

Press release

8 August 2002

Wihlborgs improved result by 12% to SEK 418 million

Interim report January-June 2002

- The profit after financial items increased to **SEK 418 million (373)**
- **Klara Zenit, 65,000 sq.m. in total, fully let**

Wihlborgs' profit after financial income and expense increased by 12% to SEK 418 million. EPS after tax totalled SEK 4.75 (4.28). The profit includes gains from property sales amounting to SEK 225 million (222).

“We have experienced stable development of our property stock, in line with the plans we made,” the CEO Erik Paulsson comments. “For example, our biggest project property, Klara Zenit in central Stockholm, is now fully let.”

“Despite a weaker rental market in certain submarkets, the total degree of vacancy for Wihlborgs' property stock remained unchanged compared with the previous quarter,” Erik Paulsson continues.

“The sale to Klöver of our stock in non-prioritised locations means that the concentration on our main markets Stockholm and Öresund has now been implemented. We can thus put all our energy into refining the property stock and further rationalise the administration of these prioritised markets.”

Appendix: Interim report January-June 2002

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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 20.7 billion. The real estate, which is concentrated on the Stockholm and Öresund regions, has a rental value on a twelve-month basis totalling SEK 2.3 billion, and a rentable area of 2.3 million square metres. The company has offices in Stockholm, Malmö, Copenhagen and Helsingborg. Wihlborgs' shares are listed on Attract40 on the Stockholm Stock Exchange.

Interim Report January – June 2002

- The profit after financial items increased to SEK 418 million (373)
- Klara Zenit, 65,000 sq.m. in total, fully let

Results

The profit after financial items increased to SEK 418 million (373)¹⁾. EPS after tax²⁾ totalled SEK 4.75 (4.28). Rental income totalled SEK 1,174 million (1,055). The operating surplus before depreciation totalled SEK 707 million (629). The operating profit increased to SEK 816 million (742), including SEK 225 million (222) in profits from the sale of properties. The financial net totalled SEK -398 million (-369), including interest grants totalling SEK 2 million (4).

Rental income for comparable property holdings has increased by SEK 40 million and property-related costs by SEK 12 million. The operating surplus has thus increased by SEK 28 million (5.5 per cent) in comparison with the corresponding period in 2001.

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 2.3 billion, a total leasable floor area of 2.3 million sq.m. and a book value of SEK 20.7 billion.

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. 52 per cent, 22 per cent, 25 per cent and 1 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 94 per cent. Broken down by Wihlborgs' market areas, the letting levels in the Stockholm and Öresund regions are 95 per cent and 93 per cent, respectively.

The rental market for commercial premises

Despite a weaker rental market in certain submarkets, the stable development of Wihlborgs' property stock has continued. The biggest project property, Klara Zenit in central Stockholm, is now fully let. At the end of the second quarter the combined vacancy of Wihlborgs' property stock was unchanged compared with the previous quarter.

The rental market for accommodation

There is a very high demand for accommodation in the Stockholm region, and in Malmö there has also been great development in the accommodation market. Basically there are at present no vacant flats in these areas. Also in the Öresund region excl Malmö there is a good demand for accommodation. Wihlborgs has continued to sell property to newly formed housing cooperatives, both in the Stockholm region and in Malmö. During the second quarter four residential properties in Bagarmossen and one in Malmö were sold to newly formed housing cooperatives.

1) The comparative figures for Profit & Loss Account items refer to values for the period from January to June 2001, whilst those for Balance Sheet items refer to values as of 31 December 2001.

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 30 June 2002 on a full year basis plus estimated market rental on a full year basis for vacant floor area.

