



# Interim Report

JANUARY - MARCH 2011, JM GROUP

## 1/2011



Silverdal, Sollentuna

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## Continued good demand in JM's main markets

- ♦ Revenues amounted to SEK 2,547m (1,708), including an impact on revenue of SEK 56m (-205) due to restatement according to IFRIC 15. Revenue according to segment reporting shows an increase of SEK 578m (-206)
- ♦ The number of residential units sold increased to 840 (757) and housing starts increased to 908 (749)
- ♦ Profit before tax improved to SEK 265m (93) including an impact on revenue of SEK 1m (-29) due to restatement according to IFRIC 15. Profit after tax improved to SEK 187m (63). The operating margin increased to 11.0 percent (7.1)
- ♦ Return on equity for the past twelve months increased to 18.5 percent (10.8). Earnings per share during the first quarter amounted to SEK 2.20 (0.80)
- ♦ Consolidated cash flow including net investment in properties was SEK -65m (-88).

The Group applies *IFRIC 15 Agreements for the Construction of Real Estate* for its income statement and balance sheet commencing in 2010. IFRIC 15 only changes reporting of revenue and profit and loss for JM's operations outside Sweden, JM International. Segment reporting and project management remain unchanged according to IAS 11, percentage of completion method. The description of operations is based on segment reporting.

SEK m	January - March 2011	January - March 2010	April - March 2010/11	Full year 2010
Income	2,547	1,708	9,975	9,136
Operating profit	279	122	1,064	907
Profit before tax	265	93	1,012	840
Cash flow from operating activities	-65	-88	65	42
Operating margin (%)	11.0	7.1	10.7	9.9
Return on equity (%)			18.5	15.7
Equity/assets ratio (%)	40	36		40
Earnings per share (SEK)	2.20	0.80	8.60	7.10
Number of residential units sold	840	757	3,359	3,276
Number of housing starts	908	749	3,563	3,404

## GROUP

"Demand continues to be good for JM's housing in our main markets. Good sales and reservations have allowed us to continue to increase the number of housing starts in new residential projects and we now have 6,000 residential units in current production.

Even moving forward, conditions for our business continue to be good, with factors such as large population increases in the markets where we are active. We are dynamically positioned with financial strength and a very good project portfolio that continues to be refined and renewed.

Johan Skoglund, President and CEO.

### Market, sales and housing starts

Demand for newly built homes continues to be good in JM's main markets in Sweden and Norway. In Denmark demand has improved somewhat over the past year.

Sales have continued to be good. The improved economy and population growth in our main markets, coupled with the continued low interest rates, support demand for housing.

The number of residential units sold in the form of signed contracts was 840 (757), of which 0 (45) involve rental project. The percentage of sold or reserved homes in relation to current production amounts to 79 percent (83), with an interval of about 60-65 percent considered normal. JM Residential Stockholm sold 395 (358) residential units, JM Residential Sweden sold 320 (225) and JM International 125 (174).

The number of housing starts increased to 908 (749), including 428 (364) in the Stockholm area and 327 (221) elsewhere in Sweden. Housing starts in international operations totaled 153 (164). Residential housing starts include 0 (45) rental units. The rate at which housing starts increase depends on the ability to ensure arrangements to allocate personnel resources to handle larger production volumes, with new employees being hired continuously according to plan. The number of residential units in current production amounts to 5,957 (4,392).

### Income, operating profit and operating margin

The Group's reported revenue for the first quarter amounted to SEK 2,547m (1,708), including an impact on revenue of SEK 56m (-205) due to restatement according to IFRIC 15. Revenue according to segment reporting shows an increase of SEK 578m (-206).

Operating profit increased to SEK 279m (122) and the operating margin increased to 11.0 percent (7.1). Restatement according to IFRIC 15 had an impact on profit of SEK 1m (-29). The improvement in earnings and margins is due to the higher level of sales and housing starts during the past year and a higher price level for the projects.

During the first quarter gains on the sale of properties amounted to SEK 2m (7). Rental income from JM's project properties totaled SEK 17m (15), with residential properties accounting for SEK 0m (0). Net operating income was SEK 6m (-3).

	January - March		April - March	Full year
Operating profit, SEK m	2011	2010	2010/11	2010
JM Residential Stockholm	183	112	705	634
JM Residential Sweden	68	34	253	219
JM International	24	1	71	48
JM Property Development	1	1	12	12
JM Production	13	14	90	91
Group-wide expenses	-11	-11	-35	-35
Total as stated in segment reporting	278	151	1,096	969
Restatement JM International <sup>1)</sup>	1	-29	-32	-62
<b>Total <sup>2)</sup></b>	<b>279</b>	<b>122</b>	<b>1,064</b>	<b>907</b>

<sup>1)</sup> Effect of restatement on income and profit and loss according to IFRIC 15 in relation to segment reporting.

<sup>2)</sup> Including property sales

	January - March		April - March	Full year
Operating margin (%)	2011	2010	2010/11	2010
JM Residential Stockholm	17.5	14.8	17.1	16.6
JM Residential Sweden	8.6	6.3	8.4	8.0
JM International	5.8	0.3	4.3	3.1
JM Production	3.7	4.0	6.0	6.1

<b>Residential units in current production</b>	<b>2011-03-31</b>	<b>2010-03-31</b>	<b>2010-12-31</b>
Number of residential units in current production <sup>1)</sup>	5,957	4,392	5,431
Percentage sold residential units in current production (%) <sup>2)</sup>	65	60	64
Percentage reserved residential units in current production (%)	14	23	18
Percentage sold and reserved residential units in current production (%)	79	83	82

<sup>1)</sup> Beginning with production startup through final occupancy according to plan.

<sup>2)</sup> Percentage sold residential units expressed as binding contract with end customer.

