



Lundbergs

Report on net asset value and results 2003

- On December 31, 2003, net asset value amounted to SEK 18.0 billion (SEK 290 per share), compared with SEK 13.7 billion (SEK 221 per share) at the end of 2002. The corresponding values on February 18, 2004 were SEK 18.4 billion (SEK 296 per share).
- Profit after full tax rose 52% to SEK 910 m. (597), corresponding to SEK 14.65 (9.62) per share. Net sales amounted to SEK 2,552 m. (1,631).
- An increase in the dividend to SEK 6.50 (6.00) per share is proposed.

This is a report on Lundbergs in which only wholly owned subsidiaries and, in certain cases, the subsidiaries' groups of companies, have been consolidated in accordance with the Annual Accounts Act. Other shareholdings have been reported in accordance with the acquisition-value method; also see accounting principles on page 2.

L E Lundbergföretagen AB (publ)

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Registered Head Office: Stockholm

ACCOUNTING PRINCIPLES

This report has been compiled in accordance with generally acceptable accounting practices for publicly traded companies.

Lundbergs holds a majority of the voting rights in Holmen and Hufvudstaden. Thus, in accordance with Sweden's Annual Accounts Act (ÅRL), these companies should be consolidated as subsidiaries (purchase method). At year-end, Lundbergs accounted for 45.2% of the share capital in Hufvudstaden and 27.5% of the share capital in Holmen which, if ÅRL is applied, results in large minority shares in the consolidated financial statements. According to ÅRL, the holdings in Altima, Cardo, NCC and Stadium should be consolidated as associated companies (equity method). In order to provide a more accurate description of the Group's operations, however, holdings in the above companies are reported from the perspective of cash flow and net asset value. Accordingly, in this report, only wholly owned subsidiaries of Lundbergs and, in certain cases, the subsidiaries' groups of companies, have been consolidated in accordance with the Annual Accounts Act, while other shareholdings have been reported in accordance with the acquisition-value method.

The year-end report for 2003, including complete consolidated financial statements based on ÅRL and compiled in accordance with the Swedish Financial Accounting Standards Council's recommendations, will be available on our website as of February 29, 2004.

Unless indicated otherwise, the figures presented within parentheses pertain to comparative results for the corresponding period in the preceding year. Since the figures have been rounded off in certain cases, the amounts in tables and calculations do not always tally.

NET ASSET VALUE

On December 31, 2003, net asset value after deferred tax amounted to SEK 18,024 m. (SEK 290 per share), compared with SEK 13,692 m. (SEK 221 per share) at the end of 2002. Reported shareholders' equity accounted for SEK 165 (156) of net asset value per share. Lundbergs' total return during the year was 23.1% (27.2%).

On February 18, 2004, estimated net asset value per share after deferred tax was SEK 18,357 m. (SEK 296 per share).

	Dec. 31, 2003		Dec. 31, 2002	
	SEK m.	SEK/share	SEK m.	SEK/share
Altima ¹⁾	98	2	-	-
Cardo ¹⁾	2,155	35	2,018	33
Fastighets AB L E Lundberg ²⁾	4,666	75	3,756	61
Holmen ¹⁾	5,709	92	4,648	75
Hufvudstaden ¹⁾	3,264	53	2,544	41
Industrivärden ¹⁾	1,815	29	872	14
NCC ¹⁾	764	12	729	12
Stadium ³⁾	250	4	250	4
Other publicly traded shares ¹⁾	272	4	198	3
Total publicly traded and unlisted shares	18,992	306	15,014	242
Other assets, provisions and liabilities ⁴⁾	-806	-13	-685	-11
Net asset value before deferred tax	18,186	293	14,329	231
Deferred tax, etc. ⁵⁾	-162	-3	-637	-10
NET ASSET VALUE AFTER DEFERRED TAX	18,024	290	13,692	221
Market value	14,432	233	12,105	195
Price/NAV, %		80		88

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.

