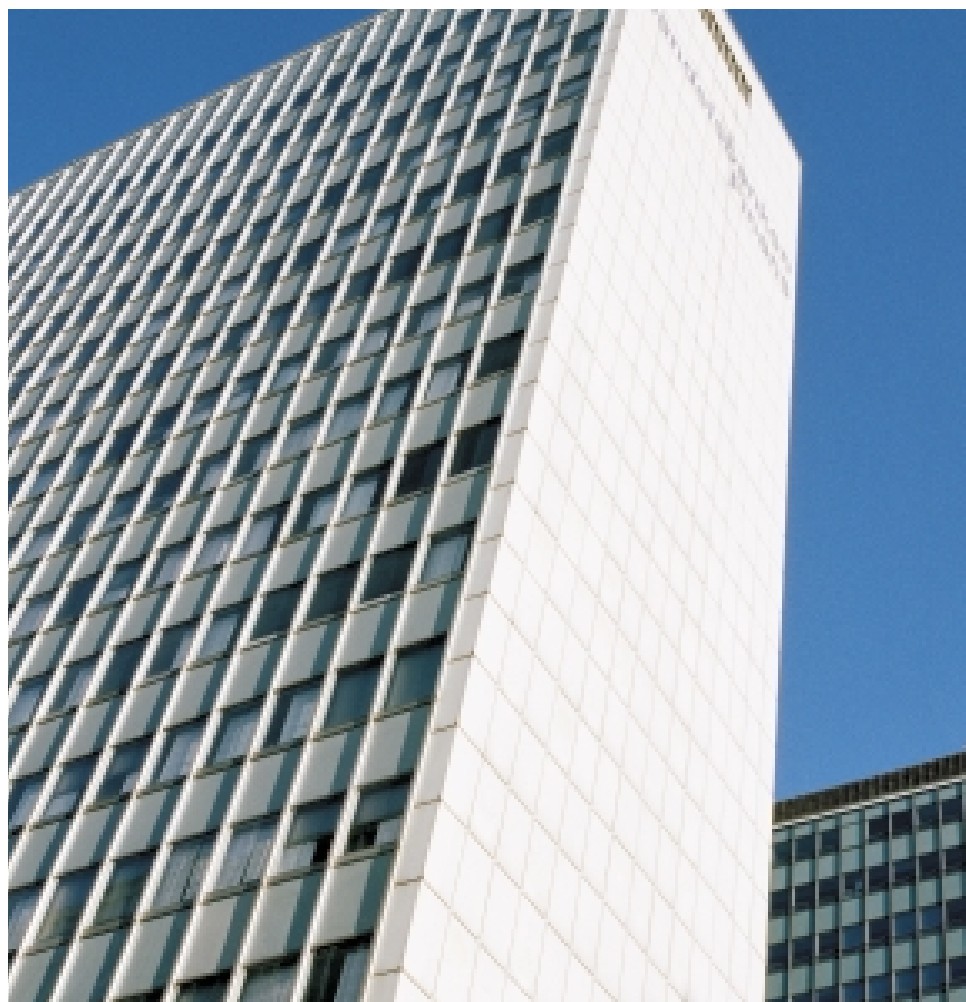


INTERIM REPORT

JANUARY – SEPTEMBER 2002



Rental revenues amounted to SEK 2,162 M (2,057). The increase in rental income for new and renewed leases was 42% (47). The vacancy rate caused rent loss of 6% (4).

The rental market has been adversely affected by the economic downturn.

Income after financial items amounted to SEK 550 M (1,774). Income, excluding income from property sales and costs for prepayment of future interest expenses, amounted to SEK 553 M (496).

The outlook for full year 2002 is that income after net financial items, based on the existing portfolio and before gains/losses on the sale of properties, will increase to approximately SEK 600 M (418).

REAL OFFICES | FOR REAL PEOPLE

FINANCIAL DATA

SEK M	Jan.–Sep. 2002	Jan.–Sep. 2001	July–Sep. 2002	July–Sep. 2001	Oct. 2001– Sep. 2002	Full year 2001
Rental revenues	2,162	2,057	726	625	2,830	2,725
Income after financial items	550	1,774	216	164	1,057	2,281
Income after financial items excluding property sales	553	496	216	164	660	603
Cash flow	826	600	412	245	934	708
Investments, including property acquisitions	566	5,975	145	860	787	6,196
Property sales	–	6,097	–	71	409	6,506
Equity/assets ratio, %	33	34	33	34	34	35
Vacancy rate, annual rent loss, %	6	4	6	4	6	5

Market

The general business climate has had a negative impact on the rental premises market. As a result of the setbacks for the telecom and IT sectors, rental levels have declined, primarily in central Stockholm. Despite the weakening economy, activity in the rental premises market has improved somewhat since the summer. However, the contracts signed have been fewer and at lower rental levels. On the other hand, inquiries have increased due to the fact that many companies choose to search for new premises in a market with lower rent levels.

