



Lundbergs

Interim Report January – September 2002

- Profit after full tax amounted to SEK 504 m. (2,002), which corresponds to SEK 8.11 (31.57) per share. Profit for the first nine months of 2001 included an extraordinary dividend of SEK 1,307 m. from Holmen and a positive tax amount of SEK 67 m.
- On September 30, 2002, net asset value per share amounted to SEK 235 (Dec 31, 2001: 247) and SEK 212 (Dec 31, 2001: 220) after deferred tax. The corresponding values on November 12, 2002 were SEK 252 and SEK 225, respectively.
- Substantial investment in Industrivärden shares.

L E Lundbergföretagen AB (publ)

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The accounts are made up in accordance with the Swedish Financial Accounting Standards Council's Recommendations. No accounting principles that have an effect on this report have been changed from the principles that were applied in the last annual report. This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendation RR20 (Interim Reporting). Unless indicated otherwise, the figures presented within parentheses pertain to comparative results for the corresponding period in the preceding year.

SALES AND PROFIT

The Group's net sales amounted to SEK 1,330 m. (2,743). Profit after financial items amounted to SEK 550 m. (1,935). Profit after full tax was SEK 504 m. (2,002), which corresponds to SEK 8.11 (31.57) per share. Sales and profit for the first nine months of 2001 were affected by an extraordinary dividend of SEK 1,307 m. from Holmen and a positive tax amount of SEK 67 m.

REAL ESTATE

INTERIM PERIOD

Operating profit for the Real Estate business area amounted to SEK 300 m. (290).

Rental revenues from housing and commercial premises, which increased by 4.6% to a total of SEK 610 m. (584), developed well, with housing revenues rising by 2.7% to SEK 295 m. (288) and revenues from commercial premises, etc. rising by 6.3% to SEK 315 m. (296). Housing accounted for 48% of total rental revenues and commercial premises, etc. for 52%.

The average vacancy rate for the period was 2.6% (average 2001: 2.3), of which the vacancy rate for housing was 0.7% (average 2001: 0.9) and the vacancy rate for commercial premises was 4.3% (average 2001: 3.6). The overall vacancy rate in October 2002 was 3.0%, whereby the rate for housing was 0.7% and that for commercial premises was 5.1%.

Property costs rose to SEK 292 m. (279). The increase was due to higher maintenance and tenant-oriented property improvement costs, which totaled SEK 95 m. (79).

The operating net amounted to SEK 370 m. (362).

A net amount of SEK 15 m. (13) was invested in wholly and partly owned properties during the period.

The Group's completed properties, which have a book value of SEK 2,633 m. (2,672), generated an annualized yield (operating net in relation to book value) of 18.7% (18.0). The book value of properties held for future development was SEK 125 m. (139).

SEK m.	Floor space thousand m ²	Rental revenues	Operating net	Book value, September 30, 2002	Operating net as a % of book value (annualized yield)
Completed properties	1,010	608	369	2,633	18.7
Properties held for future development	11	2	1	125	
TOTAL	1,021	610	370	2,758	

CURRENT REPORT PERIOD JULY - SEPTEMBER 2002

Rental revenues increased by 3.4% to SEK 203 m. (197), with housing revenues rising by 2.5% to SEK 98 m. (96) and revenues from commercial premises, etc. rising by 4.2% to SEK 105 m. (101).

Property costs decreased by SEK 2 m. to SEK 81 m. (83). Of the total, costs for maintenance and tenant-oriented property improvements rose SEK 4 m. to SEK 25 m. (29), while property tax rose SEK 3 m. to SEK 9 m. (6), due to changes in indexing ratios.

The average vacancy rate during the third quarter was 3.0% (1.9), of which the vacancy rate for housing was 0.7% (0.9) and the rate for commercial premises was 4.9% (2.8).

Quarter	Results per quarter				Full year
	I	II	III	IV	
Rental revenues etc, SEK m.					
2002	203	204	203		
2001	194	193	197	197	781
2000	182	182	186	190	740
Operating net, SEK m.					
2002	108	125	137		
2001	110	122	130	115	477
2000	83	86	93	89	351
Vacancy rate, %					
2002	2.5	2.3	3.0		
2001	2.7	2.7	1.9	2.1	2.3
2000	4.6	4.2	3.4	3.1	3.9

INVEST

The Invest business area reported operating profit of SEK 332 m. (1,713) for the first nine months and an operation loss of SEK 65 m. (8) for the third quarter. Third-quarter earnings were charged SEK 35 m. for write-downs of shares in investment portfolio.

Profit includes dividends of SEK 423 m. from major shareholdings in publicly traded companies (1,716, including extraordinary dividend of 1,307).

The subsidiary L E Lundberg Kapitalförvaltning, whose results are reported in Invest's earnings, reported a loss of SEK 63 m. (loss: 6) for the first nine months and an operating loss of 27 m. (loss: 6) for the third quarter. After financial items, the loss amounted to SEK 66 m. (loss: 6). On September 30, 2002, gross exposure to shares and interest-bearing paper amounted to approximately SEK 90 m. (Dec 31, 2001: 203).