2) The valuation of shares in Fastighets AB L E Lundberg is based on the sum of shareholders' equity and the difference between the market and book value of properties included in the company less compensation to a purchaser for the loss of the basis for deducting standard depreciation in the event of a sale. As a result of new legislation that became effective on July 1, 2003, it has been concluded that this standard compensation will amount to 10%, compared with the previous rate of 28%, of the difference between the market value and the residual value for tax purposes. The market value of properties is based on internal and external valuations (by Svefa and Forum Fastighetsekonomi). Completed properties were valued individually. In cases where external valuations have been conducted, these values have been used. Externally valued properties account for approximately 38% of the total market value. All properties were subject to similar valuations based on both the location-price method and the yield method. The estimated current value of the properties on December 31, 2003 was SEK 6,911 m. (6,814).

3) The Stadium shares, which are unlisted, are entered at book value.

4) Other assets, provisions (excl. deferred tax) and liabilities are entered at book value at December 31, 2003 and 2002.

5) Deferred tax, etc. has been computed on the basis of the difference between the market value and tax-assessment value of properties. Due to new legislation that became effective on July 1, 2003, deferred tax on business-related participations was not computed on the basis of the difference between the market value and the tax-assessment value.

ASSET MANAGEMENT

Profit includes dividends of SEK 952 m. (433). The increase is mainly attributable to extra dividends of SEK 322 m. from Cardo and SEK 94 m. from NCC. The extra dividend from NCC consisted of shares in Altima AB. During the fourth quarter, a previous write-down of SEK 322 m. in the value of Cardo shares was reversed in its entirety, while the shares in NCC were written down by SEK 311 m.

Profits from securities include gains totaling SEK 50 m. on the divestment of shares.

Major shareholdings in publicly traded companies

The tables below show the voting rights, percentage holding, book value and market value of the Group's shareholdings. Purchases during 2003 comprised Cardo shares in a net amount of SEK 131 m., Holmen shares in a net amount of SEK 9 m. and Industrivärden shares (Series A) for SEK 651 m. During the fourth quarter, Industrivärden shares (Series A) were acquired for SEK 107 M. Between January 1 and February 18, 2004, 2.7 million additional Industrivärden shares (Series A) were acquired for SEK 348 m. The percentage of Hufvudstaden's share capital and voting rights has been affected by share repurchases and the percentage of NCC's voting rights has been affected by the restamping of shares.

%	February 18, 2004		December 31, 2003		December 31, 2002	
	Voting rights	Share-holding	Voting rights	Voting rights	Share-holding	Voting rights
Altima ²⁾	-	-	13.6	13.6	-	-
Cardo	36.0	36.0	36.0	36.0	33.5	33.5
Holmen	52.2	27.5	52.2	27.5	52.1	27.5
Hufvudstaden	88.0	45.2	88.0	45.2	87.6	44.2
Industrivärden	12.6	9.2	10.7	7.8	6.2	4.5
NCC	17.7	13.6	17.7	13.6	17.0	13.6
Ramirent ²⁾	6.7	6.7	-	-	-	-

SEK m.	February 18, 2004		December 31, 2003		December 31, 2002	
	Book value	Market value ¹⁾	Book value	Market value ¹⁾	Book value	Market value ¹⁾
Altima ²⁾	-	-	94	98	-	-
Cardo	2,021	2,041	2,021	2,155	1,890	2,018
Holmen	2,597	5,734	2,597	5,709	2,587	4,648
Hufvudstaden	2,828	3,362	2,828	3,264	2,828	2,544
Industrivärden	1,927	2,372	1,579	1,815	928	872
NCC	764	766	764	764	1,076	729
Ramirent ²⁾	94	102	-	-	-	-
TOTAL	10,230	14,377	9,882	13,805	9,309	10,811

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

2) In January 2004, a public offer for Ramirent shares in return for Altima shares was accepted. The Ramirent shares were received on January 30.

Unlisted shareholdings

The Other securities item includes Stadium shares in an amount of SEK 250 m. (250).