<b>Completed production, unsold units</b>	<b>2011-03-31</b>	<b>2010-03-31</b>	<b>2010-12-31</b>
Completed production, number of unsold units <sup>1)</sup>	44	113	44
- Including the balance sheet item reported as "Participations in tenant-owners associations, etc."	39	107	40

<sup>1)</sup> After final occupancy according to plan.

## Building rights

JM's available building rights amount to 26,300 residential units (27,600) of which 17,600 (18,400) are recognized on the balance sheet. Capital tied up in building rights (development properties on the balance sheet) for residential units increased to SEK 5,533m (4,885) at the end of the first quarter.

During the first quarter JM acquired development properties for residential units for SEK 415m (249), of which SEK 177m relates to JM Residential Stockholm, SEK 109m to JM Residential Sweden and SEK 129m to JM International.

## Financial items

Net financial items improved by SEK 15m year on year mainly due to lower interest-bearing debt. Financial income and expenses during the first quarter include revaluation and currency hedging of intragroup claims on JM International with a net effect on net interest income of SEK 0m (-4).

<b>SEK m</b>	<b>January - March</b>		<b>April - March</b>	<b>Full year</b>
	<b>2011</b>	<b>2010</b>	<b>2010/11</b>	<b>2010</b>
Financial income <sup>1)</sup>	9	20	40	51
Financial expenses <sup>2)</sup>	-23	-49	-92	-118
<b>Financial income and expenses</b>	<b>-14</b>	<b>-29</b>	<b>-52</b>	<b>-67</b>
<sup>1)</sup> Including revaluation and currency hedging	2	19	15	32
<sup>2)</sup> Including revaluation and currency hedging	-2	-23	-12	-33

The total interest-bearing loan was SEK 1,342m (2,075), of which the provision for pensions comprised SEK 591m (573). At the end of the first quarter the average interest rate for the total loan stock, including pension liabilities was 3.6 percent (4.0). The average term for fixed-rate loans excluding pension liabilities was 0.2 years (0.1).

The Group's available liquidity was SEK 4,824m (4,990). Aside from cash and cash equivalents of SEK 2,024m (2,190), this includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800) where credit agreements for SEK 2,400m have an average maturity of 2.4 years.

Interest-bearing receivables totaled SEK 683m (115) at the end of the first quarter. At the end of the first quarter non interest-bearing liabilities for implemented property acquisitions amounted to SEK 614m (277). Of these liabilities, SEK 416m (132) are short-term.

SEK m	January - March 2011	March 2010	April - March 2010/11	Full year 2010
<b>Interest-bearing net liabilities(+)/ receivables(-) at beginning of period</b>	<b>-730</b>	<b>-189</b>	<b>-115</b>	<b>-189</b>
Change in interest-bearing net liabilities/receivables	47	74	-568	-541
<b>Interest-bearing net liabilities(+)/ receivables(-) at end of the period</b>	<b>-683</b>	<b>-115</b>	<b>-683</b>	<b>-730</b>

### Cash Flow

Cash flow from operating activities totaled SEK -65m (-88) during the first quarter. Net investments in development properties resulted in a cash flow of SEK -100m (1). Decreased holdings of unsold residential units on the balance sheet contributed SEK26m (41). The Group's cash flow from project properties (sales minus investment) during the first quarter totaled SEK -72m (-22). A tax payment of SEK 43m (150) attributable to 2010 was charged against the quarter.

### Risk and uncertainties

JM's risk and risk management policies are presented in the 2010 annual report on pages 38-41. No significant changes have occurred to change these reported risks.

### Employees

The number of employees at the end of the first quarter was 2,171 (1,868). The number of wage-earners was 1,042 (886) and the number of white collar employees 1,129 (982). The number of employees is increasing according to plan in order to handle growth in production volume.

## BUSINESS SEGMENT

### JM RESIDENTIAL STOCKHOLM

*The JM Residential Stockholm business segment develops residential projects in Greater Stockholm. Operations include acquisitions of development properties, planning, pre-construction, production and sales of residential units.*

SEK m	January - March		April - March	Full year
	2011	2010	2010/11	2010
Income	1,045	756	4,113	3,824
Operating profit <sup>1)</sup>	183	112	705	634
Operating margin (%)	17.5	14.8	17.1	16.6
Average operating capital			1,843	1,776
Return on operating capital (%)			38.3	35.7
Operating cash flow	101	132	-65	-34
Carrying amount, development properties	2,679	2,122		2,562
Number of available building rights	10,700	10,700		11,100
Number of residential units sold <sup>2)</sup>	395	358	1,445	1,408
Number of housing starts <sup>3)</sup>	428	364	1,668	1,604
Number of residential units in current production	2,931	2,126		2,691
Number of employees	764	647		740
<sup>1)</sup> Including property sales	-	-	2	2
<sup>2)</sup> Of which rental apartments	-	45	166	211
<sup>3)</sup> Of which rental apartments	-	45	166	211

Demand for housing continues to be good. The supply of housing on the existing home market is on a par with the previous year after a normal downward seasonal adjustment. Starting bid prices are substantially higher than the same period in 2010, while time to closing has increased. The supply of new homes continues to be low in relation to long-term demand in the Stockholm area.

Interest in JM projects is strong, with solid sales during the first quarter.

The business segment's income increased to SEK 1,045m (756) and operating profit increased to SEK 183m (112). Operating margin was 17.5 percent (14.8). The increased income is a result of the larger number of residential units in current production and the improved operating margin is mainly attributable to higher prices in the projects.

Cash flow is in balance, taking the investment level in development properties into account.

During the first quarter JM acquired building rights equivalent to about 180 residential units in Täby and the City of Stockholm.

JM started production during the first quarter on a total of 428 residential units in apartment blocks in Stockholm, Solna, Sundbyberg and Täby.

