

Vasakronan | Interim report January–September 2001

Vasakronan has restructured operations during 2001. Building permits and property portfolios in nine locations were divested for SEK 6,097 M, and properties were acquired in Stockholm, Gothenburg and Malmö for SEK 5,204 M.

Income after financial items increased to SEK 2,576 M (474). Income, excluding capital gains on property sales and the cost of prepayment of future interest expense, amounted to SEK 496 M (393), an increase of 26%.

Rental revenues amounted to SEK 2,057 M (1,944). Rents for new and renegotiated leases increased by 47%. The financial vacancy rate was 3% (4). Demand for rental premises has slackened slightly due to uncertainty about the economy.

The outlook for full-year 2001 has improved and the profit forecast has been adjusted from SEK 500 M to SEK 575 M. As a result, income after net financial items, but before gains/losses on the sale of properties and before the prepayment of future interest expense, will be about SEK 575 M (426).

FINANCIAL DATA

| SEK M | Jan.–Sept. 2001 | Jan.–Sept. 2000 | July–Sept. 2001 | July–Sept. 2000 | Oct. 2000– Sept. 2001 | Full year 2000 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------------|-------------------|
| Rental revenues | 2,057 | 1,944 | 625 | 673 | 2,775 | 2,662 |
| Income after financial items | 2,576 | 474 | 190 | 218 | 2,585 | 460 |
| Income after financial items, excluding property sales and prepayment of interest expense | 496 | 393 | 164 | 186 | 479 | 376 |
| Cash flow | 600 | 598 | 245 | –136 | 1,050 | 659 |
| Investments, including property acquisitions | 5,975 | 1,839 | 860 | 455 | 6,610 | 2,474 |
| Property sales | 6,097 | 244 | 71 | 52 | 5,952 | 291 |
| Equity/assets ratio, % | 36 | 36 | 36 | 36 | 36 | 35 |
| Vacancy rate, rent, % | 3 | 4 | 3 | 4 | 4 | 4 |



REAL OFFICES | FOR REAL PEOPLE

Markets

The autumn of 2001 has been characterized by considerable uncertainty regarding the development of the economy in Sweden and other countries, reinforced by terrorist activities and considerable anxiety at the international level. This has resulted in increased caution in the premises rental market. There is less inclination to embark on long-term plans and sign new leases. The major urban regions of Stockholm, Gothenburg and Malmö are expected to experience higher growth than other parts of Sweden, however.

Due to negative factors in the economy as a whole, the pace of development in the rental premises market has been calmer, following the upturn of recent years. Vacancy levels are around 3–5% in the major cities. Peak rents in central Stockholm have declined by about 10%, and levels have stabilized at SEK 4,500–5,500 / m².

There is less demand for office floor space, since many companies have rationalized their operations and reduced their staff. Subletting, which has increased recently, is also expected to have some marginal impact on rental trends.

Rental revenues

During the period January–September 2001, Vasakronan's rental revenues increased by SEK 113 M to SEK 2,057 M (1,944), an increase of 6% (10). The increase for comparable property portfolios was 14% (7), and the impact of the acquisition and divestment of properties was a decline of 8% (increase: 3). The considerable increase in comparable portfolios was because most new and renegotiated leases have a term of three to five years, leading to considerable rent adjustments when leases are renegotiated. The average term in the lease portfolio was 4.1 years (4.0).

Average rental revenue amounted to SEK 1,495 / m² (958), on an annual basis. The increase was due to the increasing concentration of rental revenue on Stockholm, Gothenburg and Malmö as a result of property transactions conducted during the year.

During the period January–September 2001, leases corresponding to annual rents of SEK 265 M (160) were renegotiated, and rents increased by an average of 47% (45). In all, 14% of leases are due to be renegotiated during 2001, of which 10% were renegotiated during the first nine months. The largest leases during this period were signed with SEB at Rissne in Stockholm, the National Defence College in Stockholm, Nutek in Liljeholmen (Stockholm) and the tax authority in Malmö.

Rental revenues included property taxes of SEK 108 M (87) paid by tenants, which corresponds to 88% (77) of property taxes.

The vacancy rate amounted to 6% (6) of floor space, corresponding to 129,000 m². The estimated rent loss of 3% (4) was lower, and amounted to SEK 119 M.

The proportion of central government tenants has declined to 34% (45) as a result of the property acquisitions and divestments that have been implemented. The proportion of other tenant categories increased to 66% (55).