Peak rents for offices in Stockholm have fallen to SEK 4,000–5,000 per m². Rent levels in Göteborg and Malmö are relatively stable, although the recession is beginning to have an effect. Peak rents for contracts in Göteborg are at a level of SEK 2,000–2,400 per m² and in Malmö at a level of SEK 1,900–2,000 per m². The vacancy rates for offices in central Stockholm and Göteborg are estimated to be about 4–5%. The vacancy rate in central Malmö is estimated at 6–7%.

In the property market, interest in the real estate portfolios being offered for sale by insurance companies and construction groups is mainly coming from foreign investors.

Rental revenues

Vasakronan's rental revenues for the period from January to September 2002 rose by SEK 105 M to SEK 2,162 M (2,057), an increase of 5% (6). During 2001 Vasakronan sold properties with annual rental revenues of SEK 651 M, while properties with annual rental revenues of SEK 405 M were acquired. For comparable property portfolios, the increase was 10% (14), and the effect of property divestments and acquisitions was a decline of 5% (8). The high increase in comparable portfolios is due to the fact that most of the new and renegotiated contracts have a term of three to five years, resulting in significant changes in rent levels in conjunction with renegotiations. The average term in the lease portfolio amounted to 3.8 years (4.1).

The average rental revenue overall increased to SEK 1,306 per m², while for office premises the average was SEK 1,763 per m². The increase is a result of rental revenues being attributable to an increasing concentration of the property portfolio to Stockholm, Göteborg and Malmö following extensive structural transactions during 2001, and to the effect of new and renegotiated contracts.

During the period from January to September, 2002, contracts corresponding to a value of SEK 245 M (265) in annual rents were renegotiated, with rents increasing by 42% (47) on average. A total of 14% (14) of all leases are to be renegotiated during 2002, of which 8% (10) were renegotiated during the first nine months of the year. The largest leases during this period were signed with the Police Authority in Göteborg (16,000 m²), NUTEK at Liljeholmen in Stockholm (11,000 m²), the Swedish Work Environment Authority in Solna (9,000 m²), Proffice in the Garnisonen area of Stockholm (5,000 m²), and the National Museum at Blasieholmen in Stockholm (3,000 m²).

The vacancy rate amounted to 7% (6) of total premises space and corresponded to 141,000 m² (129,000). The percentage of

estimated loss in rental revenues was lower, at 6% (4), and corresponded to SEK 183 M (119). Of the total vacancy rate, real estate projects accounted for 1% of both the premises floor space and the estimated loss in rental revenues. The increase in the vacancy rate was due to the prevailing slowdown in the economy. The proportion of state-owned tenants amounted to 32% (34). The proportion of other tenant categories thus amounted to 68% (66).

LEASE PORTFOLIO, SEPTEMBER 30, 2002

Lease period until	No. of leases	Annual rent, SEK M	Share, %
2002	256	184	6
2003	752	454	15
2004	557	617	21
2005	494	521	18
2006	141	289	10
2007–	192	850	29
Housing	888	38	1
Total	3,280	2,953	100

PROPERTY PORTFOLIO, SEPTEMBER 30, 2002

	No. of registered properties		Floor space 1,000 m ²	Rental revenues		Vacancy rate rental, %	Book value ¹ SEK M
	9 mths 2002	9 mths 2001		9 mths 2002 SEK M	9 mths 2001 SEK M		
Stockholm City region							
City	11	10	129	296	204	3	4,213
Old Town	8	8	23	36	22	6	316
Vasastan	10	12	54	85	50	10	1,087
Östermalm	11	11	307	360	316	8	3,028
Other inner city	10	10	162	206	192	5	1,561
Total	50	51	675	983	784	7	10,205
Stockholm/Uppsala region							
Southern greater Stockholm	7	7	78	79	75	13	640
Northern greater Stockholm	24	28	271	211	215	2	1,706
Kista	2	1	10	15	5	0	161
InfraCity	7	7	190	120	100	24	1,313
Uppsala	9	9	67	60	55	2	445
Total	49	52	617	484	450	10	4,265
Göteborg/Linköping region							
Göteborg	27	23	214	213	195	2	2,065
Gullbergsvass	3	3	85	92	0	4	1,489
Linköping	8	9	77	56	41	1	516
Total	38	35	376	361	236	3	4,070
Öresund region							
Malmö	36	36	346	297	272	5	3,119
Lund	11	11	70	58	56	2	518
Totalt	47	47	416	355	328	5	3,637
Other locations	–	–	–	–	276	–	–
Eliminations				–21	–17		
Group total	184	185	2,084	2,162	2,057	6	22,177