The property holding as of 30 June 2002

Region	No. Properties	Area, sq.m.	Book value, SEKm ^{1) 2)}	Rental value, SEKm ³⁾	Econ. letting level, per cent	Rental income, SEKm ⁴⁾	Operating surplus, SEKm ⁴⁾
Stockholm	223	1,094,164	12,312	1,246	95	582	343
Öresund	312	1,201,070	7,973	989	93	469	289
Total	535	2,295,234	20,287	2,235	94	1,051	632

- 1) Following the sale of 60 properties to Klövern, the market area Other properties is not recorded in a separate table. The remaining property stock covered by Other properties includes 14 properties with a combined area of 57,062 m², a book value of SEK 409 million and a rental value of SEK 51 million, equivalent to 2% of the total rental value.
- 2) Book value includes undeveloped land and project properties with a value of SEK 350 million.
- 3) The Klara Zenit property is included in the book value in the sum of SEK 1,998 million, of which SEK 1,620 million is included in the book value for projects and SEK 378 million in that for investment properties.
- 4) Rental value is defined as rental income as of 30 June 2002, plus estimated market rent for unoccupied floor area on a full year basis.
- 5) Rental income, operating surplus and interest grants refer to the period from 1 January 2002 to 30 June 2002 for Wihlborgs' property holding as of 30 June 2002.

Investments and sales

Investments have totalled SEK 805 million (975), with property acquisitions and investments in existing properties and projects comprising SEK 247 million (236) and SEK 558 million (739), respectively, of this sum.

Property acquisitions

Three properties were acquired for SEK 247 million.

Properties sold

A total of 95 properties have been sold for the combined sum of SEK 2,159 million, yielding a profit of SEK 225 million.

Acquisitions and sales January-June 2002

	SEKm	Sq.m.	No. of properties
Acquisitions			
Acquisitions Q1, Öresund region	7	1,350	1
Acquisitions Q2, Stockholm region	236	-	1
Acquisitions Q2, Öresund region	4	1,256	1
Sales			
Sales Q1, Stockholm region	169	16,803	3
Sales Q1, Öresund region	80	11,810	2
Sales Q1, Other properties	41	13,507	2
Sales Q2, Stockholm region	194	17,912	6
Sales Q1, Öresund region	304	44,101	18
Sales Q1, Other properties	1,371	251,811	64

See p. 9-11 for more details.

Investments in existing properties and ongoing projects

The investments in existing properties and projects, comprising land, new construction and renovation, totalled SEK 558 million. This included SEK 163 million for Klara Zenit in Stockholm, SEK 75 million for Reykjavik in Stockholm, SEK 106 million for Järila Sjö in Nacka, SEK 21 million for Västra Hamnen in Malmö and SEK 13 million for Borupvang in Ballerup, Denmark.

Project portfolio as of 30 June 2002

Property name	Property type	Municipality	Estimated occupation	Lettable space, sq.m.	Degree of rentability, %	Book value 30.06.2002 SEKm	Added investment, SEKm	Total investment	Estimated annual rent, SEKm
Blåmannen 20/ Klara Zenit ¹⁾	Office/ retail/ resident.	Stockholm	Q3 2002	45,000	100	1,620	63	1,683	190
Järila Sjö	Office	Nacka							
-stage 1 ²⁾	Office	Nacka	2003	12,000	70	130	-	130	21
-stage 2 ³⁾	Office	Nacka		18,000	20	70	130	200	27
The OM building	Office	Stockholm	Q4 2003	34,000	100	19	595	614	75
Other projects and land ⁴⁾						350	-	350	-
Total				109,000		2,189	788	2,977	313

- 1) Upon completion in 2002 the property Klara Zenit/Blåmannen 20 will include approximately 65,000 m² of lettable space. The values given in the above summary only refer to that part of Klara Zenit which is defined as a project. In addition to the project section, the property includes approx. 20,000 m² of space which during the greater part of the project period constitutes part of the managed stock of property. Wihlborgs' share in Blåmannen 20/Klara Zenit is 75 per cent, whilst the remaining 25 per cent is owned by the construction company Peab. The degree of rentability refers to offices and shops.
- 2) "Turbinhallen" is in the process of production.
- 3) "Ättiksfabriken" etc. have not been started.
- 4) In Hammarby Sjöstad, Wihlborgs owns office and industrial properties with a lettable area of 65,000 m². The area is under development, and planning is in progress.