Operating expenses and income

Operating expenses increased by SEK 42 M to SEK 449 M (407). After adjustment for the distribution of the SPP pension surplus of SEK 21 M received in 2000, operating expenses increased by SEK 21 M, or 5% (reduction: 2). The increase for a comparable portfolio was 6% (reduction: 4), and the impact of acquisitions and divestments was a reduction of 1% (increase: 2).

The cost of maintenance and tenant adaptations amounted to SEK 186 M (186). The increase for a comparable property portfolio was 14% (2), and the impact of acquisitions and divestments was a reduction of 14% (increase: 2). Major projects, mostly in Stockholm, account for a proportion of maintenance costs.

Property tax increased by SEK 9 M to SEK 122 M (113). The increase was mainly due to property acquisitions. Since 88% of property taxes is paid by tenants, this had little impact on costs.

The operating surplus improved by SEK 63 M and amounted to SEK 1,300 M (1,237), an increase of 5% (15). The increase in comparable property portfolios was 13% (11), and the impact of acquisitions and divestments was a reduction of 8% (increase: 4). The operating surplus margin amounted to 63% (64).

Depreciation increased by SEK 18 M to SEK 297 M (279) as a result of property acquisitions and investments. Office and retail properties are depreciated at a rate of 2% per year.

Central administration and marketing costs amounted to SEK 64 M (53). The increase is related to annualization and is due to the branding campaign carried out in the first quarter of 2001.

Net financial items amounted to SEK 565 M (518), an increase of SEK 47 M, of which SEK 124 M (0) was due to prepayment of future interest expense, which improves

the future financial net to the corresponding extent. SEK 45 M was due to higher average borrowing as a result of property acquisitions and investments. This was offset by reduced average interest expense which improved the financial net by SEK 90 M. Interest income – chiefly pertaining to investment in Norrporten – had a positive impact of SEK 32 M on the financial net.



PROPERTY TRANSACTIONS

| SEK M | Jan.–Sept. 2001 | Full year 2000 | Full year 1999 | Full year 1998 | Full year 1997 | Full year 1996 | Full year 1995 | Full year 1993/94 | Total 1993–2001 |
|---------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Sales | 6,097 | 291 | 277 | 2,192 | 6,541 | 577 | 415 | 50 | 16,440 |
| Capital gains | 2,204 | 84 | 63 | 834 | 2,008 | 144 | 61 | 17 | 5,415 |
| Acquisitions | 5,204 | 1,317 | 1,809 | 4,992 | 2,357 | 246 | 148 | 64 | 16,137 |

PROPERTY ACQUISITIONS

| Contract date | Location | Property | Seller | Price ¹ SEK M | Date of possession | Rental revenue full year | Operating net-full year |
|---------------|------------|------------------------|---------------------------|-----------------------------|--------------------|--------------------------|-------------------------|
| Dec. 14, 2000 | Gothenburg | Inom Vallgraven 32:1 | Valltorget | 54 | Jan. 1, 2001 | 4 | 4 |
| Apr. 1, 2001 | Linköping | Ambrosia | Linköpings kommun | 88 | Apr. 1, 2001 | 8 | 6 |
| Apr. 11, 2001 | Stockholm | Bremen 3 | Birka Värme Stockholm | 482 | May 2, 2001 | 39 | 32 |
| May 15, 2001 | Stockholm | Bacchus 1 | AP Fastigheter | 124 | June 1, 2001 | 7 | 6 |
| June 1, 2001 | Stockholm | Lager 12 & 13 | JM Cityfastigheter | 360 | July 2, 2001 | 25 | 21 |
| June 13, 2001 | Stockholm | Beridarebanan 4 & 11 | Förenade Liv | 2,003 | July 2, 2001 | 154 | 117 |
| June 18, 2001 | Stockholm | Knarrarnäs 10 | Humlegården | 77 | Oct. 1, 2001 | 10 | 9 |
| June 28, 2001 | Stockholm | Järnplåten 29 | Skanska | 145 | Dec. 31, 2001 | 10 | 9 |
| June 28, 2001 | Malmö | Sirius 1 & 2 | Skanska | 123 | Dec. 31, 2001 | 11 | 9 |
| June 28, 2001 | Gothenburg | Inom Vallgraven 16:6 | Skanska | 105 | Dec. 31, 2001 | 8 | 7 |
| June 28, 2001 | Gothenburg | Gullbergsvass 1:5, 1:6 | Skanska | 950 | Dec. 31, 2001 | 67 | 57 |
| Aug. 13, 2001 | Stockholm | Grimsta 51:1 | Upplands Väsby Kommun | 3 | Oct. 1, 2001 | – | – |
| Aug. 23, 2001 | Gothenburg | Masthugget 30:6 | NCC | 185 | Nov. 1, 2001 | 17 | 14 |
| Aug. 23, 2001 | Gothenburg | Gullbergsvass 16:2 | NCC | 215 | Dec. 1, 2001 | 18 | 15 |
| Aug. 31, 2001 | Gothenburg | Majorna 219:7 | Klippan Kulturfastigheter | 176 | Oct. 1, 2001 | 18 | 15 |
| Sep. 27, 2001 | Malmö | Bilen 6 | ERPÅ | 114 | Oct. 1, 2001 | 9 | 8 |
| Total | | | | 5,204 | | 405 | 329 |

¹ The purchase price includes land registration fees.