## JM RESIDENTIAL SWEDEN

*The JM Residential Sweden business segment develops residential projects in growth areas in Sweden, excluding Greater Stockholm. Operations include acquisitions of development properties, planning, pre-construction, production and sales of residential units. Contracting operations are also conducted to a limited extent.*

SEK m	January - March 2011	January - March 2010	April - March 2010/11	Full year 2010
Income	792	541	3,000	2,749
Operating profit <sup>1)</sup>	68	34	253	219
Operating margin (%)	8.6	6.3	8.4	8.0
Average operating capital			1,469	1,471
Return on operating capital (%)			17.2	14.9
Operating cash flow	46	122	236	312
Carrying amount, development properties	1,539	1,518		1,497
Number of available building rights	8,900	10,100		9,600
Number of residential units sold	320	225	1,302	1,207
Number of housing starts	327	221	1,336	1,230
Number of residential units in current production	1,953	1,371		1,708
Number of employees	589	467		578
<sup>1)</sup> Including property sales	-	-	0	0

Demand for housing continues to be good. The supply of housing on the existing home market is on a par with the previous year after a normal downward seasonal adjustment, except in Skåne where the supply exceeds 2010 levels. Starting bid prices have increased in Gothenburg and Uppsala. In other parts of the business segment prices are on a par with the previous year, however time to closing has increased.

Interest in JM projects is strong, with solid sales during the first quarter.

The business segment's income increased to SEK 792m (541) and operating profit increased to SEK 68m (34). Operating margin increased to 8.6 percent (6.3). The increased volume is a result of the larger number of residential units in current production and the improved operating margin is mainly attributable to higher prices in the projects.

The increased operating capital has had a negative impact on cash flow.

During the first quarter JM acquired building rights equivalent to about 400 residential units in Malmö, Kungälv and Örebro.

JM started production during the first quarter on a total of 260 residential units in apartment blocks in Malmö, Lund, Gothenburg, Linköping, Västerås and Uppsala as well as 67 single-family homes in Malmö and Uppsala.

## JM INTERNATIONAL

The JM International business segment develops and sells residential properties in Norway, Denmark, Finland and Belgium. Revenue recognition for the business segment is reported according to IAS 11, percentage of completion method.

SEK m	January - March 2011	January - March 2010	April - March 2010/11	Full year 2010
Income	417	336	1,651	1,570
Operating profit	24	1	71	48
Operating margin (%)	5.8	0.3	4.3	3.1
Average operating capital			1,774	1,838
Return on operating capital (%)			4,0	2.6
Operating cash flow	25	-75	336	236
Carrying amount, development properties	1,315	1,245		1,255
Carrying amount, project properties	33	35		34
Number of available building rights	6,700	6,800		6,800
Number of residential units sold	125	174	612	661
Number of housing starts	153	164	559	570
Number of residential units in current production	1,073	895		1,032
Number of employees	260	241		250

The business segment's income increased to SEK 417m (336). Operating profit increased to SEK 24m (1) and operating margin to 5.8 percent (0.3). The improvement in profit and operating margin can be attributed to better demand, increased project volume and a more stable market.

The positive cash flow for the first quarter can be explained by the improved operating profit and decreased operating capital.

### Norway

Demand for newly built homes and homes on the existing home market continued to be good. The supply of homes for sale in the market has stabilized at a relatively high level. The price level on the existing home market increased during the first quarter.

During the first quarter JM sold 120 residential units (156) and started production on 153 residential units (164). Housing starts include 135 residential units in apartment buildings in Oslo, Bergen, and Stokke, as well as 18 single-family homes in Bærum and Drammen. The number of residential units in current production is 932 (863).

During the first quarter JM acquired building rights equivalent to about 90 residential units in Oslo and Porsgrunn. Available building rights correspond to 4,900 residential units (4,800).

### Denmark

The Copenhagen housing market is characterized by low activity after some improvement in demand. Banks continued their restrictive lending practices, which offset the positive effect of low interest rates.

During the first quarter 5 residential units (15) were sold, and construction began on 0 (0) units. The number of residential units in current production is 62 (0). No acquisitions were made during the first quarter. Available building rights correspond to 750 residential units (900).

### Finland

Activity on the housing market in Helsinki stabilized at a higher level. Interest in newly built homes is strong. Prices have been increasing at a slower pace over the past few quarters.

During the first quarter 0 residential units (0) were sold, and construction began on 0 (0) units. The number of residential units in current production is 31 (0). No acquisitions were made during the first quarter. Available building rights correspond to 150 residential units (100).

### Belgium

In the Brussels region, where JM has its operations, activity in the housing market stabilized at a higher level.

During the first quarter 0 residential units (3) were sold, and construction began on 0 (0) units. The number of residential units in current production is 48 (32). No acquisitions were made during the first quarter. Available building rights correspond to 900 residential units (1,000).



## JM PROPERTY DEVELOPMENT

*The JM Property Development business segment primarily develops rental housing, residential care facilities and commercial properties in Greater Stockholm. The business segment's entire portfolio comprises project development properties.*

SEK m	January - March 2011	January - March 2010	April - March 2010/11	Full year 2010
Income	16	26	62	72
Operating profit <sup>1)</sup>	1	1	12	12
Average operating capital			739	708
Return on operating capital (%)			1.6	1.7
Operating cash flow	-71	-26	-163	-118
Carrying amount, development properties	60	108		60
Carrying amount, project properties	821	587		625
Number of employees	18	16		17
<sup>1)</sup> Including property sales	2	7	21	26

The business segment's income decreased to SEK 16m (26), including rental revenue of SEK 16m (14) and contracting revenue of SEK 0m (12). Operating profit was SEK 1m (1).

Contracting revenues from production totaled SEK 0m (3). Net operating income for project properties was SEK 6m (-3). The improvement in net operating income is due to factors such as increased rental income in the Dalénium area on Lidingö.

Gains on property sales amounted to SEK 2m (7), comprising in its entirety reversal of provisions from previous property sales.