Financial position

Wihlborgs' shareholders' equity totalled SEK 5,513 million (5,210) as of 30 June. The equity/assets ratio amounted to 23.5 per cent (23.3). The Group's liquid assets, including unutilised current account overdrafts, totalled SEK 764 million (580). The loan volume was SEK 16,024 million (15,753) at the period end, with an average interest rate of 5.68 per cent (5.57). The total loan volume includes individual loans for ongoing projects totalling SEK 1,484 million. The average fixed interest term for the loans, including the effects of derivative instruments utilised, was 18 months (25 months) on 30 June. Of total loans with short interest – SEK 10,546 million – SEK 3,929 million have been extended with the aid of interest swaps of one to eight years. SEK 400 million are covered by interest rate caps at 4 per cent. The loans that are subject to interest recalculation in 2002 have an average fixed interest term of 94 days.

The Group's loan structure as of 30 June 2002

	SEKm	Average interest, %	Share, %
2002	6,617	5.13	41
2003	3,836	5.53	24
2004	1,462	6.10	9
2005	1,310	6.28	8
2006	1,103	6.70	7
2007	225	6.20	1
2008	200	5.95	1
>2008	504	6.76	3

Current account	25	5.75	0
Debenture loan	742	6.93	5
Total	16,024	5.68	100

Parent company

Rental income amounted to SEK 94 million (101) and profit after financial items amounted to SEK –43 million (-56). Net investments in property amounted to SEK –106 million (-15).

Klara Zenit fully let

The property Klara Zenit at Drottninggatan/Mäster Samuelsgatan in central Stockholm, with a total lettable area of approx. 65,000 m², is now fully let. At the end of June a contract was signed for the remaining vacant office space.

Wihlborgs erects new office for Telia in Malmö

Wihlborgs and Telia have signed a rental contract which means that Wihlborgs will erect a new office building for Telia in the harbour area Västra Hamnen in Malmö. The total lettable area is 13,500 m². The total investment is SEK 290 million, and the annual rental value is approx. SEK 24.5 million.

Reverse split at Wihlborgs

At Wihlborgs AGM on 4 April 2002 a decision was made to implement a so-called reverse split (1:5). 10 June 2002 was the first day for trading in the new shares.

Events after the period end

Listing on Attract40

Wihlborgs was listed on Attract40 on the Stockholm Stock Exchange on 1 July 2002.

Acquisition and sale of shopping centre in Lund

The acquisition and sale of the shopping centre in Lund will be recorded during the third quarter. Wihlborgs and Rodamco Sverige AB have signed a letter of intent regarding sale of the shopping centre to Rodamco. Wihlborgs will take possession of the shopping centre on 12 September, and Rodamco will acquire it from Wihlborgs on 13 September.

Klövern

By means of a guarantee commitment with regard to the new share issue in Klöver AB, Wihlborgs has bought 10 525 816 B-shares, which together represent 35.2% of the capital and 20.8% of the votes in Klöver AB after full conversion. This transaction is not taken into consideration financially in the interim (six-month) report.

Financial report dates 2002

Interim report January-September	31 October 2002
Year End Report	4 February 2003

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

Malmö, 8 August 2002

Wihlborgs Fastigheter AB (publ.)