PROPERTY DIVESTMENTS

| Contract date | Location | Property | Buyer | Price SEK M | Vacation date | Rental revenue full year | Operating date full year |
|----------------|----------------|--------------------------------|------------|----------------|---------------|--------------------------|--------------------------|
| Apr. 2, 2001 | Stockholm | Part of Hågernäs 7:22 | JM | 168 | Jan. 1, 2002 | – | – |
| May 11, 2001 | Nine locations | All property portfolios | Norrporten | 5,085 | June 1, 2001 | 643 | 372 |
| June 28, 2001 | Stockholm | Building licenses, Västerjärva | Skanska | 773 | July 3, 2001 | – | – |
| Aug. 31, 2001 | Gothenburg | Högsbo 33:6 | Gruvgården | 9 | Sept. 2, 2001 | 1 | 1 |
| Aug. 31, 2001 | Gothenburg | Lorensberg 4:1 | Klippan | 48 | Oct. 1, 2001 | 5 | 4 |
| Sept. 27, 2001 | Malmö | Västerbotten 9 | ERPÅ | 14 | Oct. 1, 2001 | 2 | 1 |
| Total | | | | 6,097 | | 651 | 378 |

Income after financial items, excluding property divestments and prepayment of future interest expense, increased to SEK 496 M (393), an increase of 26%.

Income from property sales was SEK 2,204 M (81). Income after financial items, including property sales and prepayment of future interest expense, amounted to SEK 2,576 M (474).

Changes in the property portfolio

During the first nine months of 2001, Vasakronan acquired properties for SEK 5,204 M (1,027), including land registration fees, and divested properties for SEK 6,097 M (244).

On June 1, 2001, Vasakronan sold its property portfolios in nine locations – Luleå, Umeå, Sundsvall, Gävle, Karlstad, Örebro, Jönköping, Växjö and Kristianstad. These portfolios were valued at SEK 5.1 billion. As a result, Norrporten has become a nationwide company, specializing in properties in

regionally important university, university college and provincial administration centers outside the three major urban regions. The properties sold to Norrporten have a rental value of approximately SEK 650 M and a premises floor space of about 770,000 m². Vasakronan's capital gain amounted to SEK 1.3 billion. The Second AP Fund, the Sixth AP Fund and Vasakronan each have a one-third holding in Norrporten, which has a shareholders' equity of SEK 2,550 M.

Skanska and Vasakronan have implemented a major exchange transaction. Land in the Västerjärva area of Stockholm was sold to Vasakronan's development company, Västerjärva Exploaterings AB, for SEK 773 M. Thereafter, Skanska acquired 50% of the company for SEK 300 M and a non-cash contribution of land to the company. A mixed construction of about 350,000 m² of mainly housing and offices is planned on the company's land holdings. Concurrent with this land deal,

LEASE PORTFOLIO, SEPTEMBER 30, 2001

| Lease period until | No. of leases | Annual rent, SEK M | Share, % |
|--------------------|---------------|--------------------|------------|
| 2001 | 246 | 105 | 4 |
| 2002 | 525 | 443 | 17 |
| 2003 | 471 | 388 | 15 |
| 2004 | 434 | 540 | 20 |
| 2005 | 116 | 252 | 9 |
| 2006– | 158 | 880 | 33 |
| Housing | 893 | 48 | 2 |
| Total | 2,843 | 2,656 | 100 |