Investments of SEK 74m (22) were charged against cash flow.

Within the Dalénium area on Lidingö, the occupancy rate in the buildings that will not be demolished is 87 percent. JM began production on special housing for the elderly with 54 residential units during the first quarter and signed a 15-year lease with Carema Care. At a later stage, JM has plans to build 225 rental apartments in the area.

Within the Bolinder area in Kallhäll, Järfälla, tenant adjustments continue in the stock that will be retained. The occupancy rate is 89 percent.

The Haifa 1 office building was acquired for a value of SEK 86m, of which SEK 21m relates to a development property within JM Residential Stockholm. Haifa 1 is located in the Värtahamn area where JM plans to build residential units in accordance with Stockholm Municipality's general plan.

JM acquired the residential property Gästabudet 2, in Nälsta, Vällingby, in March. The building contains 102 rental apartments and the acquisition value was SEK 129m. Possession and payment are planned for July 2011.

JM was allocated land in Hökarängen, Farsta for approximately 130 rental apartments. JM plans to start production in 2012 provided that the local plan gains legal force.

## JM PRODUCTION

The JM Production business segment carries out construction work for external and internal customers in the Greater Stockholm area.

SEK m	January - March 2011	January - March 2010	April - March 2010/11	Full year 2010
Income <sup>1)</sup>	347	349	1,494	1,496
Operating profit	13	14	90	91
Operating margin (%)	3.7	4.0	6.0	6.1
Operating cash flow	-7	-20	49	36
Number of employees	417	400		399
<sup>1)</sup> Including internally	126	95	468	437

Demand on the contracting market in Stockholm continues to show recovery with customers more willing to invest. The site preparation market has stabilized at a high level. With the recovery in housing construction, competitors engaged in their own project development are allocating fewer resources to contracting.

The business segment's income totaled SEK 347m (349) and operating profit was SEK 13m (14). Operating margin was 3.7 percent (4.0). During the first quarter the business segment received several new assignments, the largest of which are development work for apartment blocks in Bromma for the City of Stockholm, as well as site and concrete work within the refinery area in Nynäshamn for external client.

The largest projects currently are the two phases of the new E18 highway from Hjulsta to Kista for the Swedish Transport Administration, renovation of the Gamla Riksarkivet (Old National Archives) on Riddarholmen for Statens Fastighetsverk (the National Property Board) and the expansion of an existing residential building in central Stockholm for external client. Other projects include new construction of two buildings with rental apartments in Åkersberga for external client and refurbishing of and addition to schools for Nacka and Sollentuna Municipality. Construction of streets and lines is in progress in Hammarby Sjöstad for the City of Stockholm. Projects for JM Residential Stockholm include construction of apartment buildings in Bromma and on Värmdö and site work within the Dalenum area on Lidingö.

## CONSOLIDATED INCOME STATEMENT IN BRIEF

SEK m	January - March 2011 2010		April - March 2010/11	Full year 2010
Income	2,547	1,708	9,975	9,136
Production and operating costs	-2,090	-1,428	-8,270	-7,608
<b>Gross profit</b>	<b>457</b>	<b>280</b>	<b>1,705</b>	<b>1,528</b>
Selling and administrative expenses	-180	-165	-664	-649
Gains on the sale of properties	2	7	23	28
<b>Operating profit</b>	<b>279</b>	<b>122</b>	<b>1,064</b>	<b>907</b>
Financing income and expenses	-14	-29	-52	-67
<b>Profit before tax</b>	<b>265</b>	<b>93</b>	<b>1,012</b>	<b>840</b>
Taxes	-78	-30	-294	-246
<b>Net profit for the period</b>	<b>187</b>	<b>63</b>	<b>718</b>	<b>594</b>
<b>Other comprehensive income</b>				
Translation differences	-11	-43	-73	-105
<b>Total comprehensive income for the period</b>	<b>176</b>	<b>20</b>	<b>645</b>	<b>489</b>
Net result for the period attributable to: Shareholders of the parent company	187	63	718	594
Total comprehensive income attributable to: Shareholders of the parent company	176	20	645	489
Earnings per share, basic and diluted, attributable to shareholders of the parent company (SEK) <sup>1)</sup>	2.20	0.80	8.60	7.10
<i>No. of shares outstanding at close of period</i>	<i>83,239,870</i>	<i>83,216,883</i>	<i>83,239,870</i>	<i>83,237,058</i>
<i>Average number of shares, basic</i>	<i>83,239,285</i>	<i>83,216,883</i>	<i>83,234,899</i>	<i>83,229,492</i>
<i>Average number of shares, diluted</i>	<i>84,788,080</i>	<i>84,544,688</i>	<i>84,727,683</i>	<i>84,671,817</i>

<sup>1)</sup> Profit for the period.

## CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	2011-03-31	2010-03-31	2010-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>176</b>	<b>254</b>	<b>219</b>
Project properties	854	622	661
Development properties	5,593	4,993	5,374
Participations in tenant-owners associations, etc. <sup>1)</sup>	115	301	115
Current receivables <sup>2)</sup>	1,404	1,710	1,437
Cash and cash equivalents	2,024	2,190	2,087
<b>Total current assets</b>	<b>9,990</b>	<b>9,816</b>	<b>9,674</b>
<b>Total assets</b>	<b>10,166</b>	<b>10,070</b>	<b>9,893</b>
<b>EQUITY AND LIABILITIES <sup>3)</sup></b>			
<b>Shareholders' equity</b>	<b>4,099</b>	<b>3,657</b>	<b>3,923</b>
Non-current interest-bearing liabilities	305	324	258
Other non-current liabilities	198	155	218
Non-current provisions	1,852	1,692	1,833
<b>Total non-current liabilities</b>	<b>2,355</b>	<b>2,171</b>	<b>2,309</b>
Current interest-bearing liabilities	445	1,178	514
Other current liabilities	3,159	2,936	3,036
Current provisions	108	128	111
<b>Total current liabilities</b>	<b>3,712</b>	<b>4,242</b>	<b>3,661</b>
<b>Total shareholders' equity and liabilities</b>	<b>10,166</b>	<b>10,070</b>	<b>9,893</b>
Pledged assets	293	349	359
Contingent liabilities	4,879	3,863	4,675
<sup>1)</sup> Including Egholm, Denmark	-	132	0
<sup>2)</sup> Including receivables from property sales	35	0	35
<sup>3)</sup> Including liabilities for property acquisition	689	1,011	508

## CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY IN BRIEF

SEK m	January - March		Full Year
	2011	2010	2010
<b>Opening balance at beginning of the year</b>	<b>3,923</b>	<b>3,637</b>	<b>3,637</b>
Total comprehensive income for the period	176	20	489
Dividend	-	-	-208
Equity component of convertible debentures	-	-	3
Share-based payments regulated with equity instruments	0	0	2
<b>Closing balance at end of period</b>	<b>4,099</b>	<b>3,657</b>	<b>3,923</b>

## CONSOLIDATED CASH FLOW STATEMENT (SUMMARY)

SEK m	January - March		April - March	Full year
	2011	2010	2010/11	2010
<b>Cash flow from current operations before change in working capital</b>	<b>155</b>	<b>22</b>	<b>787</b>	<b>654</b>
Investments in development properties, etc. <sup>1)</sup>	-304	-299	-2,404	-2,399
Payment on account for development properties etc. <sup>2)</sup>	230	341	1,562	1,673
Investment in project properties	-74	-22	-125	-73
Sale of project properties	2	-	2	0
Change in current liabilities/receivables	-74	-130	243	187
<b>Cash flow from current operations</b>	<b>-65</b>	<b>-88</b>	<b>65</b>	<b>42</b>
<b>Cash flow from investment activities</b>	<b>41</b>	<b>0</b>	<b>48</b>	<b>7</b>
Loans raised	25	258	190	423
Amortization of debt	-63	-9	-256	-202
Dividend	-	-	-208	-208
<b>Cash flow from financing activities</b>	<b>-38</b>	<b>249</b>	<b>-274</b>	<b>13</b>
<b>Cash flow for the period</b>	<b>-62</b>	<b>161</b>	<b>-161</b>	<b>62</b>
<b>Cash and cash equivalents at end of the period</b>	<b>2,024</b>	<b>2,190</b>	<b>2,024</b>	<b>2,087</b>
<sup>1)</sup> Including investment in participations in tenant-owners associations and freehold residential units	-36	-106	-222	-292
<sup>2)</sup> Including sale of participations in tenant-owners associations and freehold residential units	62	147	477	562

## KEY RATIOS

%	January - March		April - March	Full year
	2011	2010	2010/11	2010
Operating margin	11.0	7.1	10.7	9.9
Pre-tax return on capital employed			20.0	17.8
Return on equity			18.5	15.7
Debt/equity ratio (x)	-	-		-
Equity/assets ratio	40	36		40

## Accounting Principles

This interim report for the first quarter was prepared in accordance with *IAS 34 Interim Financial Reporting* and the *Swedish Annual Accounts Act*. The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS). Since the Parent Company is an enterprise within the EU, only EU-approved IFRS will be applied.

The accounting policies applied in this interim report are described in the 2010 Annual Report, pages 54-57. The accounting policies and methods of calculation are the same as those applied in the annual report for the previous year.

New and changed accounting standards and interpretations that apply from 2011 are extremely limited in scope and are not assessed to have any effect on JM's financial reports.

## INCOME BY COUNTRY

SEK m	January - March		April - March	Full year
	2011	2010	2010/11	2010
Sweden	2,074	1,577	8,201	7,704
Norway	364	320	1,416	1,372
Denmark	29	2	92	65
Finland	12	1	51	40
Belgium	12	13	92	93
Restatement JM International <sup>1)</sup>	56	-205	123	-138
<b>Total</b>	<b>2,547</b>	<b>1,708</b>	<b>9,975</b>	<b>9,136</b>

## INCOME BY BUSINESS SEGMENT

SEK m	January - March		April - March	Full year
	2011	2010	2010/11	2010
JM Residential Stockholm	1,045	756	4,113	3,824
JM Residential Sweden	792	541	3,000	2,749
JM International	417	336	1,651	1,570
JM Property Development	16	26	62	72
JM Production	347	349	1,494	1,496
Elimination	-126	-95	-468	-437
Total as stated in segment reporting	2,491	1,913	9,852	9,274
Restatement JM International <sup>1)</sup>	56	-205	123	-138
<b>Total</b>	<b>2,547</b>	<b>1,708</b>	<b>9,975</b>	<b>9,136</b>

## OPERATING PROFIT BY BUSINESS SEGMENT

SEK m	January - March		April - March	Full year
	2011	2010	2010/11	2010
JM Residential Stockholm	183	112	705	634
JM Residential Sweden	68	34	253	219
JM International	24	1	71	48
JM Property Development	1	1	12	12
JM Production	13	14	90	91
Group-wide costs	-11	-11	-35	-35
Total as stated in segment reporting	278	151	1,096	969
Restatement JM International <sup>1)</sup>	1	-29	-32	-62
<b>Total</b>	<b>279</b>	<b>122</b>	<b>1,064</b>	<b>907</b>

## OPERATING MARGIN BY BUSINESS SEGMENT

%	January - March		April - March	Full year
	2011	2010	2010/11	2010
JM Residential Stockholm	17.5	14.8	17.1	16.6
JM Residential Sweden	8.6	6.3	8.4	8.0
JM International	5.8	0.3	4.3	3.1
JM Production	3.7	4.0	6.0	6.1

## AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

SEK m	April - March	Full year
	2010/11	2010
JM Residential Stockholm	1,843	1,776
JM Residential Sweden	1,469	1,471
JM International	1,774	1,838
JM Property Development	739	708

## RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

%	April - March	Full year
	2010/11	2010
JM Residential Stockholm	38.3	35.7
JM Residential Sweden	17.2	14.9
JM International	4.0	2.6
JM Property Development	1.6	1.7

<sup>1)</sup> Effect of restatement on income and profit and loss according to IFRIC 15 in relation to segment reporting.