Erik Paulsson
President

Consolidated Profit and Loss Accounts (SEKm)

	April- June 2002	April- June 2001	Jan- June 2002	Jan- June 2001	Jan-Dec 2001	12-month rolling
Rental income	584	512	1,174	1,055	2,076	2,195
Property costs	-228	-196	-467	-426	-815	-856
Operating surplus	356	316	707	629	1,261	1,339
Depreciation	-47	-42	-95	-87	-176	-184
Gross profit	309	274	612	542	1 085	1,155
Central administration	-9	-11	-21	-22	-48	-47
Profit on sale of properties	180	157	225	222	386	389
Operating profit	480	420	816	742	1,423	1,497
Interest income	5	2	9	6	20	23
Interest grants	1	2	2	4	6	4
Interest expenses	-209	-185	-409	-379	-745	-775
Profit after financial items	277	239	418	373	704	749
Paid tax	-34	-47	-50	-61	-155	-144
Deferred tax	-45	-19	-68	-43	-20	-45
Profit after taxes	198	173	300	269	529	560
Minority holdings	-1	0	-3	-1	0	-2
Net profit	197	173	297	268	529	558
Profit per share prior to dilution, SEK	3.16	2.77	4.76	4.29	8.47	8.94
Profit per share following dilution, SEK	3.15	2.76	4.75	4.28	8.46	8.93
Number of shares at end of period prior to dilution, millions	62.4	62.4	62.4	62.4	62.4	62.4
Number of shares at end of period following dilution, millions	62.5	62.6	62.5	62.6	62.5	62.5
Average number of shares prior to dilution, millions	62.4	62.4	62.4	62.4	62.4	62.4
Average number of shares following dilution, millions	62.5	62.6	62.5	62.6	62.5	62.5

Consolidated Balance Sheets (SEKm)

	30 June 2002	30 June 2001	31 Dec 2001
Assets			
Properties	20,696	19,146	21,894
Other tangible fixed assets	18	13	16
Financial fixed assets	531	399	606
Current assets	2,286	1,029	1,111
Total assets	23,531	20,587	23,627
Shareholders' equity and liabilities			
Shareholders' equities	5,513	5,210	5,478
Minority holdings	24	22	21
Allocations	1,055	979	932
Interest bearing liabilities	16,024	13,662	15,753
Non-interest bearing liabilities	915	714	1,443
Total shareholders' equity and liabilities	23,531	20,587	23,627

Statement of change in equity

	30 June 2002	30 June 2001	31 Dec 2001
Initial balance for period of report	5,478	5,147	5,147
Dividend to shareholders	-250	-218	-218
Buy back of warrants	-	-	-1
Translation gains/losses	-12	13	21
Net profit/loss	297	268	529
Closing balance for period of report	5,513	5,210	5,478

Consolidated Cashflow Analyses (SEKm)

	30 June 2002	30 June 2001	31 Dec 2001
Operating profit/loss ex. depreciation and profits on the sale of properties	914	829	1,603
Net financial items paid	-363	-324	-713
Taxes paid	-25	-75	-75
Change in other operating capital	-1,459	-117	351
Cashflow from the ongoing operations	-933	313	1,166
Investments and property acquisitions	-872	-975	-4,486
Sale of properties	1,934	1,635	2,336
Other investments (net)	69	10	-203
Cashflow from investment activities	1,131	670	-2,353

Dividends	-250	-218	-218
Change in interest-bearing liabilities	301	-843	1,228
Allocations, minority holdings etc, acquired	56	-5	-30
Cashflow from financing activities	107	-1,066	980
Change in liquid assets	305	-83	-207
Liquid assets at the beginning of the period	206	413	413
Liquid assets at the period end	511	330	206

Consolidated key ratios

	30 June 2002	30 June 2001	31 Dec 2001
Return on capital employed, %	7.7	7.8	7.3
Return on shareholders' equity, %	10.8	10.4	10.0
Interest coverage ratio, times	2.0	2.0	1.9
Equity/assets ratio, %	23.5	25.4	23.3
Income per share, SEK	4.75	4.28	8.46
Cash flow per share, SEK	7.46	6.37	11.66
Reported shareholders' equity per share, SEK	88.25	83.20	87.63

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

Accounting principles

In drawing up the interim report, the same accounting principles and methods of calculation have been used as in the last annual report.