PROPERTY HOLDINGS, SEPTEMBER 30, 2001

| | No. of registered properties | | | Rental revenues | | Vacancy rate % floor space | Vacancy rate % rental value | Book value ¹ SEK M |
|------------------------------|------------------------------|-------------|-----------------------------------|-------------------|-------------------|----------------------------|-----------------------------|-------------------------------|
| | 9 mths 2001 | 9 mths 2000 | Floor space, 1,000 m ² | 9 mths 2001 SEK M | 9 mths 2000 SEK M | | | |
| Southern region | | | | | | | | |
| Malmö | 36 | 34 | 346 | 272 | 233 | 7 | 3 | 3,117 |
| Lund | 11 | 11 | 68 | 56 | 35 | 2 | 1 | 531 |
| Linköping | 9 | 9 | 68 | 41 | 42 | 3 | 1 | 401 |
| Total | 56 | 54 | 482 | 369 | 310 | 6 | 2 | 4,049 |
| Western region | | | | | | | | |
| Gothenburg | 26 | 23 | 214 | 195 | 166 | 1 | 1 | 3,540 |
| Total | 26 | 23 | 214 | 195 | 166 | 1 | 1 | 3,540 |
| Stockholm region | | | | | | | | |
| Stockholm | | | | | | | | |
| – City | 10 | 10 | 125 | 204 | 153 | 1 | 1 | 4,240 |
| – Old Town | 8 | 7 | 23 | 22 | 25 | 0 | 0 | 324 |
| – Östermalm | 11 | 10 | 314 | 316 | 239 | 10 | 5 | 3,048 |
| – Vasastan | 12 | 7 | 54 | 50 | 42 | 11 | 8 | 1,102 |
| – Other central areas | 10 | 11 | 162 | 192 | 169 | 6 | 6 | 1,474 |
| – Northern Greater Stockholm | 28 | 29 | 288 | 220 | 201 | 4 | 2 | 1,905 |
| – Southern Greater Stockholm | 7 | 7 | 78 | 75 | 59 | 7 | 6 | 483 |
| – Infra City | 7 | 7 | 190 | 100 | 74 | 22 | 27 | 821 |
| Uppsala | 9 | 9 | 67 | 55 | 48 | 1 | 1 | 442 |
| Total | 102 | 97 | 1,303 | 1,234 | 1,010 | 8 | 6 | 13,839 |
| Remaining nine locations | | | | | | | | |
| | 0 | 114 | 0 | 276 | 473 | – | – | – |
| Eliminations | | | | –17 | –15 | | | |
| Group, total | 184 | 288 | 1,999 | 2,057 | 1,944 | 6 | 4 | 21,428 |

¹ Including surplus value and deferred tax, excluding work in progress.

PROPERTY PROJECTS

| Location | Property | Completion scheduled | Total property investment, SEK M |
|----------------------|----------------------------------|----------------------|----------------------------------|
| Linköping | Djåknen | October 2001 | 121 |
| Linköping | Blandaren | December 2001 | 60 |
| Gothenburg | Nordstaden | December 2001 | 95 |
| Stockholm | Infra Business Center, InfraCity | December 2001 | 408 |
| Stockholm | Primus 1, Lilla Essingen | December 2001 | 259 |
| Stockholm | Uppfinnaren 2, Östermalm | 2002 | 229 |
| Stockholm | Gamen 8, Södermalm | 2002 | 72 |
| Stockholm | Argus 8, Gamla Stan | 2002 | 121 |
| Stockholm | Grönlandet Norra, Vasastaden | 2002 | 200 |
| Stockholm | Garnisonen 3, Östermalm | 2003 | 138 |
| Sub-total | | | 1,702 |
| Other minor projects | | | 334 |
| Total | | | 2,037 |

Vasakronan acquired properties from Skanska for SEK 2,433 M and, on December 1, 2001, will take possession of:

- The Gullbergsvass 1:5 and 1:6 property at Lilla Bommen in Gothenburg by the Göta Älv river. This property has a floor space of slightly less than 40,000 m². The purchase price is SEK 950 M.
- The Inom Vallgraven 16:6 property, located at Södra Hamngatan in central Gothenburg, an office building of approximately 5,300 m². The purchase price is SEK 105 M.
- The Sirius 1 and Sirius 2 properties in the Inner Harbor area, close to Malmö central station, with a floor space of approximately 7,300 m². The purchase price is SEK 123 M.
- The Järnplåten 29 property at Oxtorget in downtown Stockholm, with a floor space of more than 3,300 m². The purchase price is SEK 145 M.

In addition, the Kista Entré property in Kista, to the north of Stockholm, will be acquired when it is completed in mid-2003. The building has a floor space of more than 46,000 m². The purchase price is SEK 1,100 M.

Vasakronan has acquired the high-rise Hötorget 2, 3 and 4 blocks from Förenade Liv. The purchase price amounted to SEK 1,945 M and additional title fees of SEK 58 M. These properties have a total floor space of 42,000 m², with approximately 26,000 m² of office space and 11,000 m² of shops and restaurants. The vacancy rate is extremely low.

