



Lundbergs

Report on net asset value and results January – June 2004

- On June 30, 2004, net asset value after deferred tax amounted to SEK 18.7 billion (SEK 301 per share), compared with SEK 18.0 billion (SEK 290 per share) at December 31, 2003. The corresponding values on August 17, 2004 were SEK 18.5 billion (SEK 299 per share).
- Profit after taxes amounted to SEK 1,541 m. (665), corresponding to SEK 24.84 (10.71) per share. Net sales amounted to SEK 2,227 m. (1,525).

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 5.

L E Lundbergföretagen AB (publ)

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Company registration number: 556056-8817

Registered Head Office: Stockholm

NET ASSET VALUE

On June 30, 2004, net asset value after deferred tax amounted to SEK 18,662 m. (SEK 301 per share), compared with SEK 18,024 m. (SEK 290 per share) at December 31, 2003. Reported shareholders' equity accounted for SEK 183 (Dec. 31 2003: 165) of net asset value per share.

On August 17, 2004, estimated net asset value per share after deferred tax was SEK 18,513 m. (SEK 299 per share).

	June 30, 2004		Dec. 31, 2003	
	SEK m.	SEK/share	SEK m.	SEK/share
Altima ¹⁾	-	-	98	2
Cardo ¹⁾	2,025	33	2,155	35
Fastighets AB L E Lundberg ²⁾	4,666	75	4,666	75
Holmen ¹⁾	4,963	80	5,709	92
Hufvudstaden ¹⁾	3,366	54	3,264	53
Industrivärden ¹⁾	2,764	45	1,815	29
NCC ¹⁾	979	16	764	12
Ramirent ¹⁾	129	2	-	-
Stadium ³⁾	250	4	250	4
Other publicly traded shares ¹⁾	238	4	272	4
Total publicly traded and unlisted shares	19,380	313	18,992	306
Other assets, provisions and liabilities ⁴⁾	-532	-9	-806	-13
Net asset value before deferred tax	18,847	304	18,186	293
Deferred tax, etc. ⁵⁾	-185	-3	-162	-3
NET ASSET VALUE AFTER DEFERRED TAX	18,662	301	18,024	290
Market value	14,756	238	14,432	233
Price/NAV, %		79		80

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 tax computed at a standard rate of 10%. The market value of properties is based on internal and external valuations (by Svefa and Forum Fastighetsekonomi). Investment 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. No new valuation of the real estate portfolio at an individual property level has been conducted. It has been concluded that the overall value of the portfolio has not changed significantly since December 31, 2003. Accordingly, the estimated market value at December 31, 2003 has only been adjusted to account for investments and divestments implemented the first half of 2004. Subsequently, the estimated fair value of the properties at June 30, 2004 was SEK 6,984 m. (Dec 31, 2003: 6,911).

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 June 30, 2004 and December 31, 2003.

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

Earnings amounted to SEK 1,435 m. (557), which includes dividends of SEK 1,221 m. (859) for the first six months. The increase was mainly attributable to an extraordinary dividend of SEK 661 m. from Holmen and dividend from the expanded Industrivärden holding. SEK 215 m. of the previous write-down of the NCC shareholding was reversed.

Earnings amounted to SEK 323 m. (206) for the second quarter. SEK 7 m. and SEK 190 m. of the previous write-downs of the Cardo and NCC shareholdings were reversed during the second quarter.

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 between January 1 and August 17, 2004, comprised Industrivärden shares (Series A) for SEK 701 m. During the second quarter Industrivärden shares (Series A) were acquired for SEK 283 m. The percentages of Holmen's and Ramirent's share capital and voting rights were affected by new share issue and the percentage of NCC's voting rights was affected by the restamping of shares.