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

Operating expenses and income

Operating expenses decreased by SEK 28 M to SEK 421 M (449), a decline of 6% (increase 5). The reason for the decline is that Vasakronan now has a smaller property portfolio in terms of total floor space, following last year's property transactions. The increase for comparable property portfolios was



Handelsbanken Finance has extended its lease in the fourth Hötorg skyscraper in Stockholm.

7% (6), and the effect of property acquisitions and divestments was a decrease of 13% (1). Credit losses amounted to SEK 1 M.

The cost of maintenance and tenant adaptations decreased by SEK 47 M and amounted to SEK 139 M (186), a 25% decline (0). The decline for comparable property portfolios was 14% (increase 14), and the effect of property acquisitions and divestments was a decrease of 11% (14). The decline for comparable property portfolios was due to postponed maintenance and lower demand for customer adaptations. A high proportion of maintenance costs are related to projects currently in progress in Stockholm.

Property tax increased by SEK 31 M to SEK 153 M (122). The increase was due to higher conversion figures for tax assessment value in the City of Stockholm. Since 86% (88) of

the property tax is paid by the tenants, the cost increase was almost entirely eliminated.

Income before depreciation increased by SEK 149 M and amounted to SEK 1,449 M (1,300), an increase of 11% (5). The increase for comparable property portfolios was 13% (13), and the effect of property acquisitions and divestments was a decline of 2% (8). The increase for comparable property portfolios was primarily due to lower costs for maintenance compared with the preceding year. The income before depreciation margin improved to 67% (63).

Depreciation increased by SEK 39 M to SEK 336 M (297) as a result of investments. Office and retail properties are depreciated at a rate of 2% per year.

Costs for central administration and marketing amounted to SEK 76 M (64).



In Malmö, the former Scandic Triangeln Hotel has been transformed into the Hilton Malmö City. A similar change has been made at InfraCity, where the former Scandic Hotel has been upgraded to a Hilton hotel.

Net financial items amounted to expenses of SEK 480 M (565), an improvement of SEK 85 M. Of this improvement, SEK 124 M was due to prepayment of future interest expenses, which was charged against income for 2001.

A reduction in the average interest rate for borrowing improved net financial items by SEK 33 M. This was offset by higher average borrowing due to property acquisitions effected during 2001, investments, and payment of capital gains tax and dividends, which affected income negatively in an amount of SEK 107 M. Interest income on interest-bearing receivables improved net financial items by SEK 29 M. Income from participations in associated companies improved net financial items by SEK 8 M.

Income after financial items, excluding property sales and prepayment of future interest expenses, increased to SEK 553 M (496). The loss from property sales amounted to SEK 3 M (gain 1,402). The outcome for 2002 relates to the reporting of previously eliminated capital gains on sales to associated companies in connection with external sales.

Income after financial items, including property sales and prepayment of future interest expenses, amounted to SEK 550 M (1,774).

Changes in the property portfolio

During the period from January to September 2002, Vasakronan acquired properties, including land registration fees, for a sum of SEK 15 M.

In May, land adjacent to InfraCity was acquired for SEK 15 M from the Municipality of Sollentuna. No properties were sold during the period.

Investments

Investments during the period from January to September 2002 amounted to SEK 556 M (5,975). Of this amount, SEK 15 M (5,204) was attributable to property acquisitions and SEK 551 M (771) to investments in property and equipment. Property projects currently in progress amounted to SEK 1.3 billion (2.0). These projects are primarily located in Stockholm, where the largest project is Uppfinnaren 2 in the Östermalm district.

