

Interim Report | January-August 2002



Operations

Förvaltnings AB Framtiden owns and manages, through subsidiaries, around 67,800 (67,400) apartments, 602,000 (581,000) square metres of non-residential floor space and approximately 61,000 (60,000) parking spaces, all located within the City of Gothenburg. The wholly-owned subsidiaries are Bostads AB Poseidon, Göteborgs stads bostadsaktiebolag, Familjebostäder i Göteborg AB, AB HjällboBostaden, Bostads AB Gårdsten, Göteborgs Egnahems AB, Göteborgs Stads Parkerings AB, Förvaltnings AB GöteborgsLokaler, Idrotts- och Kulturcentrum Scandinavium i Göteborg AB, Framtiden Bostadsfinansiering Nr 1 AB (publ), Framtiden Housing Finance No 2 AB (publ), Framtiden Residential Housing Finance No 3 AB (publ), Framtiden Multi-Family Housing Finance No 4 AB (publ) and Mässans Gata AB.

Financial development during the year

The international economy during the year has been strongly characterised by considerable uncertainty regarding economic development and indications have been contradictory. Virtually all stock markets have reported a considerable fall in prices.

The EMU area is still characterised by imbalance, with certain countries reporting a relatively good rate of growth whilst the leading countries report a high rate of unemployment and poor economic development.

The Swedish economy this year is, by international comparison, in a relatively good position. The cost trend has been suppressed and the growth rate appears to be on the way up, although more slowly than had been previously expected. Interest rates in Sweden have a strong impact on Group profit. The short-term interest trend has risen slightly. The long-term interest trend, which has a greater impact on Group profit than the short-term interest rate, has fallen during the year as a result of financial developments.

Property market in Sweden

The housing market in the city regions is still characterised by a high level of demand. In the Stockholm region, however, the situation is somewhat suppressed this year as a result of a decline in growth and rising unemployment in the region. Even in Malmö the demand is high and there are increasingly fewer apartments for rent. However, as there is a large proportion of co-operative apartments on the housing market in Malmö the effect of an increase in demand is not as great as in the other city regions.

In Gothenburg, the demand for residential property is still very high. This has, among other things, resulted in a continued fall in the level of vacant property. As a result of high production costs, new production of apartments for rent is limited. New production of co-operative apartments, however, has not been affected to the same extent. On the whole, this has contributed to the imbalance between demand and supply on the housing market. This imbalance is particularly noticeable in the market for rented property.

The negative trend, particularly within the telecom and IT sector, has not affected the Gothenburg region as strongly as the Stockholm region as the Gothenburg region has a more diversified industrial and commercial structure. On the other hand, the rental trend for commercial premises has stagnated.

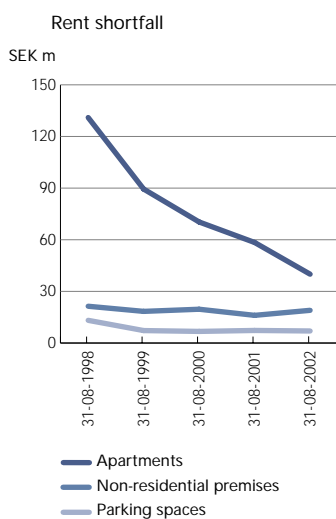
Rental income and vacant property

Rental income for the period increased by SEK 94 million compared with the same period last year and totalled SEK 2,508 million. The bulk of the increase can be attributed to the rent increases that took place during 2002. Rents within the Group's companies have risen by 1.6%-2.6%.

A small number of properties have been acquired during the period. Income from these is approximately SEK 8 million.

Summary

- Profit after financial items SEK 190 million (156).
- The number of vacant apartments totalled 160, equivalent to 0.2% (226, 0.3%).
- Group investments during the period totalled SEK 742 million (528).



The rent shortfall has decreased by SEK 15 million. For apartments, the rent shortfall has decreased by SEK 18 million as a result of lower costs for vacant properties, vacated properties and reduced discounts.

The number of vacant apartments as of August 31st was 160 (226), equivalent to 0.2% (0.3%). The vacant apartments are to be found mainly in the north-eastern parts of the city, where there are 97 (133) apartments. The vacancy level for non-residential property as of August 31st was 8.3% (7.9%).

Vacant apartments

	31-08-2002	31-08-2001	31-12-2001
Poseidon	51	68	51
Bostadsbolaget	39	68	38
Familjebostäder	13	4	9
Gårdstensbostäder	52	80	78
HjällboBostaden	5	6	9
Egnahemsbolaget	0	0	0
Total	160	226	185

Rental negotiations for 2003 will commence later in the autumn.

Financial results

Profit after financial items totalled SEK 190 million, which is an improvement of SEK 34 million compared with the same period last year.