	August 17, 2004		June 30, 2004		December 31, 2003	
%	Voting rights	Share-holding	Voting rights	Share-holding	Voting rights	Share-holding
Altima ¹⁾	-	-	-	-	13.6	13.6
Cardo	36.0	36.0	36.0	36.0	36.0	36.0
Holmen	51.4	26.0	51.4	26.0	52.2	27.5
Hufvudstaden	88.0	45.2	88.0	45.2	88.0	45.2
Industrivärden	14.4	10.5	14.4	10.5	10.7	7.8
NCC	18.4	13.6	18.4	13.6	17.7	13.6
Ramirent ¹⁾	6.5	6.5	6.5	6.5	-	-

SEK m.	August 17, 2004		June 30, 2004		December 31, 2003	
	Book value	Market value ²⁾	Book value	Market value ²⁾	Book value	Market value ²⁾
Altima ¹⁾	-	-	-	-	94	98
Cardo	2,021	1,944	2,021	2,025	2,021	2,155
Holmen	2,597	4,910	2,597	4,963	2,597	5,709
Hufvudstaden	2,828	3,468	2,828	3,366	2,828	3,264
Industrivärden	2,280	2,602	2,280	2,764	1,579	1,815
NCC	979	1,001	979	979	764	764
Ramirent ¹⁾	94	132	94	129	-	-
TOTAL	10,798	14,058	10,798	14,226	9,882	13,805

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

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

Other 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 18 m. (3) for the first six months and a profit before financial items of SEK 3 m. (5) for the second quarter. Profit after financial items amounted to SEK 13 m. (2).

On June 30, 2004, the company held securities with a book value of SEK 209 m. (Dec 31, 2003: 254) and a market value of SEK 216 m. (Dec 31, 2003: 272). The corresponding amounts on August 17, 2004 were SEK 204 m. and SEK 209 m., respectively.

Fastighets AB L E Lundberg (the Group)

Reported profit before financial items amounted to SEK 202 m. (201).

Rental revenues increased by 2.0% to SEK 424 m. (415), with housing revenues rising by 3.1% to SEK 209 m. (202) and revenues from commercial premises, etc. by 0.8% to SEK 215 m. (213).

The average vacancy rate for the period was 2.9% (average 2003: 2.7), of which the vacancy rate for housing was 0.9% (average 2003: 0.6) and the rate for commercial premises was 4.7% (average 2003: 4.7). Vacancy rates calculated in August 2004 were unchanged.

Property costs rose to SEK 217 m. (200). Costs for maintenance and tenant-oriented property improvement account for SEK 13 m. of the increase and heating costs for SEK 3 m., due to a colder winter and increases in heating rates.

The operating net amounted to SEK 245 m. (253).

As of March 1, 2004 a retail property in central Norrköping with a total of approximately 10,000 square meters of floor space was acquired for SEK 73 m. As a result of the acquisition, the company owns the entire Linden shopping mall, with approximately 19,000 square meters of rentable floor space. In addition to the above acquisitions, SEK 11 m. (12) was invested in wholly and jointly owned properties during the period.

In April 2004 participations in 50%-owned limited partnership Ranten were sold for SEK 11 m., resulting in a pretax capital gain of SEK 7 m. The company included the Kronhjorten 22 property in Falköping, with a total of 7,000 square meters of rentable floor space and a value of SEK 22 m.

Interest-bearing net debt amounted to SEK 1,639 m. (Dec 31, 2003 1,573).

Excluding the properties acquired during the period, the investment properties in the L E Lundbergföretagen Group had a book value of SEK 2,594 m. (2,596). These properties generated an annualized yield (operating net in relation to book value) of 18.7% (19.4). The book value of development properties was SEK 122 m. (127).

SEK m.	Floor space thousand m ²	Rental revenues	Operating net	Book value, June 30, 2004	Operating net as a % of book value (annualized yield)
Investment properties	1,004	420	243	2,594	18.7
Properties held for future development	7	2	1	122	
Properties acquired	10	2	1	73	
Properties sold	3	-	-		
TOTAL		424	245	2,789	
Properties sold 2004 (January-June 2003)	3	1	1		
Properties sold 2004 (full year 2003)	3	2	1		

CURRENT REPORT PERIOD APRIL - JUNE 2004

Rental revenues increased by 2.3% to SEK 212 m. (207), with housing revenues rising by 2.8% to SEK 104 m. (101) and revenues from commercial premises, etc. 1.9% to SEK 108 m. (106).

The average vacancy rate during the second quarter was 3.0% (2.8) of which the vacancy rate for housing was 1.1% (0.5) and the rate for commercial premises was 4.7% (4.9).

Property costs increased by SEK 9 m. to SEK 101 m. (92). The increase was due to higher maintenance and tenant-oriented property improvement costs, which totaled SEK 33 m. (24).