## OPERATING CASH FLOW BY BUSINESS SEGMENT

SEK m	January - March		April - March	Full year
	2011	2010	2010/11	2010
JM Residential Stockholm	101	132	-65	-34
JM Residential Sweden	46	122	236	312
JM International	25	-75	336	236
JM Property Development	-71	-26	-163	-118
JM Production	-7	-20	49	36

## DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

Carrying amount, SEK m	2011-03-31	2010-03-31	2010-12-31
JM Residential Stockholm	2,679	2,122	2,562
JM Residential Sweden	1,539	1,518	1,497
JM International	1,315	1,245	1,255
JM Property Development	60	108	60
<b>Total</b>	<b>5,593</b>	<b>4,993</b>	<b>5,374</b>

## AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

Number	2011-03-31	2010-03-31	2010-12-31
JM Residential Stockholm	10,700	10,700	11,100
JM Residential Sweden	8,900	10,100	9,600
JM International	6,700	6,800	6,800
<b>Total</b>	<b>26,300</b>	<b>27,600</b>	<b>27,500</b>
Recognized on the balance sheet (development properties)			
JM Residential Stockholm	6,900	7,600	7,100
JM Residential Sweden	6,100	6,500	6,100
JM International	4,600	4,300	4,400
<b>Total</b>	<b>17,600</b>	<b>18,400</b>	<b>17,600</b>

## RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

Number	January - March		April - March	Full year
	2011	2010	2010/11	2010
JM Residential Stockholm	395	358	1,445	1,408
JM Residential Sweden	320	225	1,302	1,207
JM International	125	174	612	661
<b>Total</b>	<b>840</b>	<b>757</b>	<b>3,359</b>	<b>3,276</b>

## HOUSING STARTS BY BUSINESS SEGMENT

Number	January - March		April - March	Full year
	2011	2010	2010/11	2010
JM Residential Stockholm	428	364	1,668	1,604
JM Residential Sweden	327	221	1,336	1,230
JM International	153	164	559	570
<b>Total</b>	<b>908</b>	<b>749</b>	<b>3,563</b>	<b>3,404</b>

## RESIDENTIAL UNITS IN CURRENT PRODUCTION

Number	2011-03-31	2010-03-31	2010-12-31
JM Residential Stockholm	2,931	2,126	2,691
JM Residential Sweden	1,953	1,371	1,708
JM International	1,073	895	1,032
<b>Total</b>	<b>5,957</b>	<b>4,392</b>	<b>5,431</b>

## PROJECT PROPERTIES GROUP

Carrying amount, SEK m	2011-03-31	2010-03-31	2010-12-31
Residential units (tenancy rights)	129	-	-
Properties under development	602	581	530
Fully developed commercial properties	123	41	131
<b>Total</b>	<b>854</b>	<b>622</b>	<b>661</b>

## DEVELOPMENT PROPERTIES GROUP

Carrying amount, SEK m	January - March 2011	January - March 2010	April - March 2010/11	Full year 2010
<b>Opening balance at beginning of period</b>	<b>5,374</b>	<b>4,990</b>	<b>4,993</b>	<b>4,990</b>
New purchases	415	249	1,821	1,655
Transferred to production	-167	-191	-1,056	-1,080
Other	-29	-55	-165	-191
<b>Closing balance at end of period</b>	<b>5,593</b>	<b>4,993</b>	<b>5,593</b>	<b>5,374</b>

## PARENT COMPANY, INCOME STATEMENT IN BRIEF

SEK m	January - March 2011	January - March 2010	Full Year 2010
Net sales	1,830	1,343	6,553
Production and operating costs	-1,477	-1,096	-5,465
<b>Gross profit</b>	<b>353</b>	<b>247</b>	<b>1,088</b>
Selling and administrative expenses	-123	-113	-442
Gains on the sale of properties	-	6	20
<b>Operating profit</b>	<b>230</b>	<b>140</b>	<b>666</b>
Financial income and expenses	-3	-19	-39
<b>Profit before appropriations and tax</b>	<b>227</b>	<b>121</b>	<b>627</b>
Appropriations	-	-	-232
<b>Profit before tax</b>	<b>227</b>	<b>121</b>	<b>395</b>
Tax	-60	-32	-93
<b>Net profit for the period</b>	<b>167</b>	<b>89</b>	<b>302</b>

## PARENT COMPANY, BALANCE SHEET IN BRIEF

SEK m	2011-03-31	2010-03-31	2010-12-31
<b>Assets</b>			
Non-current assets	1,519	1,567	1,514
Current assets	7,268	7,180	6,929
<b>Total assets</b>	<b>8,787</b>	<b>8,747</b>	<b>8,443</b>
<b>Equity and liabilities</b>			
Shareholders' equity	2,418	2,151	2,158
Untaxed reserves	829	597	829
Provisions	813	788	818
Non-current liabilities	344	402	344
Current liabilities	4,383	4,809	4,294
<b>Total shareholders' equity and liabilities</b>	<b>8,787</b>	<b>8,747</b>	<b>8,443</b>
Pledged assets	168	120	169
Contingent liabilities	5,923	4,754	5,555

Investments in properties totaled SEK 255m (115).

Stockholm April 28, 2011  
JM AB (publ)

Johan Skoglund  
President

*The company's auditors did not review this interim report.*

JM discloses the information provided in this interim report pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on April 28, 2011.