MAJOR SHAREHOLDINGS IN PUBLICLY TRADED COMPANIES

The tables below show the voting rights, percentage shareholding, book value and market value of the Group's shares. During the third quarter, additional options were issued to senior executives in Holmen. To cover commitments related to these options, Holmen shares in an amount of SEK 40 m. were purchased. The percentage shareholding and voting rights in NCC have been affected by NCC's repurchase of its own shares and restamping of shares.

%	November 12, 2002		September 30, 2002		December 31, 2001	
	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	52.1	27.5	52.1	27.5	52.0	27.2
Hufvudstaden	87.6	44.2	87.6	44.2	87.6	44.2
NCC	16.9	13.6	16.9	13.6	16.7	13.3

SEK m.	November 12, 2002		September 30, 2002		December 31, 2001	
	Book value	Market value ¹⁾	Book value	Market value ¹⁾	Book value	Market value ¹⁾
Cardo	1,890	1,807	1,890	1,695	1,890	1,589
Holmen	2,587	5,126	2,587	4,578	2,547	5,153
Hufvudstaden	2,828	2,670	2,828	2,477	2,828	2,485
NCC	1,076	698	1,076	688	1,076	967
TOTAL	8,381	10,301	8,381	9,438	8,341	10,194

1) Publicly traded assets are entered at current market price or at the exercise price for written options in the event that the latter price is lower.

PORTFOLIO INVESTMENTS

In addition to the major shareholdings in publicly traded companies, the Group, excluding L E Lundberg Kapitalförvaltning, owned publicly traded shares with a book value on September 30, 2002 of SEK 778 m. (Dec 31, 2001: 202) and a market value of SEK 627 m. (Dec 31, 2001: 215).

The increase in the value was attributable to acquisitions of Industrivärden Series A shares during the summer and autumn of 2002. At November 12, 2002, Lundbergs held a total of 7.3 million Industrivärden Series A shares, corresponding to 5.2% of the share capital and 3.8% of the voting rights. The book value was SEK 771 m. and the market value SEK 752 m.

OTHER SHAREHOLDINGS

The item Other shareholdings includes shares in the unlisted associated company Stadium in an amount of SEK 250 m. (Dec 31, 2001: 250).

FINANCIAL ITEMS

Financial items amounted to an expense of SEK 77 m. (expense: 63), of which net interest items accounted for an expense of SEK 48 m. (expense: 64) and write-downs of shares for SEK 30 m (0). Net interest items during the third quarter amounted to an expense of SEK 20 m. (expense: 19).

FINANCIAL POSITION

Liquid assets (excluding credit facilities) increased by SEK 633 m. to SEK 743 m. (Dec 31, 2001: 110). Interest-bearing liabilities increased to SEK 3,020 m. (Dec 31, 2001: 2,023). On September 30, 2002 the average period of fixed interest was approximately 19 months and the average interest rate was 4.6% (4.2).

The Group's interest-bearing net debt increased to approximately SEK 2,200 m. (Dec 31, 2001: 1,800) and the debt/equity ratio to 0.23 (Dec 31, 2001: 0.19). The Group's reported shareholders' equity on September 30, 2002 was SEK 9,582 m. (Dec 31, 2001: 9,447). The equity/assets ratio decreased to 73% (Dec 31, 2001: 78).

NET ASSET VALUE

On September 30, 2002, net asset value ¹⁾ per share amounted to SEK 235 (Dec 31, 2001: 247) and SEK 212 (Dec 31, 2001: 220) after a deduction for deferred tax ²⁾. Reported shareholders' equity accounted for SEK 154 (Dec 31, 2001: 152) of net asset value per share.

On November 12, 2002, estimated net asset value per share was SEK 252 and SEK 225 after deferred tax.

	September 30, 2002		December 31, 2001	
	SEK m.	SEK/share	SEK m.	SEK/share
Real Estate	6,854	110	6,844	110
Invest				
Cardo	1,695	27	1,589	26
Holmen	4,578	74	5,153	83
Hufvudstaden	2,477	40	2,485	40
NCC	688	11	967	15
Stadium	250	4	250	4
Other publicly traded shares	709	12	323	5
Other assets, provisions and liabilities	-2,701	-43	-2,280	-36
NET ASSET VALUE BEFORE DEFERRED TAX ¹⁾	14,550	235	15,331	247
Deferred tax ²⁾	-1,400	-23	-1,666	-27
NET ASSET VALUE AFTER DEFERRED TAX	13,150	212	13,665	220
Market value	10,615	171	9,819	158
Price/NAV, %		81		72

1) Net asset value has been computed as follows: Publicly traded assets are entered at current market price or at the exercise price for written options in the event that the latter price is lower. Properties are entered at the estimated market value on December 31, 2001, based on independent and internal valuations. The only corrections made during the first nine months of 2002 have been for investments and sales. Other assets, provisions and liabilities are entered at book value on December 31, 2001 and September 30, 2002, respectively.

2) Deferred tax has been computed on the basis of the difference between the book and market value of properties and publicly traded shares.