Results per quarter

Quarter	I	II	III	IV	Full year
Rental revenues etc, SEK m.					
2004	210	211			
2003	207	207	208	207	829
2002	201	203	202	202	807
2001	192	192	195	196	775
2000	181	181	185	186	733
Operating net, SEK m.					
2004	115	129			
2003	118	135	135	112	499
2002	107	124	137	117	484
2001	109	121	129	114	473
2000	83	87	93	86	348
Vacancy rate, %					
2004	2.8	2.9			
2003	2.5	2.7	2.8	2.8	2.7
2002	2.5	2.3	2.9	2.8	2.6
2001	2.7	2.7	1.9	2.1	2.3
2000	4.7	4.3	3.4	3.1	3.9

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

CONSOLIDATED SALES AND PROFIT

The Group's net sales amounted to SEK 2,227 m. (1,525), of which equity management accounted for SEK 1,229 m. (871) and operating companies for SEK 998 m. (654). Operating profit amounted to SEK 1,642 m. (756), of which equity management accounted for SEK 1,435 m. (557) and operating companies for SEK 220 m. (204), while central administrative costs amounted to SEK 13 m. (5).

Financial items amounted to an expense of SEK 28 m. (expense: 48) of which net interest items accounted for an expense of SEK 49 m. (expense: 49). Net interest items during the second quarter amounted to an expense of SEK 22 m. (expense: 21).

Profit after financial items amounted to SEK 1,614 m. (708). Profit after tax was SEK 1,541 m. (665), which corresponds to SEK 24.84 (10.71) per share.

FINANCING

Liquid assets (excluding credit facilities) increased by SEK 37 m. to SEK 54 m. (Dec 31, 2003: 17). Interest-bearing liabilities decreased to SEK 2,167 m. (Dec 31, 2003: 2,324). On June 30, 2004, the average period of fixed interest was approximately 22 months and the average interest rate was 4.0% (4.2).

The Group's interest-bearing net debt decreased to SEK 2,105 m. (Dec 31, 2003: 2,296) and the debt/equity ratio to 0.19 (Dec 31, 2003: 0.22). The Group's reported shareholders' equity on June 30, 2004 was SEK 11,328 m. (Dec 31, 2003: 10,212). The equity/assets ratio was 79% (Dec 31, 2003: 77).

REPURCHASE OF OWN SHARES

The Annual General Meeting on April 1, 2004 renewed the Board's authorization to repurchase Series B Lundbergs shares during the period up to the next Annual General Meeting 2005. At its statutory meeting, the Board of Directors decided to utilize the renewed authorization, which will enable the repurchase of up to 10% of all of the issued shares in the company. As at June 30, 2004, 145,483 Series B Lundbergs shares had been repurchased for a total of SEK 30 m., or an average of SEK 205.09 per share. The repurchased shares correspond to 0.23% of the share capital and 0.05% of the voting rights. During the first quarter of 2004, 75,083 shares were repurchased. No additional shares were repurchased during the period up to August 17, 2004.

The average number of shares outstanding during the period covered by this interim report was 62,026,259. The number of shares outstanding on June 30, 2004 was 62,000,000.

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 June 30, 2004, Lundbergs accounted for 45.2% of the share capital in Hufvudstaden and 26.0% 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 associated companies 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 in the above companies have been reported in accordance with the acquisition-value method.

The interim report for January-June 2004, 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 the website as of August 31, 2004.

The Financial Accounting Standards Council's recommendation RR 29 is applied as of January 1, 2004. The introduction of this recommendation required a recalculation of pension obligations at the beginning of 2004. As a result, the pension liability rose by SEK 5 m. The change has been reported against shareholders' equity. Application of the new recommendation had no impact on pension costs during the quarter. Pension insurance issued by Alecta is still reported according to a defined-contribution plan, since Alecta is still not able to provide the information required in accordance with RR 29.

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.

PARENT COMPANY

L E Lundbergföretagen AB (publ) reported net sales of SEK 1,109 m. (756). Reported profit after financial items amounted to SEK 1,360 m. (431) after taxes. The Parent Company's liquidity is satisfactory. Investments amounted to SEK 715 m. (516).

Stockholm, August 17, 2004



FREDRIK LUNDBERG
President

This report has not been subject to specific examination by the auditors of L E Lundbergföretagen AB (publ).