OPERATING COMPANIES

L E Lundberg Kapitalförvaltning AB

Reported profit before financial items amounted to SEK 8 m. (loss: 42) while an operating loss of SEK 2 m. (profit: 22) was reported for the fourth quarter. Profit after financial items amounted to SEK 4 m. (loss: 45). On December 31, 2003, gross exposure to shares and interest-bearing paper amounted to SEK 313 m. (117).

On December 31, 2003, the company held securities with a book value of SEK 254 m. (88) and a market value of SEK 272 m. (89). The corresponding amounts on February 18, 2004 were SEK 317 m. and SEK 355 m., respectively.

Fastighets AB L E Lundberg (the Group)

Reported profit before financial items rose by 3.4% to SEK 414 m. (400).

Rental revenues increased by 2.1% to SEK 831 m. (814), with housing revenues rising by 3.0% to SEK 406 m. (394) and revenues from commercial premises, etc. rising by 1.2% to SEK 426 m. (420).

The average vacancy rate for the year was 2.7% (2.6), of which the vacancy rate for housing was 0.6% (0.6) and the rate for commercial premises was 4.7% (4.4). The overall vacancy rate on February 4, 2004 was 2.9%, whereby the rate for housing was 0.7% and that for commercial premises, etc. was 4.9%.

In total, properties were sold for SEK 49 m. (4) during the year, generating gains of 18 m. (0). Completed properties accounted for SEK 8 m. (0) and properties held for future development for SEK 10 m. (0) of the total gains from sales of properties.

Property costs before write-downs/reversals rose to SEK 406 m. (400). Costs for maintenance and tenant-oriented property improvement decreased by SEK 5 m., while electricity and heating costs rose by SEK 9 m.

The operating net rose 2.6% to SEK 500 m. (488).

A valuation of properties during the fourth quarter resulted in a net reversal of SEK 1 m. of previous write-downs (reversal: 10).

An amount of SEK 33 m. (24) was invested in wholly and partly owned properties during the year.

Interest-bearing net debt amounted to SEK 1,573 m. (1,688).

The Group's completed properties, which have a book value of SEK 2,603 m. (2,643) in the L E Lundberg-företagen Group, generated an annualized yield (operating net in relation to book value) of 19.2% (18.4). The book value of properties held for future development was SEK 124 m. (126). The tax assessment value of all completed properties and properties held for future development was SEK 5,177 m. (5,059).

SEK m.	Floor space thousand m ²	Rental revenues	Operating net	Book value, December 31, 2003	Operating net as a % of book value (annualized yield)
Completed properties	1,004	828	499	2,603	19.2
Properties held for future development	7	3	2	124	
Properties sold	4	0	0	-	
TOTAL		831	500	2,727	
Properties sold 2003 (full year 2002)	4	4	2		

Current report period October - December 2003

Rental revenues increased by 2.0% to SEK 208 m. (204), with housing revenues rising by 3.9% to SEK 102 m. (98) and revenues from commercial premises, etc. unchanged at SEK 105 m. (105).

The average vacancy rate was 2.8% (2.8), of which the vacancy rate for housing was 0.7% (0.6) and the rate for commercial premises was 4.9% (4.9).

Property costs before write-downs/reversals increased by SEK 6 m. to SEK 115 m. (109). The increase was due mainly to costs for maintenance and tenant-oriented property improvements, which increased to SEK 38 m. (29).

Results per quarter

Quarter	I	II	III	IV	Full year
Rental revenues etc, SEK m.					
2003	208	207	208	207	831
2002	201	203	203	203	810
2001	193	192	196	196	777
2000	182	181	185	187	735
Operating net, SEK m.					
2003	118	135	135	112	499
2002	107	124	137	117	485
2001	109	121	130	114	474
2000	83	87	93	86	349
Vacancy rate, %					
2003	2.6	2.8	2.8	2.8	2.7
2002	2.5	2.3	3.0	2.8	2.6
2001	2.7	2.7	1.9	2.1	2.3
2000	4.6	4.3	3.4	3.0	3.8

The figures have been adjusted for the effects of rental revenues and operating net from sold properties.