DEVELOPMENT PROJECTS

Location	Property	Completion scheduled	Total property investment, SEK M
Linköping	Blandaren 17	June 2003	68
Stockholm	Gamen 8, Södermalm	October 2002	72
Stockholm	InfraCity, P-hus	December 2002	98
Stockholm	Argus 8, Gamla Stan	December 2002	146
Stockholm	Grönlandet Norra	December 2002	210
Stockholm	Uppfinnaren 2, Östermalm	Mars 2003	238
Stockholm	Garnisonen 3, Östermalm	December 2003	146
Total			978
Other minor projects			331
Totalt			1,309

Financing

At September 30, 2002, liquid assets amounted to SEK 875 M (242) and interest bearing receivables to SEK 1,339 M (992). In addition, there are unutilized credit facilities amounting to SEK 5,125 M (6,125).

Interest bearing liabilities amounted to SEK 15,566 M (12,447) at September 30, 2002. Net interest bearing liabilities amounted to SEK 13,370 M (11,228), an increase of SEK 2,142 M. The increase was due to property transactions, investments, and payment of capital gains tax and dividends. Net interest bearing liabilities amounted, on average, to SEK 13,544 M (11,862). The interest coverage ratio in terms of cash flow improved to 2.9 (2.2).

The average interest rate on borrowing declined to 5.1% (5.3). The decline was due to the prepayment of future interest expenses charged against net financial items in 2001. At September 30, 2002, the average interest rate for borrowing was 5.4% (5.1).

At the close of the nine-month period, the average interest maturity for borrowing was 2.2 years (1.8). The loan maturity amounted to 2.7 (2.8) years. Committed credit facilities and liquid assets corresponded to 144% (176) of current interest bearing liabilities. The average maturity for committed credit facilities was 2.5 years (1.9).

In June 2002, Vasakronan established a Euro 1 billion MTN program. Borrowing within the E-MTN program was initiated during September. As at September 30, a total of SEK 480 M had been issued under the new program.

Vasakronan has received Standard & Poor's highest domestic rating, K1, for short-term borrowing under its com-

MATURITY DATE STRUCTURE - FINANCING, SEPTEMBER 30, 2002

	Interest maturity			Loan maturity		Committed credit facilities maturity	
	SEK M	Interest %	Share %	SEK M	Share %	SEK M	Share %
2002	1,356	4.7	9	2,245	14	1,125	22
2003	4,405	4.6	28	3,175	20	500	10
2004	2,896	5.2	19	3,096	20	700	14
2005	2,978	5.9	19	3,078	20	1,000	19
2006	1,790	6.0	11	1,830	12	1,000	19
2007	2,162	6.4	14	1,963	13	800	16
2008	0	0.0	0	200	1	0	0
Totalt	15,587	5.4	100	15,587	100	5,125	100

Interest terms include derivatives. Borrowing is reported in nominal amounts.

SOURCES OF FUNDING, SEPTEMBER 30, 2002

SEK M	Limit	Of which utilized
Commercial paper programme	5,000	1,935
EMTN programme Euro 1 billion	9,140	480
MTN programme	15,400	13,152
Committed credit facilities	5,125	0
Bank loans	-	20
Total	-	15,587

mercial paper programme. The long-term EMTN and MTN programme have a BBB+ credit rating with "negative outlook."

Shareholders' equity

At September 30, 2002, Vasakronan's visible shareholders' equity amounted to SEK 9,050 M (8,902). The equity/assets ratio amounted to 33% (34).

At December 31, 2001, Vasakronan's properties were valued at SEK 35.1 billion. On the same date, the book value amounted to SEK 22.2 billion. The adjusted equity/assets ratio amounted to 46%.

Cash flow

Cash flow in current operations, before changes in current receivables and liabilities, amounted to SEK 826 M (600). The increase was due to improvements in income before depreciation and net financial items.

Personnel

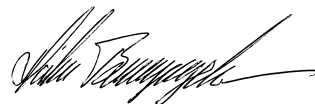
At September 30, 2002, Vasakronan had 357 employees (310).

Outlook for 2002

Despite the prevailing weak economic conditions, Vasakronan's rental revenues are expected to increase due to higher rents in renegotiated contracts. Operating and maintenance costs will be on a par with 2001, which will result in an improved operating surplus. Depreciation will increase as a result of property acquisitions implemented during 2001. Net financial items will improve due to the prepayment of future interest expenses that was charged against income during 2001.

The forecast is that income after net financial items, based on the existing portfolio and before gains or losses on property sales, will increase to approximately SEK 600 M (418).