FORTHCOMING FINANCIAL INFORMATION

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
Report on net asset value and results, January-December 2004	February, 2005
Year-end report 2004	February, 2005
Annual report 2004	March, 2005

RESULT REPORT

SEK m.	January - June		Quarter II		Full year
	2004	2003	2004	2003	2003
ASSET MANAGEMENT					
Dividends	1,221	859	127	513	952
Reversal/write-downs of Cardo shares	-	-322	7	-322	-
Reversal/write-downs of NCC shares	215	-	190	-	-311
Profit/loss on securities	-1	25	-0	17	37
Operating expenses	-	-4	-	-2	-10
PROFIT	1,435	557	323	206	667
OPERATING COMPANIES					
L E Lundberg Kapitalförvaltning AB					
Profit/loss on securities	26	9	3	8	22
Operating expenses	-8	-6	-1	-3	-14
PROFIT/LOSS	18	3	3	5	8
Fastighets AB L E Lundberg					
Operating revenues					
Rental revenues, etc.	424	415	212	207	831
Sales of properties	0	0	0	0	10
Other revenues, net	2	-0	2	0	3
	426	415	215	207	845
Property expenses					
Operating expenses	-98	-94	-39	-39	-175
Property tax	-19	-19	-10	-9	-38
Maintenance and tenant-oriented property improvements	-62	-49	-33	-24	-118
Direct sales and administrative costs, etc.	-21	-21	-10	-11	-42
Depreciation ¹⁾	-18	-17	-10	-9	-34
Write-downs/reversals	-	-0	-	-	1
	-217	-200	-101	-92	-405
Sales of properties classed as fixed assets	7	3	7	-	8
Central administrative costs, etc.	-15	-18	-6	-9	-33
PROFIT	202	201	115	106	414
Central administrative costs, etc.	-13	-5	-7	-2	-11
OPERATING PROFIT	1,642	756	434	315	1,078
Financial items	-28	-48	-22	-20	-94
PROFIT AFTER FINANCIAL ITEMS	1,614	708	412	295	984
Taxes ²⁾	-73	-44	-22	-39	-74
Minority interest	-0	-0	-0	-0	-0
NET PROFIT FOR THE PERIOD	1,541	665	390	256	910
Earnings per share after taxes, SEK					
(there is no dilution effect)	24.84	10.71	6.29	4.12	14.65
Average number of shares outstanding	62,026,259	62,075,083	62,000,000	62,075,083	62,075,083

1) Amount includes amortization of surplus value in L E Lundberg Group amounting to SEK 2 m. (2) for the first six months and SEK 1 m (1) for the second quarter. In 2003, the amortization of surplus value amounted to SEK 4 m.

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

BALANCE REPORT

SEK m.	June 30 2004	June 30 2003	December 31 2003
ASSETS			
Fixed assets			
Tangible fixed assets	2,689	2,638	2,634
Financial fixed assets	11,082	9,944	10,221
	13,772	12,582	12,855
Current assets			
Properties classified as current assets	122	127	124
Other current assets	368	337	361
	490	464	485
TOTAL ASSETS	14,262	13,046	13,339
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	11,328	9,967	10,212
Provisions	445	434	426
Long-term liabilities	1,309	1,313	1,315
Current liabilities	1,181	1,332	1,385
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	14,262	13,046	13,339

CASH FLOW REPORT

SEK m.	January - June 2004	2003	Full year 2003
Cash flow from operations	1,409	1,044	1,285
Cash flow from investment activities	-802	-528	-684
Cash flow from financing activities	-570	-478	-628
Change in cash and bank balances	37	38	-26
Cash and bank balances, January 1	17	43	43
Cash and bank balances, period end	54	81	17

SHAREHOLDERS' EQUITY

SEK m.	June 30 2004	June 30 2003	December 31 2003
January 1	10,212	9,675	9,675
Effect of new accounting principle	-5	-	-
Adjusted amount at January 1	10,207	9,675	9,675
Dividend	-403	-372	-372
Repurchase of Parent company shares	-17	-	-
Net profit for the period	1,541	665	910
BALANCE, PERIOD END	11,328	9,967	10,212

KEY FIGURES

	June 30 2004	June 30 2003	December 31 2003
Number of shares outstanding	62,000,000	62,075,083	62,075,083
Reported shareholders' equity per share, SEK	183	161	165
Debt/equity ratio, multiple	0.19	0.23	0.22
Equity/assets ratio, %	79	76	77