified as current assets	144	2,807	2,835
Other current assets	286	467	120
	430	3,274	2,955
TOTAL ASSETS	11,805	11,423	11,544
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	9,273	9,126	8,291
Minority interest	0	0	0
Provisions	429	482	463
Long-term liabilities	550	843	2,062
Current liabilities	1,553	972	728
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	11,805	11,423	11,544

SHAREHOLDERS' EQUITY

SEK m.	March 31 2001	March 31 2000	December 31 2000
January 1	8,526	9,380	9,380
Effect of new accounting principles	-235	-221	-221
Adjusted amount at January 1	8,291	9,159	9,159
Dividends	-333	-360	-360
Repurchase of Parent company shares	-302	-25	-1,300
Net profit for the period	1,617	352	792
BALANCE, PERIOD END	9,273	9,126	8,291

KEY FIGURES, GROUP

	March 31 2001	March 31 2000	December 31 2000
Earnings per share after full tax, SEK	25.05	4.64	11.16
Reported shareholders' equity per share, SEK	146	121	127
Debt/equity ratio, multiple	0.14	0.11	0.30
Equity/assets ratio, %	79	80	72
Number of shares outstanding	63,392,083	75,668,983	65,403,583