Vasakronan has acquired the Gullbergsvass 16:2 and Masthugget 30:6 blocks at Järntorget in Gothenburg from NCC for SEK 400 M in an exchange transaction. At the same time, Vasakronan sold 50% of a newly formed development com-

MATURITY DATE STRUCTURE – FINANCING SEPTEMBER 30, 2001

| | Fixed-interest term | | | Capital distribution | | Committed lines of credit | |
|-------|---------------------|------------|---------|----------------------|---------|---------------------------|---------|
| | SEK M | Interest % | Share % | SEK M | Share % | SEK M | Share % |
| 2001 | 3,034 | 4.8 | 24 | 2,576 | 21 | 2,125 | 35 |
| 2002 | 2,324 | 4.7 | 19 | 1,363 | 11 | 1,700 | 28 |
| 2003 | 2,465 | 5.1 | 20 | 3,134 | 25 | – | – |
| 2004 | 2,010 | 5.1 | 16 | 2,510 | 20 | 300 | 5 |
| 2005 | 1,550 | 5.6 | 12 | 1,300 | 10 | 1,000 | 16 |
| 2006 | 995 | 6.0 | 8 | 1,195 | 10 | 1,000 | 16 |
| 2007 | 100 | 7.2 | 1 | 200 | 2 | – | – |
| 2008 | – | – | – | 200 | 2 | – | – |
| Total | 12,478 | 5.1 | 100 | 12,478 | 100 | 6,125 | 100 |

The fixed-interest term includes derivatives. Loans are reported at nominal amounts.

SOURCES OF FINANCING, SEPTEMBER 30, 2001

| SEK M | Borrowing framework | Of which utilized |
|---------------------------|---------------------|-------------------|
| Commercial paper programs | 5,000 | 2,125 |
| MTN program 2000 | 10,000 | 9,436 |
| MTN program 1995 | 600 | 600 |
| Committed lines of credit | 6,125 | – |
| Private placements | 200 | 200 |
| Bank loans | – | 117 |
| Total | | 12,478 |

pany to NCC for the joint construction of offices, and possibly a hotel, at Nya and Gamla Ullevi in Gothenburg. There is also potential for building licenses for housing.

Vasakronan has conducted an exchange transaction in Gothenburg with Klippan Kulturfastigheter involving the purchase of the totally renovated Fryshuset Majorna 219:7 property, a former cold storage warehouse, for SEK 176 M and the sale of the Loresberg 4:1 block for SEK 48 M.

Vasakronan has completed an exchange transaction in Malmö with ErPå Industrier in which the Bilen 6 block in the Western Harbor district was acquired for SEK 114 M and the Västerbotten 9 block was sold for SEK 14 M.

Vasakronan acquired 50% of the company that is implementing the Kista Science Tower from NCC. Vasakronan has an option to buy the remainder of the property when it is completed in 2003. The Kista Science Tower will have approximately 55,000 m² of premises floor space. The purchase price will be finally determined on the basis of a market valuation when the option falls due. The estimated production cost is about SEK 1,650 M.

Vasakronan will also sell a 50% holding in a recently formed land development company to NCC for SEK 330 M in order to develop Vasakronan's unimproved land at Ursvik in the Sundbyberg municipality. Construction of approximately 200,000 m² of housing and offices is planned on this site.

Investments

Investments amounted to SEK 5,975 M (1,839) in the period January–September 2001, of which SEK 5,204 M (1,027) represented property acquisitions and SEK 771 M (812) was investment in properties and facilities.

Ongoing development projects amounted to SEK 2.0 billion. The main projects are in Stockholm, of which the largest was the SEK 408 M IBC project at InfraCity.

Financing

At September 30, 2001, liquid assets amounted to SEK 242 M (270). In addition, there were unutilized committed lines of credit of SEK 6,125 M (6,956).

Interest-bearing liabilities amounted to SEK 12,447 M (11,879) at September 30. Net interest-bearing liabilities increased by SEK 596 M to SEK 12,205 M (11,609). On average, net interest-bearing liabilities were SEK 11,862 M (10,907).

The average interest-rate on borrowing declined to 5.3% (6.3). At September 30, 2001, the average interest-rate on borrowing was 5.1% (6.0). The reduction was due to a lower refinancing rate of interest and the prepayment of future interest expense.

In cash flow terms, the interest coverage ratio declined to 2.2 (2.3), due to prepayment of SEK 124 M for future interest expense, which will improve the future financial net to the corresponding extent. After adjustment for this item, the interest coverage ratio amounted to 2.8. The average interest-rate term for borrowing at September 30 was 1.8 years (2.0). The

average fixed term for tied-up capital was 2.1 years (1.9). Committed lines of credit and liquid assets represented 176% of short-term interest-bearing liabilities. The average term for committed lines of credit was 1.9 years.

