

Interim Report, 1 January – 31 March 2001

- **Pre-tax profit amounted to SEK 38m (29m), of which profits from property sales made up SEK 19m (6m).**
- **Management profit totalled SEK 18m (23m). Raised energy costs and interest expense meant that management profit was lower than in the previous year.**
- **The letting ratio for the period was 97.5 (96.7) per cent.**
- **Further property acquisitions and sales have strengthened Mandamus' profile as a housing company with a focus on growth areas. Residential properties now make up 84% of the property stock, and properties in growth areas 69%.**
- **The whole-year forecast has been raised by SEK 20m to roughly SEK 160m before tax.**

Mandamus is a property company that seeks to own, develop and manage high-yield residential properties, mainly in growth areas in Southern and Central Sweden.

OPERATIONS IN THE FIRST QUARTER OF 2001

Operations strongly oriented towards growth areas

During the first quarter of the year, Mandamus continued to focus on growth areas and specialise in housing properties. With a completion date of 2 April, two residential property stocks in southern Greater Stockholm were purchased for a total of SEK 466m. Altogether, the acquisition comprised 1,355 housing units with a total rentable area of 104,400 m². This further strengthens Mandamus' market position in the Greater Stockholm area. At 31 March, Mandamus was managing 6,045 dwelling units in Greater Stockholm, corresponding to 45 per cent of the company's total number of units. In addition, 17 properties in seven municipalities were sold for SEK 157m during the period under review. The properties sold comprised a total of some 38,500 m², of which commercial premises accounted for 19,600 m². At 31 March, 69 per cent of the property stock was located in Mandamus' defined growth areas, and residential properties made up 84 per cent.

Rent and profit trends

Rental income amounted to SEK 204m (204m), representing an unchanged level compared with the previous year. Contractual rent rises for 2001 relating to a high proportion of the stock of housing units will not affect rental income until the second quarter. The average economic letting ratio during the quarter was 97.5 (96.7) per cent. At 31 March, the economic letting ratio for residential property was 99.1 per cent, which shows very strong demand for housing in the growth areas.

After deduction of property costs, net trading profit was SEK 90m (90m). Raised energy taxes and oil prices, combined with a colder first quarter than in the previous year, boosted energy costs by some 8 per cent, or SEK 3m, compared with the corresponding period in the previous year. Operating costs in the first quarter generally exceed those for the other quarters of the year, owing to high heating costs. The surplus ratio for the latest 12-month period was 51.3 per cent, which is 1.1 percentage points higher than in the corresponding period in 2000.

Property depreciation totalled SEK 13m (12m) and central administrative expense just over SEK 4m (5m). Interest expense amounted to SEK 54m (51m), SEK 2m more than previously owing to a higher loan volume and SEK 2m more owing to higher average interest rates. Management profit, i.e. profit before items affecting comparability, such as disposal profit and interest contributions, amounted to SEK 18m, (23m). The decrease compared with the previous year is entirely due to higher energy costs and higher interest expense. Management profit for the past 12-month period (on a rolling 12-month basis) totalled SEK 134m, SEK 10m higher than in the corresponding period in the previous year. The table below shows management profit per quarter and rolling 12-month profit.

Quarterly outcome	Q1	Q2	Q3	Q4	Whole year
Rental income, SEK m					
2001	204				
2000	204	204	211	209	828
1999	196	193	201	204	794
1998	127	127	125	168	547
Management profit, SEK m					
2001	18				
2000	23	37	53	26	139
1999	14	33	45	23	115
1998	8	20	19	11	58
Gross margin, %					
2001	8.8				
2000	11.3	18.1	25.1	12.4	16.8
1999	7.1	17.1	22.4	11.3	14.5
1998	6.3	15.7	15.2	6.5	10.6

Profit from property disposals implemented during the first quarter amounted to SEK 19m (6m), representing an average profit of some 14 per cent on the book value of the properties sold. Interest contributions continued to decrease, and totalled just under SEK 1m (2m) during the period.

Pre-tax profit, which includes such items affecting comparability as profits from property sales and interest contributions, amounted to SEK 38m (31m).

Profit after estimated tax amounted to SEK 27m (23m), corresponding to earnings per share of SEK 1.35 (1.12).

Restructured and concentrated property stock

At 31 March 2001, the group had properties with a book value of SEK 5,754m (5,427m), representing a rise of just over 6 per cent.

During the first quarter of 2001, two residential property stocks comprising 37 properties were purchased for SEK 466m. In the same period, 17 properties with a book value of SEK 138m were sold. There was a further reduction in the number of properties owned during the quarter, through property adjustments whereby a number of properties were joined together. Investments in the existing property stock during the quarter amounted to SEK 7m (12m).