## GROUP

### FIVE-YEAR OVERVIEW <sup>1)</sup>

SEK m	2010	2009	2008	2007	2006
Income	9,136	9,620	12,229	12,731	12,065
Operating profit	907	646	1,083	2,301	1,881
Profit before tax	840	529	1,052	2,297	1,852
Total assets	9,893	9,887	10,055	9,916	8,406
Cash flow from operating activities	42	1,124	101	1,826	667
Interest-bearing liabilities (+)/receivables (-)	-730	-189	842	-1,313	-852
Operating margin (%)	9.9	6.7	8.9	18.1	15.6
Return on equity (%)	15.7	10.6	22.9	44.5	45.4
Equity/assets ratio (%)	40	37	32	39	43
Earnings per share (SEK)	7.10	4.40	9.50	18.30	16.40
Dividend per share (SEK)	4.50 <sup>2)</sup>	2.50	0	5.50	4.50
Number of available building rights	27,500	27,900	31,000	31,000	29,800
Number of sold residential units	3,276	3,291	1,871	3,880	3,790
Number of housing starts	3,404	2,150	1,829	4,065	4,132

<sup>1)</sup> Financial year 2008 and earlier are not restated according to IFRIC 15.

<sup>2)</sup> Board of Directors proposal.



# GROUP

QUARTERLY OVERVIEW, SEK M		2010				
	2011					
INCOME STATEMENT	Q 1	Q 4	Q 3	Q 2	Q 1	
Income	2,547	3,075	1,947	2,406	1,708	
Production and operating costs	-2,090	-2,532	-1,618	-2,030	-1,428	
<b>Gross profit</b>	<b>457</b>	<b>543</b>	<b>329</b>	<b>376</b>	<b>280</b>	
Selling and administrative expenses	-180	-172	-137	-175	-165	
Gains on the sale of properties	2	11	3	7	7	
<b>Operating profit</b>	<b>279</b>	<b>382</b>	<b>195</b>	<b>208</b>	<b>122</b>	
Financial income and expenses	-14	-11	-20	-7	-29	
<b>Profit before tax</b>	<b>265</b>	<b>371</b>	<b>175</b>	<b>201</b>	<b>93</b>	
Tax	-78	-106	-51	-59	-30	
<b>Net profit for the period</b>	<b>187</b>	<b>265</b>	<b>124</b>	<b>142</b>	<b>63</b>	
BALANCE SHEET	03-31	12-31	09-30	06-30	03-31	
<b>Assets</b>						
<b>Non-current assets</b>	<b>176</b>	<b>219</b>	<b>252</b>	<b>256</b>	<b>254</b>	
Project properties	854	661	670	647	622	
Development properties	5,593	5,374	4,882	4,954	4,993	
Participations in tenant-owners associations, etc.	115	115	138	166	301	
Current receivables	1,404	1,437	1,629	1,755	1,710	
Cash and cash equivalents	2,024	2,087	1,826	1,747	2,190	
<b>Total current assets</b>	<b>9,990</b>	<b>9,674</b>	<b>9,145</b>	<b>9,269</b>	<b>9,816</b>	
<b>Total assets</b>	<b>10,166</b>	<b>9,893</b>	<b>9,397</b>	<b>9,525</b>	<b>10,070</b>	
<b>Equity and liabilities</b>						
<b>Shareholders' equity</b>	<b>4,099</b>	<b>3,923</b>	<b>3,661</b>	<b>3,577</b>	<b>3,657</b>	
Non-current interest-bearing liabilities	305	258	258	236	324	
Other non-current liabilities	198	218	124	125	155	
Non-current provisions	1,852	1,833	1,742	1,717	1,692	
<b>Total non-current liabilities</b>	<b>2,355</b>	<b>2,309</b>	<b>2,124</b>	<b>2,078</b>	<b>2,171</b>	
Current interest-bearing liabilities	445	514	574	532	1,178	
Other current liabilities	3,159	3,036	2,913	3,211	2,936	
Current provisions	108	111	125	127	128	
<b>Total current liabilities</b>	<b>3,712</b>	<b>3,661</b>	<b>3,612</b>	<b>3,870</b>	<b>4,242</b>	
<b>Total shareholders' equity and liabilities</b>	<b>10,166</b>	<b>9,893</b>	<b>9,397</b>	<b>9,525</b>	<b>10,070</b>	
CASH FLOW STATEMENT	Q 1	Q 4	Q 3	Q 2	Q 1	
Cash flow from operating activities	-65	305	-27	-148	-88	
Cash flow from investing activities	41	11	-4	0	0	
Cash flow from financing activities	-38	-55	112	-293	249	
<b>Total cash flow for the period</b>	<b>-62</b>	<b>261</b>	<b>81</b>	<b>-441</b>	<b>161</b>	
<b>Cash and cash equivalents at end of period</b>	<b>2,024</b>	<b>2,087</b>	<b>1,826</b>	<b>1,747</b>	<b>2,190</b>	
INTEREST-BEARING NET LIABILITIES/-RECEIVABLES	Q 1	Q 4	Q 3	Q 2	Q 1	
<b>Interest-bearing net liabilities(+)/receivables(-) at beginning of period</b>	<b>-730</b>	<b>-409</b>	<b>-400</b>	<b>-115</b>	<b>-189</b>	
Change in interest-bearing net liabilities/receivables	47	-321	-9	-285	74	
<b>Interest-bearing net liabilities(+)/receivables(-) at end of the period</b>	<b>-683</b>	<b>-730</b>	<b>-409</b>	<b>-400</b>	<b>-115</b>	
DEVELOPMENT PROPERTIES	Q 1	Q 4	Q 3	Q 2	Q 1	
<b>Opening balance at beginning of period</b>	<b>5,374</b>	<b>4,882</b>	<b>4,954</b>	<b>4,993</b>	<b>4,990</b>	
New purchases	415	933	183	290	249	
Transferred to production	-167	-424	-184	-281	-191	
Other	-29	-17	-71	-48	-55	
<b>Closing balance at end of period</b>	<b>5,593</b>	<b>5,374</b>	<b>4,882</b>	<b>4,954</b>	<b>4,993</b>	
KEY RATIOS	Q 1	Q 4	Q 3	Q 2	Q 1	
Operating margin (%)	11.0	12.4	10.0	8.6	7.1	
Debt/equity ratio (x)	-	-	-	-	-	
Equity/assets ratio (%)	40	40	39	38	36	
Earnings per share (SEK)	2.20	3.20	1.50	1.70	0.80	
Number of available building rights	26,300	27,500	26,700	27,400	27,600	
Number of residential units sold	840	1,056	758	705	757	
Number of housing starts	908	972	811	872	749	