Agreements for credit facilities totaling SEK 1.7 billion were signed during the year.

Standard & Poor's gave Vasakronan a K1 rating for short-term borrowing – the highest domestic rating. The long-term MTN program retained its BBB+ rating, with the addition of "negative outlook".

Shareholders' equity

At September 30, 2001, Vasakronan had visible shareholders' equity of SEK 9,480 M (7,781). The equity/assets ratio amounted to 36% (36). The increase in shareholders' equity was due to capital gains in connection with the divestment to Norrporten in the sale of land to the development company.

At year-end 2000, Vasakronan's properties were valued at SEK 34.2 billion, and the book value amounted to SEK 19.7 billion. The adjusted equity/assets ratio amounted to 48%.

Cash flow

The cash flow amounted to SEK 600 M (598). A stronger cash flow from current operations was offset by the prepayment of future interest expense.

Personnel


The average number of employees during the period was 340 (336). At September 30, 2001, Vasakronan had 310 employees (364). At June 30, 80 employees left Vasakronan in connection with the Norrporten transaction.

Outlook for 2001

Vasakronan's rental revenues have increased as a result of higher rents when leases are renegotiated, but will decline to the same level as 2000, due to the sale of properties in nine locations to Norrporten and the acquisitions carried out. Operating and maintenance costs are declining as a result of the Norrporten transaction, resulting in an improved operating surplus. The financial net will increase as a result of prepayment of future interest expense.

Vasakronan's forecast has improved and the profit forecast has been adjusted from SEK 500 M to SEK 575 M. As a result income after financial items, but before gains and losses on property sales and prepayment of future interest expense, will increase to approximately SEK 575 M (426).

Stockholm, October 24, 2001



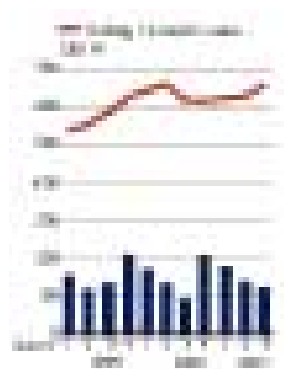
Håkan Bryngelson, President

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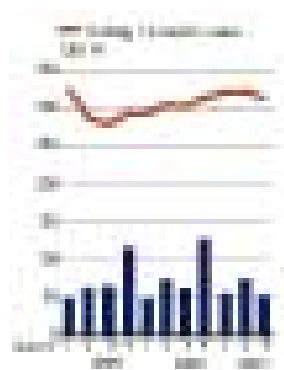
RENTAL REVENUES



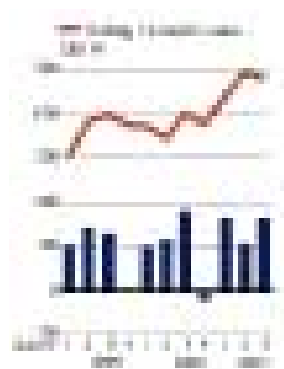
OPERATING EXPENSES



MAINTENANCE



INCOME AFTER FINANCIAL ITEMS, EXCLUDING PROPERTY SALES



INCOME STATEMENT

| SEK M | Jan–Sept 2001 | Jan–Sept 2000 | Full year 2000 |
|---------------------------------------|---------------|---------------|----------------|
| Rental revenues | 2,057 | 1,944 | 2,662 |
| Operating expenses | –449 | –407 | –617 |
| Maintenance | –186 | –186 | –314 |
| Property tax | –122 | –113 | –154 |
| Operating surplus | 1,300 | 1,238 | 1,577 |
| Property depreciation | –297 | –279 | –378 |
| Gross income | 1,003 | 959 | 1,199 |
| Gain on sale of properties | 2,204 | 81 | 84 |
| Other operating revenues and expenses | –2 | 4 | 5 |
| Central administration and marketing | –64 | –52 | –82 |
| Operating income | 3,141 | 992 | 1,206 |
| Net financial items | –565 | –518 | –746 |
| Income after financial items | 2,576 | 474 | 460 |
| Tax | –721 | –129 | –144 |
| Minority participation in income | – | – | –1 |
| Income for the period | 1,855 | 345 | 315 |