Largest shareholders in Wihlborgs Fastigheter AB at 30.06.2002

	Number of shares	Proportion of capital and votes, %
Investment AB Öresund	5,810,418	9.3
SEB-Trygg Försäkring	3,243,280	5.2
Erik Paulsson	3,053,523	4.9
Robur Fonder	2,880,421	4.6
Skandia	2,332,151	3.7
AMF Pension	2,250,800	3.6
SHB Fonder	1,607,549	2.6
Maths O Sundqvist	1,150,024	1.8
HQ Fonder	1,101,140	1.8
Sten K Johnsson	1,058,840	1.7
Foreign shareholders	10,965,514	17.6
Other	26,970,026	43.2
Total	62,423,686	100

List of property acquisitions and sales January-June 2002

Total property acquisitions January-March 2002			1,350	
Property acquisitions Q1				
Property	Region	Municipality	Area, Sq.m.	Category
Lansen 3	Öresund	Helsingborg	1,350	Warehouse
Property acquisitions Q2				
Property	Region	Municipality	Area, Sq.m.	Category
Ladugårdsgärdet 1:48	Stockholm	Stockholm	-	Office
Espergaerde, Bybjergvej 5	Öresund	Denmark	1,256	Ind/Wareh
Total property acquisitions April-June 2002			1,256	
Property sales Q1				
Property	Region	Municipality	Area, Sq.m.	Category
Vaksamheten 1	Stockholm	Stockholm	10,221	Residential
Veddesta 2:63	Stockholm	Järfälla	5,118	Ind/Wareh
Kungsängens kyrkby	Stockholm	Upplands-Bro	1,464	Office/retail
Vale 5 (50%)	Other	Umeå	9,517	Office/retail
Ritaren 6	Öresund	Malmö	8,855	Residential
Ritaren 7	Öresund	Malmö	2,955	Residential
Tjädern 7	Other	Visby	3,990	Office/retail
Total property sales January-March 2002			42,120	
Property sales Q2				
Property	Region	Municipality	Area, Sq.m.	Category
Nordstjärnan 1&4	Other	Växjö	5,665	Office/wareh
Renströmmen 7	Other	Norrköping	3,280	Residential
Sjöstjärna 12	Other	Karlskrona	2,384	Other
Bröndby, Banemarksvej 50	Öresund	Danmark	19,626	Office
Östrebro 30	Öresund	Trelleborg	3,790	Office/retail
Frigga 7	Öresund	Ystad	1,701	Office/retail
Tygväwaren 4	Other	Alingsås	1,170	Office
Gärdet 6:4	Other	Bollnäs	2,248	Ind/wareh
S:t Ilian 23:4	Other	Enköping	1,692	Ind/wareh
Eskilshem 1:8	Other	Eskilstuna	3,540	Retail
Nötknäpparen 24	Other	Eskilstuna	2,264	Office
Valhalla 2:19	Other	Eskilstuna	1,872	Office
Vågskålen	Other	Eskilstuna	3,437	Other
Valpen 3	Other	Eskilstuna	4,134	Ind/wareh
Hattmakaren 15	Other	Falun	2,704	Office
Hattmakaren 16	Other	Falun	4,064	Office

Kardmakaren 21	Other	Falun	6,278	Residential
Sparbanken 7	Other	Falun	2,804	Office
Brynäs 12:1	Other	Gävle	5,934	Ind/wareh

Property	Region	Municipality	Area, Sq.m.	Category
Kilot 1	Other	Halmstad	6,959	Ind/wareh
Kapellet 23	Other	Heby	571	Retail