## BUSINESS SEGMENTS

QUARTERLY OVERVIEW, SEK M		2010				
	2011					
JM RESIDENTIAL STOCKHOLM	Q 1	Q 4	Q 3	Q 2	Q 1	
Income	1,045	1,350	819	899	756	
Operating profit <sup>1)</sup>	183	266	123	133	112	
Operating margin (%)	17.5	19.7	15.0	14.8	14.8	
Average operating capital	1,843	1,776	1,765	1,817	1,938	
Return on operating capital (%) <sup>2)</sup>	38.3	35.7	30.5	28.4	25.2	
Operating cash flow	101	169	-44	-291	132	
Carrying amount, development properties	2,679	2,562	2,100	2,155	2,122	
Number of available building rights	10,700	11,100	10,000	10,500	10,700	
Number of residential units sold <sup>3)</sup>	395	477	274	299	358	
Number of housing starts <sup>4)</sup>	428	414	399	427	364	
Number of residential units in current production	2,931	2,691	2,590	2,505	2,126	
<sup>1)</sup> Including property sales	-	2	-	-	-	
<sup>3)</sup> Including rental apartments	-	104	-	62	45	
<sup>4)</sup> Including rental apartments	-	104	-	62	45	
JM RESIDENTIAL SWEDEN	Q 1	Q 4	Q 3	Q 2	Q 1	
Income	792	819	604	785	541	
Operating profit <sup>1)</sup>	68	73	54	58	34	
Operating margin (%)	8.6	8.9	8.9	7.4	6.3	
Average operating capital	1,469	1,471	1,465	1,540	1,601	
Return on operating capital (%) <sup>2)</sup>	17.2	14.9	15.4	13.7	11.7	
Operating cash flow	46	-165	230	125	122	
Carrying amount, development properties	1,539	1,497	1,422	1,429	1,518	
Number of available building rights	8,900	9,600	9,800	10,200	10,100	
Number of residential units sold	320	352	354	276	225	
Number of housing starts	327	350	338	321	221	
Number of residential units in current production	1,953	1,708	1,767	1,561	1,371	
<sup>1)</sup> Including property sales	-	-	-	0	-	
JM INTERNATIONAL	Q 1	Q 4	Q 3	Q 2	Q 1	
Income	417	457	369	408	336	
Operating profit	24	28	11	8	1	
Operating margin (%)	5.8	6.1	3.0	2.0	0.3	
Average operating capital	1,774	1,838	1,870	1,895	1,948	
Return on operating capital (%) <sup>2)</sup>	4.0	2.6	1.6	1.2	-6.3	
Operating cash flow	25	184	1	126	-75	
Carrying amount, development properties	1,315	1,255	1,252	1,263	1,245	
Carrying amount, project properties	33	34	34	35	35	
Number of available building rights	6,700	6,800	6,900	6,700	6,800	
Number of residential units sold	125	227	130	130	174	
Number of housing starts	153	208	74	124	164	
Number of residential units in current production	1,073	1,032	928	893	895	
JM PROPERTY DEVELOPMENT	Q 1	Q 4	Q 3	Q 2	Q 1	
Income	16	16	15	15	26	
Operating profit <sup>1)</sup>	1	2	3	6	1	
Average operating capital	739	708	798	845	922	
Return on operating capital (%) <sup>2)</sup>	1.6	1.7	6.5	7.7	9.4	
Operating cash flow	-71	-8	-24	-60	-26	
Carrying amount, development properties	60	60	108	107	108	
Carrying amount, project properties	821	625	636	612	587	
<sup>1)</sup> Including property sales	2	9	3	7	7	
JM PRODUCTION	Q 1	Q 4	Q 3	Q 2	Q 1	
Income	347	405	311	431	349	
Operating profit	13	38	18	21	14	
Operating margin (%)	3.7	9.4	5.8	4.9	4.0	
Operating cash flow	-7	64	-24	16	-20	
JM OTHER	Q 1	Q 4	Q 3	Q 2	Q 1	
Income (elimination)	-126	-115	-106	-121	-95	
Operating profit (group-wide expenses)	-11	-10	-5	-9	-11	
RESTATEMENT JM INTERNATIONAL	Q 1	Q 4	Q 3	Q 2	Q 1	
Income	56	143	-65	-11	-205	
Operating profit	1	-15	-9	-9	-29	

<sup>2)</sup> Calculated on 12-month rolling profits and average capital.

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**Future reporting dates**

Interim Report January – June 2011	August 24, 2011
Interim Report January – September 2011	October 28, 2011
Year-end Report 2011	February 10, 2012
Interim Report January – March 2012	April 26, 2012
2012 Annual General Meeting	April 26, 2012

JM is one of the Nordic region's leading developers of housing and residential areas. Operations focus on new production of homes in attractive locations, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway, Denmark, Finland and Belgium. We are also involved in project development of commercial premises and contract work, primarily in the Greater Stockholm area. Our annual sales total approximately SEK 10 billion and the company has about 2,200 employees. JM AB is a public limited company listed on NASDAQ OMX Stockholm, Mid Cap segment.