BALANCE SHEET

| SEK M | Sept. 31, 2001 | Sept. 30, 2000 | Dec. 31, 2000 |
|---|----------------|----------------|---------------|
| Assets | | | |
| Intangible assets | 31 | 14 | 19 |
| Properties and fixed assets | 23,173 | 20,569 | 21,060 |
| Financial assets | 1,441 | 19 | 28 |
| Current receivables | 1,455 | 698 | 736 |
| Liquid assets | 242 | 270 | 368 |
| Total assets | 26,342 | 21,570 | 22,211 |
| Shareholders' equity and liabilities | | | |
| Shareholders' equity | 9,480 | 7,781 | 7,751 |
| Minority interest | 1 | – | 1 |
| Provisions | 661 | 508 | 505 |
| Interest-free liabilities | 3,765 | 1,411 | 1,654 |
| Interest-bearing liabilities | 12,435 | 11,870 | 12,300 |
| Total shareholders' equity and liabilities | 26,342 | 21,570 | 22,211 |

KEY DATA

| | Sept. 31, 2001 | Sept. 30, 2000 | Dec. 31, 2000 |
|---|----------------|----------------|---------------|
| Property-related | | | |
| Book value, SEK M | 21,428 | 18,948 | 19,654 |
| Premises floor space, 1,000 m ² | 1,999 | 2,704 | 2,687 |
| Yield, % | 8.1 | 8.1 | 8.3 |
| Vacancy rate, floor space, % | 6 | 6 | 6 |
| Vacancy rate, rent, % | 3 | 4 | 4 |
| Financial | | | |
| Operating surplus margin, % | 63 | 64 | 59 |
| Cash flow interest coverage ratio, multiple | 2.2 | 2.3 | 2.0 |
| Cash flow, SEK M | 600 | 598 | 659 |
| Average shareholders' equity, SEK M | 8,631 | 7,608 | 7,672 |
| Yield on shareholders' equity, % | 21.3 | 4.9 | 4.1 |
| Equity/assets ratio, % | 36 | 36 | 35 |
| Net interest-bearing liabilities, SEK M | 12,205 | 11,609 | 11,944 |
| Debt/equity ratio, multiple | 1.3 | 1.5 | 1.6 |
| Share-related | | | |
| Number of shares | 4,000,000 | 4,000,000 | 4,000,000 |
| Earnings per share, SEK | 464 | 86 | 78 |
| Cash flow per share, SEK | 150 | 150 | 164 |
| Equity per share, SEK | 2,370 | 1,918 | 1,937 |

CASH-FLOW ANALYSIS

| SEK M | Jan.-Sept. 2001 | Jan.-Sept. 2000 | Full year 2000 |
|--|--------------------|--------------------|-------------------|
| Current operations | | | |
| Income before financial items | 3,164 | 986 | 1,199 |
| Depreciation | 306 | 290 | 391 |
| Other items which do not affect liquidity | -2,227 | -75 | -81 |
| Interest income | 53 | 5 | 5 |
| Interest expense | -618 | -523 | -751 |
| Tax paid, excl. property sales | -78 | -85 | -104 |
| Cash flow before changes in working capital | 600 | 598 | 659 |
| Increase(-)/decrease(+) in current receivables | -719 | -229 | -253 |
| Increase(+)/decrease(-) in current liabilities | 2,092 | -160 | 48 |
| Cash flow from current operations | 1,973 | 209 | 454 |
| Investment operations | | | |
| Investments | -771 | -812 | -1,157 |
| Acquisition of properties | -5,204 | -1,027 | -1,317 |
| Acquisition of subsidiaries | -24 | -56 | -62 |
| Less acquired consolidated goodwill | 17 | 346 | 352 |
| Properties sold | 5,905 | 244 | 291 |
| Tax paid on property sales | -469 | -21 | -22 |
| Increase(+)/decrease(-) in financial assets | -1,413 | 1 | -8 |
| Cash flow from investment operations | -1,959 | -1,326 | -1,923 |
| Financing operations | | | |
| Change in interest-bearing liabilities | 25 | 1,185 | 1,635 |
| Dividend paid | -165 | -157 | -157 |
| Cash flow from financing operations | -140 | 1,028 | 1,478 |
| Cash flow for the period | -126 | -89 | 9 |
| Liquid assets at January 1 | 368 | 359 | 359 |
| Liquid assets at end of period | 242 | 270 | 368 |
| Net interest-bearing liabilities at January 1 | -11,944 | -10,043 | -10,043 |
| Net interest-bearing liabilities at end of period | -12,205 | -11,609 | -11,944 |
| Liquid assets at end of period | -261 | -1,566 | -1,901 |

DEFINITIONS

Cash flow

Operating income before financial items with restitution of depreciation and deduction for items which do not affect liquidity, net interest received/paid and income tax paid.