CONSOLIDATED SALES AND PROFIT

The Group's net sales amounted to SEK 2,552 m. (1,631), of which equity management accounted for SEK 1,146 m. (464) and operating companies for SEK 1,406 m. (1,167). Operating profit amounted to SEK 1,078 m. (750), of which equity management accounted for SEK 667 m. (400) and operating companies for SEK 422 m. (358), while central administrative costs amounted to SEK 11 m. (8).

Financial items amounted to an expense of SEK 94 m. (expense: 98) of which net interest items accounted for an expense of SEK 97 m. (expense: 80). Fourth-quarter net interest items amounted to an expense of SEK 24 m. (expense: 34).

Profit after financial items amounted to SEK 984 m. (652). Profit after tax was SEK 910 m. (597), which corresponds to SEK 14.65 (9.62) per share.

FINANCING

Liquid assets (excluding credit facilities) decreased by SEK 26 m. to SEK 17 m. (43). Interest-bearing liabilities were reduced to SEK 2,324 m. (2,449). On December 31, 2003, the average period of fixed interest was approximately 25 months and the average interest rate was 4.2% (4.4).

The Group's interest-bearing net debt was reduced to SEK 2,296 m. (2,386) and the debt/equity ratio to 0.22 (0.25). The Group's reported shareholders' equity on December 31, 2003 was SEK 10,212 m. (9,675). The equity/assets ratio was 77% (76).

REPURCHASE OF OWN SHARES

The Annual General Meeting on April 3, 2003 renewed the Board's authorization to repurchase Series B Lundbergs shares during the period up to the next Annual General Meeting 2004. The shares are to be purchased on Stockholmsbörsen and are subject to the limit that the Company's holding may not exceed 10% of total Lundberg shares. The Board decided at its statutory meeting to exercise the authorization received from the Annual General Meeting. As at December 31, 2003, 70,400 Series B Lundbergs 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 shares were repurchased during 2003. The number of shares outstanding on December 31, 2003 was 62,075,083.

The Board proposes that the Annual General Meeting authorize the Board to repurchase Series B Lundberg shares during the period up to the 2005 Annual General Meeting, subject to the limit that the Company's holding may not exceed 10% of the total number of Lundberg shares at any point in time. The shares are to be purchased on Stockholmsbörsen on one or more occasions at the stock-market price prevailing at the date of purchase. The reason for the repurchase authorization is to enable the Board to adjust the Company's capital structure.

PARENT COMPANY

L E Lundbergföretagen AB (publ) reported net sales of SEK 1,021 m. (370) and profit after tax of SEK 574 m. (198) after taxes. The Parent Company's liquidity is satisfactory. Investments amounted to SEK 806 m. (894).

DIVIDEND

The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 6.50 (6.00) per share for the 2003 fiscal year. The total dividend payment will be SEK 403 m. (372).

ANTICIPATED TREND IN 2004

As a result of the proposed increases in dividends from shareholdings, including an extraordinary dividend of about SEK 661 m. from Holmen, earnings from equity management are expected to increase significantly in 2004. Earnings from Fastighets AB L E Lundberg are expected to be lower in 2003, due to higher costs for maintenance and tenant-oriented property improvements. The rental market for the company's properties is expected to remain stable.

On the whole, consolidated earnings are expected to increase.

ANNUAL REPORT

The Annual report for 2003 will be distributed to shareholders during the week commencing March 15, 2004 and be available at the Company's offices in Stockholm and Norrköping as of the same date.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the World Trade Center, Stockholm, at 4 p.m. on April 1, 2004.

NOMINATIONS FOR BOARD OF DIRECTORS

Shareholders representing more than 90% of the voting rights have informed the company that they will support the election of the following Board Members.

Reelection of all current Board Members, with the exception of Ulf Lundahl, who has been appointed Deputy Chief Executive Officer of Lundbergs as of January 1, 2004, and new election of Gunilla Berg and Tom Hedelius.

See press release dated February 18, 2004.