The increase in income of SEK 100 million is, as stated above, largely attributable to the rent increase that took place during 2002, a fall in the loss of rental income and a number of smaller property acquisitions.

Operating costs have increased by SEK 42 million to SEK 1,057 million. This is equivalent to approximately SEK 16/m² or just over 3%. Part of the cost increase is attributable to property acquisitions. Otherwise, increased charges, primarily for refuse collection and electricity together with increased costs for janitorial services, make up the cost increase.

Maintenance costs totalled SEK 325 million, which is SEK 24 million lower than the same

period in the preceding year. The figure of SEK 325 million includes extra maintenance decided within Gårdstensbostäder and HjällboBostaden and rebuilding of the square facilities within GöteborgsLokaler at a total cost of SEK 80 million. The extra maintenance is expected to amount to SEK 136 million for the full year. The total planned maintenance costs for 2002 is estimated to be approximately SEK 30 million below the planned maintenance costs for 2001.

Property tax fell by SEK 10 million as a result of a reduced tax rate, which was decided during the latter half of 2001.

Central costs increased by SEK 5 million and total SEK 74 million for the reported period. Net financial items amounted to SEK -503 million (SEK -492 million), of which the interest subsidy accounted for SEK 14 million (SEK 18 million).

Investments

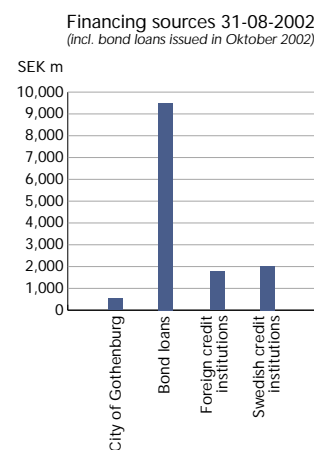
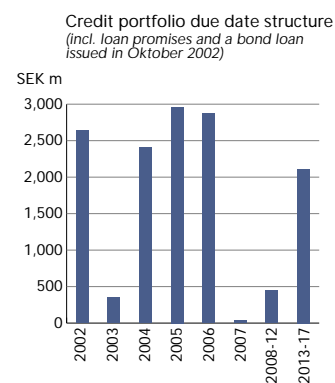
Investments during the period totalled SEK 742 million (SEK 528 million) and refer, among other things, to new construction at the Sannegård Harbour and on the Jankowitz block, acquisition of properties in Hammarkullen and Gamlestaden, current reconstruction of, among other things, Gånglåten, Jättesten, Tuve, Daggdroppegatan and Klimatgatan as well as in Hjällbo and Gårdsten.

During the period a decision was reached to acquire 734 apartments in Gårdsten. The purchase price was SEK 200 million and the closing date is September 1st, 2002.

Financial position and liquid funds

The Framtiden Group equity as of August 31st totalled SEK 5,490 million (3,972), which gives a reported equity ratio of 25.6% (20.7%).

The Group's total borrowing volume as of August 31st, 2002 was SEK 13,830 million (13,667). The average interest tie-up period for the Group's loan portfolio was 2.23 years



(2.00). The equivalent interest tie-up period at the year-end was 2.08 years. The average interest regarding net exposure totalled 5.24% (5.07%). The Group's average financing cost during the period totalled 5.63%, excluding the interest subsidy and 5.48%, including the interest subsidy.

Interest exposure August 31st, 2002

Year	Net exposure, SEK m	Average rate of interest, %	Premium, SEK m	Average rate of interest incl. premium, %
2002	4,602	4.61	18.7	5.02
2003	168	4.79	15.6	14.07
2004	2,730	5.27	2.5	5.36
2005	3,321	5.90	-6.7	5.70
2006	1,760	5.27	-7.1	4.86
2007	253	5.52	-2.2	4.65
2008	131	5.63	0.2	5.78
2009 -12	751	5.90	1.2	6.06
Total	13,716	5.24	22.2	5.40

Events after the end of the period

In September 2002, the raising of loans on the European capital market commenced through the issue of a five-year bond loan for EUR 275 million, equivalent to SEK 2.5 billion, mainly for the refinancing of existing loans. The issue, which was concluded in October and which was implemented by a company formed specially for this purpose within the Group, Framtiden Multi-Family Housing Finance No 4 AB (publ), was heavily over-subscribed and well distributed throughout Europe. The loans repaid in conjunction with the issue were the Group's syndicated bank loans and domestic bank loans. In addition, the issue resulted in a certain increase in the Group's liquid funds. The bond issue contributed to increasing the Group's average repayment period for existing loans to just under year.

Parent company

The parent company's net sales totalled SEK 15.4 million (SEK 14.7 million) and refer to invoicing to subsidiaries for Group costs. The company's pre-tax result was SEK -9.8 million (-7.0). The financial results are affected by an interest expense of SEK -10.1 million (-6.4).