Stockholm, October 24, 2002



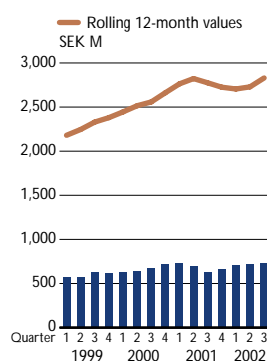
Håkan Bryngelson, President

This report has not been the object of an audited review.

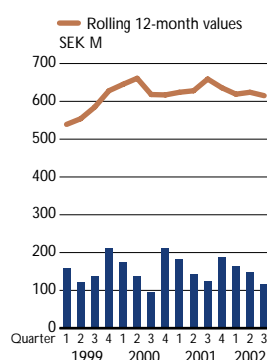


Pleasant working environments is one of Vasakronan's competitive tools in a stiffening market.

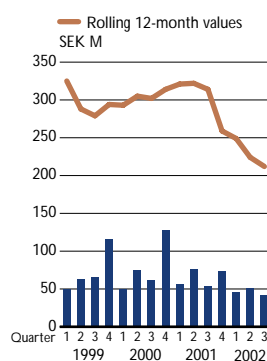
RENTAL REVENUES



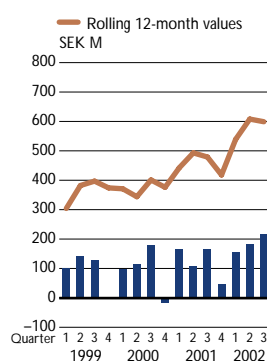
OPERATING EXPENSES



MAINTENANCE



INCOME AFTER FINANCIAL ITEMS, EXCLUDING PROPERTY SALES



INCOME STATEMENT

SEK M	Jan.-Sep. 2002	Jan.-Sep. 2001	Full year 2001
Rental revenues	2,162	2,057	2,725
Operating expenses	-421	-449	-636
Maintenance	-139	-186	-259
Property tax	-153	-122	-163
Income before depreciation	1,449	1,300	1,667
Property depreciation	-336	-297	-395
Gross income	1,113	1,003	1,272
Gain on sale of properties	-3	1,402 ¹	1,863
Other operating revenues and expenses	-4	-2	-9
Central administration and marketing	-76	-64	-87
Operating income	1,030	2,339	3,093
Net financial items	-480	-565	-758
Income after financial items	550	1,774	2,281
Tax	-154	-497 ¹	-670
Minority participation in income	0	0	1
Income for the period	396	1,277	1,612

¹ Recalculated due to the elimination of capital gains from sales to associated companies.

BALANCE SHEET

SEK M	Sep. 30, 2002	Sep. 30, 2001	Dec. 31, 2001
Assets			
Intangible assets	31	31	25
Properties and fixed assets	23,382	23,173	23,168
Financial assets	2,091	1,441	1,843
Current receivables	910	1,455	1,231
Liquid assets	875	242	393
Total assets	27,289	26,342	26,660
Shareholders' equity and liabilities			
Shareholders' equity	9,050	8,902 ¹	9,198
Minority interest	0	1	1
Provisions	448	661	445
Non interest bearing liabilities	2,225	4,343 ¹	2,756
Interest bearing liabilities	15,566	12,435	14,260
Total shareholders' equity and liabilities	27,289	26,342	26,660

¹ Recalculated due to the elimination of capital gains from sales to associated companies.

KEY DATA

	Sep. 30, 2002	Sep. 30, 2001	Dec. 31, 2001
Property-related			
Book value, SEK M	22,177	21,428	22,245
Premises floor space, 1,000 m ²	2,085	1,999	2,095
Vacancy rate, floor space, %	7	6	7
Vacancy rate, rent, %	6	4	5
Financial			
Income before depreciation margin, %	67	63	61
Interest coverage ratio in terms of cash flow	2.9	2.2	2.1
Cash flow, SEK M	826	600	708
Shareholders' equity, SEK M	9,113	8,266 ¹	8,474
Yield on shareholders' equity, average, %	8.4	15.1 ¹	19.0
Equity/assets ratio, %	33	34 ¹	35
Net interest bearing liabilities, SEK M	13,370	11,228	12,708
Debt/equity ratio, multiple	1.5	1.3 ¹	1.4
Share-related			
Number of shares	4,000,000	4,000,000	4,000,000
Earnings per share, SEK	106	319 ¹	403
Cash flow per share, SEK	206	150	177
Equity per share, SEK	2,262	2,225 ¹	2,299

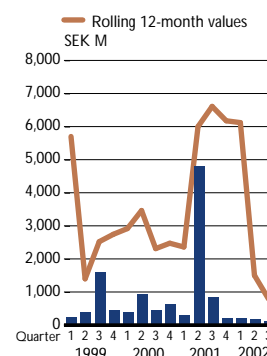
¹ Recalculated due to the elimination of capital gains from sales to associated companies.