Tullen 10	Other	Härnösand	4,607	Office
Fredriksdal 1	Other	Kalmar	3,498	Ind/wareh
Guldfisken 2	Other	Kalmar	3,029	Office
Postijonen 1 & 2	Other	Karlsborg	1,216	Retail
Ingenjören 7	Other	Karlskrona	1,818	Ind/wareh
Gångjärnet 2	Other	Karlstad	3,536	Ind/wareh
Tornadon 2	Other	Karlstad	12,804	Ind/wareh
Skepparen 15	Other	Karlstad	22,371	Office
Monitorn 9	Other	Karlstad	3,409	Office
Nejlikan 13	Other	Katrineholm	2,524	Retail
Kristianstad 5:56	Other	Övrigt	2,154	Ind/wareh
Uroxen 14	Other	Kristinehamn	3,262	Ind/wareh
Drotten 2	Other	Köping	3,601	Office
Brevduvan 17	Other	Linköping	7,753	Office
Djuret 3	Other	Luleå	6,739	Ind/wareh
Råttan 18	Other	Luleå	4,319	Office
Stadshuset 7	Other	Lycksele	2,075	Retail
Kyrkängen 9	Other	Mark	653	Office
Pelikanen 8	Other	Norrtälje	5,712	Office
Järnlodet 15	Other	Norrtälje	3,552	Office
Bagaren 20	Other	Nyköping	1,932	Office
Säven 4	Other	Nyköping	1,853	Ind/wareh
Björken 11	Other	Oxelösund	3,510	Residential
Brevet 1	Other	Nässjö	4,561	Ind/wareh
Posten 1	Other	Nässjö	3,153	Office
Säterjäsentan 3	Other	Sandviken	933	Ind/wareh
Borgmästaren 10	Other	Sundsvall	5,161	Office
Vasserud 3:13	Other	Torsby	3,334	Ind/wareh
Ran 6	Other	Uddevalla	2,482	Ind/wareh
Stigbygeln2	Other	Umeå	3,829	Ind/wareh
Vale 6	Other	Umeå	4,420	Retail
Kvarngärdet 30:2	Other	Uppsala	4,107	Retail
Boländerna 21:4	Other	Uppsala	8,541	Office
Boländerna 21:5	Other	Uppsala	3,384	Retail
Kungsängen 10:1 & 10:2	Other	Uppsala	8,649	Office
Lejonet 14	Other	Vetlanda	1,880	Residential
Bryggaren 18	Other	Västervik	2,504	Retail
Tre Liljor 16	Other	Värnamo	1,258	Office
Kol 13	Other	Västerås	4,434	Office
Kitteln 11	Other	Örebro	12,843	Retail
Snäckan 25	Other	Östersund	3,425	Ind/wareh
Samskolan 2	Öresund	Simrishamn	525	Ind/wareh
Samskolan 5	Öresund	Ängelholm	2,446	Retail
Mejeriet 7	Öresund	Ystad	1,097	Ind/wareh

Property	Region	Municipality	Area, Sq.m.	Category
Skölden 2	Other	Nyköping	2,027	Office
Gästfriheten 1-2, Sanningen 1, Stridbarheten	Stockholm	Stockholm	14,464	Residential
Amerika Södra 9-11, 15, 27	Öresund	Helsingborg	0	P & M
Beritsholm 2	Öresund	Malmö	2,428	Residential
Beritsholm 7	Öresund	Malmö	2,386	Residential
Ängdala 1 & 2	Öresund	Malmö	3,976	Residential
Skrattmåsen 4	Öresund	Malmö	2,443	Office
Utklippan 1	Öresund	Malmö	1,755	Ind/wareh
Kungsängens Kyrkby 2:76	Stockholm	Upplands-Bro	3,448	Office
Kamelen 4	Öresund	Malmö	1,928	Residential
Värdebrevet 1	Other	Eskilstuna	3,961	Office
Lundåkra 12:10, part of	Öresund	Landskrona	0	Land
Total property sales April-June 2002			313,824	

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. The dilution effect of subscription warrants issued has been taken into account for key ratios per share.

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.