Stockholm, February 19, 2004



FREDRIK LUNDBERG
President

FORTHCOMING FINANCIAL INFORMATION

Year-end report for 2003 on Lundbergs' website	February 29, 2004
Annual report	week commencing March 15, 2004
Report on net asset value and results, January-March 2004	May 14, 2004
Interim report according to ÅRL, January-March 2004	May 28, 2004
Report on net asset value and results and interim report according to ÅRL, January-June 2004	August 31, 2004
Report on net asset value and results, January-September 2004	November 23, 2004
Interim report according to ÅRL, January-September 2004	November 30, 2004

RESULT REPORT

SEK m.	Januari - December		Quarter IV	
	2003	2002	2003	2002
ASSET MANAGEMENT				
Dividends	952	433	94	-
Reversal of write-downs of Cardo shares		-	322	-
Write-down of NCC-shares	-311	-	-311	-
Profit/loss on securities	37	-26		6
Operating expenses	-10	-7	-3	-2
PROFIT	667	400	101	4
OPERATING COMPANIES				
L E Lundberg Kapitalförvaltning AB				
Profit/loss on securities	22	-33	3	24
Operating expenses	-14	-9	-5	-2
PROFIT/LOSS	8	-42	-2	22
Fastighets AB L E Lundberg				
Operating revenues				
Rental revenues, etc.	831	814	208	204
Sales of properties	10	-0	1	3
Other revenues, net	3	4	1	2
	845	818	209	209
Property expenses				
Operating expenses	-175	-166	-48	-49
Property tax	-38	-37	-10	-9
Maintenance and tenant-oriented property improvements	-118	-123	-38	-29
Direct sales and administrative costs, etc.	-42	-41	-11	-14
Depreciation ¹⁾	-34	-32	-9	-8
Write-downs/reversals	1	10	1	10
	-405	-390	-114	-99
Sales of properties classed as fixed assets	8	3		
Central administrative costs, etc.	-33	-31	-6	-10
PROFIT	414	400	88	100
Central administrative costs, etc.	-11	-8	-3	-3
OPERATING PROFIT	1,078	750	185	123
Financial items	-94	-98	-23	-22
PROFIT AFTER FINANCIAL ITEMS	984	652	161	101
Taxes ²⁾	-74	-55	-11	-8
Minority interest	-0	0	-0	0
NET PROFIT FOR THE YEAR	910	597	150	93
Earnings per share after taxes, SEK				
(there is no dilution effect)	14.65	9.62	2.42	1.51
Average number of shares outstanding	62,075,083	62,087,620	62,075,083	62,075,083

1) Amount includes amortization of surplus value in L E Lundberg Group amounting to SEK 4 m. (4) for the year and SEK 1 m. (1) for the fourth quarter.

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

BALANCE REPORT

SEK m.	December 31 2003	December 31 2002
ASSETS		
Fixed assets		
Tangible fixed assets	2,634	2,696
Financial fixed assets	10,221	9,748
	12,855	12,444
Current assets		
Properties classified as current assets	124	126
Other current assets	361	231
	485	357
TOTAL ASSETS	13,339	12,801
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	10,212	9,675
Provisions	426	444
Long-term liabilities	1,315	1,051
Current liabilities	1,385	1,631
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	13,339	12,801

CASH FLOW REPORT

SEK m.	January - December 2003	2002
Cash flow from operations	1,285	1,387
Cash flow from investment activities	-684	-965
Cash flow from financing activities	-628	-489
Change in cash and bank balances	-26	-67
Cash and bank balances, January 1	43	110
Cash and bank balances, December 31	17	43

SHAREHOLDERS' EQUITY

SEK m.	December 31 2003	December 31 2002
January 1	9,675	9,447
Dividend	-372	-357
Repurchase of Parent company shares	-	-12
Net profit for the period	910	597
BALANCE, YEAR END	10,212	9,675

KEY FIGURES

	December 31 2003	December 31 2002
Number of shares outstanding	62,075,083	62,075,083
Reported shareholders' equity per share, SEK	165	156
Debt/equity ratio, multiple	0.22	0.25
Equity/assets ratio, %	77	76