Since Mandamus' admission to the stock exchange three years ago, the property stock has almost doubled. This has taken place while the stock has also been restructured and concentrated in growth areas. At the time of quotation, 35 per cent of the property stock in terms of book value was located in growth areas; this proportion has now risen to 69 per cent. Moreover, 387 properties have been sold since quotation, and the properties that have been owned since that date currently make up only 23 per cent of the property stock in terms of book value.

Change in property holdings	Book value, SEK m	Number	Rentable area, 1,000 m ²
At 15 June 1998	2,957	547	919
Properties sold	-1,660	-387	-524
Remaining stock	1,297	160	395
Properties acquired	4,332	171	846
Investments/property regulation	268	-12	-
Depreciation/write-downs	-146	-	-
Changes in exchange rates	3	-	-
At 31 March 2001	5,754	319	1,241

Financial position

At 31 March 2001, the company had interest-bearing liabilities of SEK 3,853m (3,742m). Of these liabilities, SEK 9m (20m) were in foreign currencies. The loan portfolio has an average fixed-interest term of 2.0 (1.9) years, and average interest was 5.81 per cent (5.55). Net debt at 31 March 2001 amounted to SEK 3,757m (3,714m). At 31 March the group had SEK 416m (280m) in confirmed unutilised credit pledges.

At 31 March, non-interest-bearing liabilities amounted to SEK 660m (218m). This figure does not include the purchase price of SEK 466m paid for the property stock that was acquired with completion on 2 April. From this date, interest-bearing liabilities will rise by SEK 466m and non-interest-bearing liabilities will be reduced by a corresponding amount. The purchase price was financed by two long-term loans for a total of SEK 370m and also by utilisation of existing credit limits. The average rate of interest on the total loan portfolio will be 0.06 percentage point lower than the average interest rate at 31 March 2001.

Loan structure, fixed-interest terms until (year)	Loans, SEK m	Average interest, %	% of loans
2001	1,183	5.41	31
2002	781	5.87	20
2003	1,086	6.10	28
2004	281	5.82	7
2005	272	6.06	7
2006	175	5.87	5
2007–	75	6.06	2
Total	3,853	5.81	100

The visible equity ratio was 21.8 (26.0) per cent at 31 March. Since year-end 2000, the equity ratio has fallen by 1.2 percentage point, mainly as a result of net property acquisitions for the period. If the annual general meeting resolves on a dividend of just under SEK 80m, or SEK 4 per share, in accordance with the Board's proposal, the equity ratio will instantaneously be reduced to 20.5 per cent. Profit for the remainder of the year, according to the current forecast, will improve to around 22 per cent at year-end.

Forecast

In the light of profits for the first quarter and current contracts for the sale of properties in the month of April, pre-tax profit for the year is expected to reach around SEK 160m. This profit forecast represents a rise of around SEK 20m in relation to the forecast made previously, owing to disposal profit from additional property sales during the period. This profit forecast may be adjusted as a result of disposal profits from further property sales during the year.

Stockholm, 26 April 2001

Anders Johansson
Managing Director

This interim report has not been examined by the company's auditors.

GROUP PROFIT AND LOSS ACCOUNT	2001	2000	2000
Figures in SEK m	3 months	3 months	whole year
Rental income	204	204	828
<i>Property expense</i>			
Operating costs	-74	-64	-222
Repairs and maintenance	-16	-21	-76
Ground rent	-1	-2	-6
Property tax	-7	-9	-32
Property management	-16	-18	-67
<i>Total property expense</i>	-114	-114	-403
Trading profit	90	90	425
Depreciation on properties	-13	-12	-49
Gross profit	77	78	376
Central administration	-4	-5	-19
Profit from property sales	19	6	76
Operating profit	92	79	433
Interest contributions	1	2	7
Financial income	0	1	2
Financial expense	-55	-51	-220
Net interest income/expense	-54	-48	-211
Pre-tax profit	38	31	222
Tax expense	-11	-8	-60
Net profit for the period	27	23	162

GROUP BALANCE SHEET	2001	2000	2000
Figures in SEK m	31 March	31 March	31 December
Assets			
Properties	5,754	5,427	5,432
Other tangible fixed assets	9	9	9
Financial fixed assets	6	5	6
Other current assets	104	70	84
Liquid funds	90	23	19
Total assets	5,963	5,534	5,550
Shareholders' equity and liabilities			
Total shareholders' equity	1,302	1,437	1,275
Minority interest	0	0	0
Provisions	148	137	151
Interest-bearing liabilities	3,853	3,742	3,925
Non-interest-bearing liabilities	660	218	199
Total shareholders' equity and liabilities	5,963	5,534	5,550