Cash flow per share

Cash flow divided by the number of shares.

Debt/equity ratio

Interest-bearing liabilities including pension liabilities, less liquid assets divided by shareholders' equity at year-end.

Earnings per share

Income after estimated tax divided by the number of shares.

Equity/assets ratio.

Shareholders' equity at year-end as a percentage of total assets.

Floor space.

Rentable space.

Interest coverage ratio in cash flow terms

Operating income excluding capital gains/losses, with restitution of depreciation, divided by net financial items.

Net interest-bearing liabilities

Interest-bearing liabilities including pension liabilities, less liquid assets.

Operating surplus

Rental revenues less operating and maintenance costs, and also property tax.

Operating surplus margin

Operating surplus divided by rental revenues.

Return on shareholders' equity.

12-month rolling income after estimated tax divided by shareholders' equity

Shareholders' equity.

Average visible shareholders' equity.

Shareholders' equity per share.

Shareholders' equity at year-end, divided by the number of shares.

Vacancy rate, floor space

Proportion of premises space not rented.

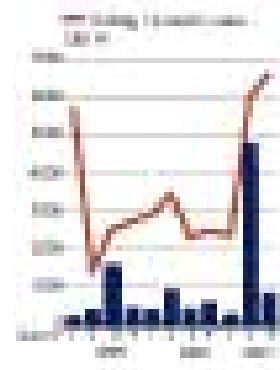
Vacancy rate, rent

Estimated annual rent loss due to vacant premises as a percentage of the total annual rent of properties when fully tenanted. *hertnas totala årshyra vid full uthyrning.*

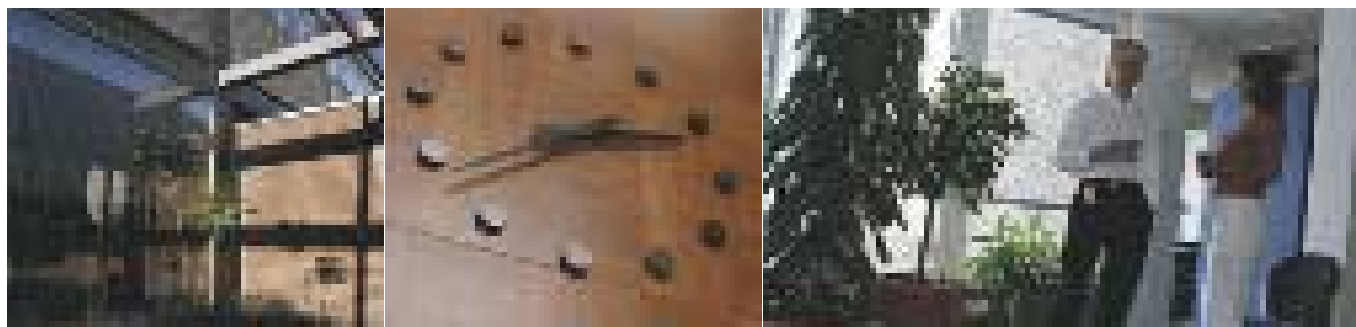
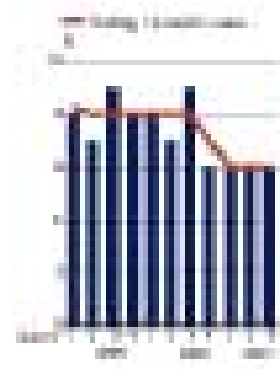
Yield

12-month rolling operating surplus divided by average book value of properties.

INVESTMENTS, INCLUDING PROPERTY ACQUISITIONS



VACANCY RATE, FLOOR SPACE



Vasakronan AB is one of the leading real estate companies in Sweden for commercial premises, primarily office properties, with locations in Stockholm/Uppsala, Gothenburg, Malmö/Lund and Linköping. The total portfolio comprises 184 properties, with a total floor space of 2 million m², providing agreeable working facilities for about 60,000 people. Vasakronan endeavors to ensure that they feel that their workplaces and the services provided function well.

FINANCIAL REPORTS SCHEDULE

| | |
|---------------------------------------|-------------------|
| Year-end report 2001 | February 12, 2002 |
| Annual report 2001 (Swedish) | February , 2002 |
| Annual report 2001 (English) | February , 2002 |
| Interim report January-March 2002 | April 24, 2002 |
| Six-month interim report 2002 | July 12, 2002 |
| Interim report January-September 2002 | October 24, 2002 |

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 website for current information about Vasakronan and vacant premises.



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