The parent company had 9 (8) employees.

Personnel

The number of employees within the Group was 925 (929).

Forecast for the full year 2002

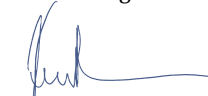
The profit after financial items, excluding items affecting comparability, is estimated at just over SEK 190 million for the full year. During the autumn, approximately 20 people within Bostadsbolaget will be offered contractual early retirement. If they all accept the offer this will entail a cost of just over SEK 20 million, which will be reported as an item affecting comparability.

At the end of the year there can be a reversal of write-downs made previously. The amount is currently not known as any reversals are based on the valuation of the Group's property holdings at the turn of the year. The Group's investments are estimated at just over SEK 1.5 billion for the full year.

Accounting principles

The accounting principles and computation methods are the same as those used in the most recent annual report.

Gothenburg, October 17, 2002



Kurt Eliasson
Managing Director

Income statement (SEK m)

	01-01-2002 --31-08-2002	01-01-2001 --31-08-2001	01-01-2001 --31-12-2001
Rental revenue	2,508	2,414	3,629
Property management revenue	105	99	151
	2,613	2,513	3,780
Property management expenses			
Operating expenses	-1,057	-1,015	-1,567
Maintenance expenses	-325	-349	-597
Property tax	-88	-98	-109
	-1,470	-1,462	-2,273
Operating surplus	1,143	1,051	1,507
Depreciation in property administration	-385	-346	-524
Gross income	758	705	983
Central costs (incl. depreciation)	-74	-69	-108
Items affecting comparability	-3	2	1,881
Other operating income	63	93	199
Other operating expenses	-51	-83	-173
Operating income	693	648	2,782
Net financial items	-503	-492	-736
PROFIT AFTER FINANCIAL ITEMS	190	156	2,046
Tax on income for the period	-45	-55	-572
NET INCOME FOR THE PERIOD	145	101	1,474

Balance sheet (SEK m)

	31-08-2002	31-08-2001	31-12-2001
ASSETS			
Fixed assets			
Tangible assets	20,888	18,338	20,621
Financial assets	56	61	56
	20,944	18,399	20,677
Current assets	502	801	834
Total assets	21,446	19,200	21,511
EQUITY AND LIABILITIES			
Equity	5,490	3,972	5,345
Provisions	1,108	646	1,248
Loan liabilities (interest-bearing)	13,830	13,667	13,642
Operating liabilities (non-interest-bearing)	1,018	915	1,276
Total equity and liabilities	21,446	19,200	21,511
Pledged assets and contingent liabilities	13,422	13,474	14,239

Changes in Group equity (SEK m)

	01-01-2002 --31-08-2002	01-01-2001 --31-08-2001	01-01-2001 --31-12-2001
Opening equity according to the balance sheet as at January 1st	5,345	3,951	4,075
Effect of change in accounting principle	-	-	-124
Adjusted opening balance	5,345	3,951	3,951
Profit for the period	145	101	1,474
Dividend	-	-80	-80
Closing amount for the period	5,490	3,972	5,345

Cash flow statement (SEK m)

	01-01-2002 --31-08-2002	01-01-2001 --31-08-2001	01-01-2001 --31-12-2001
Cash flow from current operations	688	186	980
Cash flow from investment operations	-742	-530	-1,011
Cash flow from financing operations	-224	332	49
CASH FLOW FOR THE YEAR	-278	-12	18
Liquid funds at the start of the year	392	374	374
Liquid funds at the end of the period	114	362	392

Profit after net interest income and expense per company (SEK m)

	01-01-2002 --31-08-2002	01-01-2001 --31-08-2001	01-01-2001 --31-12-2001
Poseidon	94	64	1 125
Bostadsbolaget	50	77	502
Familjebostäder	98	73	550
Gårdstensbostäder	-33	-18	-44
HjällboBostaden	-29	-37	-29
Parkeringsbolaget	25	25	26
Egnahemsbolaget	2	3	10
GöteborgsLokaler	-7	-18	-76
Scandinavium	-1	-7	-8
Total, subsidiaries	199	162	2 056
Parent company	-10	-7	-12
Elimination	1	1	2
Group total	190	156	2 046

Group key ratios

	31-08-2002	31-08-2001	31-12-2001
Cash flow, SEK m	577	504	724
Investments, SEK m	742	528	1,044
Equity ratio, %	25.6	20.7	24.8
Vacancy rate, apartments, %	0.2	0.3	0.3

Definitions

Cash flow: Profit after financial items plus depreciation.

Equity ratio: Reported equity in relation to total assets.

Vacancy rate, apartments: Number of vacant apartments as a percentage of the number of apartments available for rent.

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