GROUP CASH FLOW STATEMENT	2001	2000	2000
Figures in SEK m	3 months	3 months	whole year
Cash flow before change in working capital	21	29	135
Change in working capital	441	-223	-236
Cash flow from operations	462	-194	-101
Property acquisitions	-466	-18	-336
Property sales	157	30	426
Current investments	-7	-12	-63
Provisions made	-3	-	-4
Cash flow from investments	-319	0	23
Dividend paid	-	-	-272
Buy-back of own shares	-	-	-29
Cash flow from/to shareholders	-	-	-301
Total cash flow	143	-194	-379
Opening net debt	-3,900	-3,520	-3,520
Total cash flow	143	-194	-379
Exchange-rate effect on debts in foreign currency	0	0	-1
Closing net debt	-3,757	-3,714	-3,900

Property stock by region	Rentable area, 1,000 m ²	Rental income, SEK m	Economic letting ratio, %	Book value, SEK m
Skåne	230	39	97.7	1,010
Småland / Halland	165	29	98.0	698
Väst	301	53	96.6	1,414
Öst	539	82	98.2	2,623
Total, Sweden	1,235	203	97.6	5,745
Abroad	6	1	62.7	9
Total	1,241	204	97.5	5,754
Percentage in growth areas	64	63	99	69
Percentage in housing properties	80	82	98	84

KEY FIGURES	2001 3 months/ 31 March	2000 3 months/ 31 March	2000 whole year/ 31 December
Properties' book value, SEK m	5,754	5,427	5,432
Economic letting ratio, %	97.5	96.7	97.0
Area letting ratio, %	97.0	96.3	97.1
Surplus ratio*, %	51.3	50.2	51.3
Gross margin*, %	16.2	15.5	16.8
Equity ratio, %	21.8	26.0	23.0
Debt/equity ratio, times	3.0	2.6	3.1
Pledge ratio, %	67	69	72
Interest-coverage ratio, times	1.35	1.49	1.66
Average interest on loans, %	5.81	5.55	5.77
Book property value per m ² , SEK	4,637	4,352	4,623

* Rolling 12-month basis.

Definitions

Cash flow: cash flow before change in working capital.

Economic letting ratio: rental income and rental losses in relation to rental value.

Gross margin: management profit in relation to rental income.

Interest-coverage ratio: pre-tax profit, excluding profit from property sales and financial expense, in relation to financial expense.

Management profit: Pre-tax profit excluding items affecting comparability, such as disposal profit, write-downs, quotation expense and interest contributions.

Net debt: interest-bearing liabilities less long-term claims and liquid funds.

Pledge ratio of properties: interest-bearing liabilities in relation to the properties' book value.

Surplus ratio: trading profit in relation to total rental income.

Share price, 15 June 1998 – 18 April 2001

KEY FIGURES PER SHARE	2001 3 months/ 31 March	2000 3 months/ 31 March	2000 whole year/ 31 December
Closing share price, SEK	58.00	67.50	65.50
Shareholders' equity, SEK	65.37	69.95	64.01
Earnings after tax, SEK	1.35	1.12	8.02
P/E ratio*	7.1	6.8	8.2
Share price in relation to visible equity, %	89	96	102
Closing number of shares ('000)	19,918	20,542	19,918
Average number of shares ('000)	20,046	20,542	20,202
Company's holdings of bought-back shares ('000)**	624	-	624
Closing market value, SEK m	1,155	1,387	1,305

* Rolling 12-month figure. ** Total holdings of Mandamus shares, numbering 624,400, correspond to 3.04 per cent of the number of shares issued.

Shareholders at 31 December 2001	% of votes and capital
LRF Group	17.1
Nordico Fonder	10.3
Skandia	4.9
Akademiinvest	3.8
Volvo foundations	3.5
Independent savings banks	2.7
Alecta (formerly SPP)	1.8
Mandamus' management	1.2
Savings-bank foundations	1.1
Länsförsäkringar unit trusts	1.1
Total (10 owners)	47.5
Foreign shareholders	7.1
Other shareholders	45.4
Total	100.0

Financial information

Interim accounts for January–June	7 August 2001
Interim accounts for January–September	23 October 2001
Summarised financial statements for 2001	8 February 2002

Please address your queries concerning this interim report to Managing Director Anders Johansson or Deputy Managing Director Bengt Evaldsson, +46 8 556 130 00.

Address (head office):

Mandamus Fastigheter AB, (Englundavägen 7), Box 12, SE-171 18 Solna, Sweden

Tel: +46 8 566 130 00 Fax: +46 8 566 130 99 E-mail: mandamus@mandamus.se

Website: www.mandamus.se

Mandamus Fastigheter AB (publ)

Corporate identity number 556549-6360

The registered office of the Board is in Stockholm.