REPURCHASE OF OWN SHARES

The Annual General Meeting on April 4, 2002 approved the cancellation of the 6,146,900 Series B shares that had previously been repurchased. The meeting also renewed the Board's authorization to repurchase up to 10% of the total number of shares in Lundbergs during the period up to the next Annual General Meeting 2003. The Board has decided to exercise the authorization received from the Annual General Meeting, which will permit the repurchase of up to 6,214,000 shares. As at September 30, 2002, 70,400 shares had been repurchased for a total of SEK 12 m., or an average of SEK 178 per share. The repurchased shares correspond to 0.11% of the share capital and 0.03% of the voting rights. No additional shares were repurchased during the period up to and including November 13, 2002.

The average number of shares outstanding during the interim period was 62,091,784. The number of shares outstanding on September 30, 2002 was 62,075,083.

PARENT COMPANY

L E Lundbergföretagen AB (publ) reported net sales of SEK 370 m. (1,647). Reported profit after financial items amounted to SEK 280 m. (1,642).

Stockholm, November 13, 2002



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

Interim report January-September 2002, with complete consolidation of subsidiaries and associated companies in accordance with the Annual Accounts Act, Lundbergs' website	November 29, 2002
Year-end report 2002	February 20, 2003
Annual report 2002	March 2003
Annual General Meeting	April 3, 2003

CONSOLIDATED INCOME STATEMENT

SEK m.	January - September		Quarter III		Full year
	2002	2001	2002	2001	2001
REAL ESTATE					
Operating revenues					
Rental revenues, etc.	610	584	203	197	781
Sales of properties	0	0	0	0	2
Other net revenues	3	1	0	0	2
	613	585	203	197	785
Property costs					
Operating expenses	-118	-118	-32	-32	-163
Property tax	-28	-25	-9	-6	-33
Maintenance and tenant-oriented property improvements	-95	-79	-25	-29	-108
Direct sales and administrative costs	-27	-29	-7	-8	-42
Depreciation	-24	-28	-8	-8	-37
Write-downs	-	-	-	-	-62
	-292	-279	-81	-83	-445
Central administrative costs, etc.	-21	-16	-6	-5	-25
OPERATING PROFIT, REAL ESTATE	300	290	116	109	315
INVEST					
Operating revenues					
Dividends	433	1,726	-	-	1,726
Gains on securities	-88	1	-61	-4	-22
Operating expenses	-13	-14	-4	-4	-17
	332	1,713	-65	-8	1,687
Central administrative costs, etc.	-5	-5	-2	-1	-8
OPERATING PROFIT	627	1,998	49	100	1,994
Financial items	-77	-63	-20	-18	-96
PROFIT AFTER FINANCIAL ITEMS	550	1,935	29	82	1,898
Taxes ^{1, 2)}	-46	67	-8	-23	88
Minority share	0	0	0	0	0
REPORTED PROFIT FOR THE PERIOD	504	2,002	21	59	1,986

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

2) The reason for the positive tax amount 2001 is that the Administrative Court of Appeal has approved previously rejected tax deductions involving tax-loss carryforwards. The verdict has become legally effective.

KEY FIGURES, GROUP

	September 30 2002	September 30 2001	December 31 2001
Number of shares outstanding	62,075,083	62,145,483	62,145,483
Average number of shares outstanding	62,091,784	63,421,975	63,102,852
Earnings per share after full tax, SEK	8.11	31.57	31.48
Reported shareholders' equity per share, SEK	154	152	152
Debt/equity ratio, multiple	0.23	0.19	0.19
Equity/assets ratio, %	73	78	78

CONSOLIDATED BALANCE SHEET

SEK m.	September 30 2002	September 30 2001	December 31 2001
ASSETS			
Fixed assets			
Tangible fixed assets	2,644	2,684	2,643
Financial fixed assets	9,474	8,935	8,890
	12,118	11,619	11,533
Current assets			
Properties classified as current assets	125	139	133
Other current assets	973	430	461
	1,098	569	594
TOTAL ASSETS	13,216	12,188	12,127
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	9,582	9,468	9,447
Provisions	425	414	421
Long-term liabilities	1,050	105	62
Current liabilities	2,159	2,201	2,197
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	13,216	12,188	12,127

CONSOLIDATED CASH FLOW STATEMENT

SEK m.	January - September 2002	2001	Full year 2001
Cash flow from operations	730	2,404	1,742
Cash flow from investment activities	-669	-374	-380
Cash flow from financing activities	572	-1,900	-1,260
Change in cash and bank balances	633	130	102
Cash and bank balances, January 1	110	8	8
Cash and bank balances, period end	743	138	110

SHAREHOLDERS' EQUITY

SEK m.	September 30 2002	September 30 2001	December 31 2001
January 1	9,447	8,526	8,525
Effect of new accounting principle	-	-235	-239
Adjusted amount at January 1	9,447	8,291	8,286
Dividend	-357	-333	-333
Repurchase of Parent company shares	-12	-492	-492
Net profit for the period	504	2,002	1,986
BALANCE, PERIOD END	9,582	9,468	9,447