CASH-FLOW STATEMENT

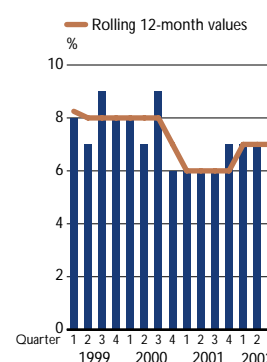
SEK M	Jan.–Sep. 2002	Jan.–Sep. 2001	Full year 2001
Current operations			
Income before financial items	1,029	2,362 ¹	3,039
Depreciation	347	306	409
Other items not affecting liquidity	6	–1,425 ¹	–1,863
Interest income	96	53	93
Interest expense	–583	–618	–851
Tax paid, excl. property sales	–69	–78	–119
Cash flow before changes in working capital	826	600	708
Increase (–)/decrease (+) in current receivables	348	–719	–525
Increase (+)/decrease (–) in current liabilities	–27	2,092	–181
Cash flow from current operations	1,147	1,973	2
Investment operations			
Investments	–561	–771	–1,009
Acquisition of properties	–15	–5 204	–5,187
Acquisition of subsidiaries	–	–24	–443
Less acquired consolidated goodwill	–	17	301
Properties sold	–	5,905	6,443
Tax paid on property sales	–600	–469	–112
Increase (+)/decrease (–) in financial assets	–267	–1,413	–1,702
Cash flow from investment operations	–1,433	–1,959	–1,709
Financing operations			
Change in interest-bearing liabilities	1 305	25	1 897
Dividend paid	–537	–165	–165
Cash flow from financing operations	768	–140	1 732
Cash flow for the period	482	–126	25
Liquid assets at January 1	393	368	368
Liquid assets at end of period	875	242	393
Net interest bearing liabilities at January 1	–12 708	–11 944	–11 944
Net interest bearing liabilities at end of period	13 370	–12 205	–12 708
Change in net interest bearing liabilities	–662	–261	–764

¹ Recalculated due to the elimination of capital gains from sales to associated companies.

INVESTMENTS, INCLUDING PROPERTY ACQUISITIONS



VACANCY RATE, FLOOR SPACE



PRINCIPLES OF ACCOUNTING

The principles of accounting are unchanged compared with the previous annual report.

DEFINITIONS

Cash flow

Operating income before financial items with reversal of depreciation and deduction for items not affecting liquidity, net interest received/paid, income tax paid.

Cash flow per share

Cash flow from current operations divided by the number of shares.

Debt/equity ratio

Interest bearing liabilities divided by shareholders' equity at end of the period.

Earnings per share

Income after estimated tax divided by the number of shares.

Equity/assets ratio

Shareholders' equity at the end of the period as a percentage of total assets.

Floor space

Rentable space.

Interest coverage ratio in terms of cash-flow

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

Income before depreciation

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

Income before depreciation margin

Income before depreciation divided by rental revenues.

Net interest bearing liabilities

Interest bearing liabilities including pension liabilities, less liquid assets and interest bearing receivables.

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 end of the period 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.



Vasakronan AB is one of the leading real estate companies in Sweden for commercial premises in Stockholm, Göteborg, Malmö, Lund, Linköping and Uppsala.

The total portfolio comprises 184 properties, with a total floor space of 2.1 million m², providing agreeable working facilities for about 60,000 people.

Vasakronan endeavors to ensure that customers feel that their workplaces and the services provided function well.

FINANCIAL REPORTS SCHEDULE

Year-end report	February 11, 2003
Annual Report	February 2003
Interim report January – Mars 2003	April 29, 2003
Interim report January – June 2003	July 11, 2003
Interim report January – September 2003	October 22, 2003

Financial information may be ordered from Corporate Communications,
Vasakronan AB, P.O. Box 24234, SE-104 51 Stockholm, Sweden. Tel: +46-8-783 21 00. Fax: +46-8-783 21 76.

You are welcome to visit the website for current information about Vasakronan and vacant premises.



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