



Press Release
16 February 2004

JM Group

Year-end report 2003

More stable market and broader range of homes

- Net sales totalled SEK 7,787m (8,872) and profit for the year after tax amounted to SEK 187m (253)
- Profit after financial items amounted to SEK 267m (368)
- Property sales of SEK 2,219m (3,015) provided capital gains of SEK 411m (523)
- The number of residential units sold during 2003 rose sharply by 27% to 3,189 (2,511)
- Return on equity amounted to 6% (7). Earnings per share amounted to SEK 7 (9)
- The improved housing market in the fourth quarter and better product adjustment increased sales of residential units
- Cash flow improved during the fourth quarter and the interest-bearing net debt decreased by SEK 1.4 billion to SEK 2.6 billion.
- New control and project oversight routines were introduced as well as a focus on efficiency
- The Board of Directors proposes a dividend of SEK 5 per share (10)

SEKm	January – December		October – December	
	2003	2002	2003	2002
Net sales	7,787	8,872	2,224	2,301
Operating profit	478	652	12	-197
Profit/loss after financial items	267	368	-33	-278
Project development margin (%)	2.4	5.4	0.7	-12.0
Earnings per share (SEK)	6.60	8.50	-0.80	-7.00
Return on equity (%)	5.5	6.8		

SUMMARY AND SIGNIFICANT EVENTS IN THE GROUP

Market and sales

JM's net sales decreased in 2003, mainly due to a lower number of housing starts in the first nine months of the year. However, the housing market in Stockholm, which is important to JM, stabilised in the second half of the year, after the previously reported period of reduced demand.

The improved market, a broader product range which includes homes in lower price bands, and intensified sales efforts contributed to a substantial increase in the number of sold residential units in the form of signed contracts of 27% during the year to 3,189 (2,511). The good sales during the fourth quarter, combined with a stable reservation rate, allowed JM to start production of a large number of residential units during the fourth quarter. This had a positive impact on both net sales and cash flow. The negative earnings trend for JM Residential Stockholm could thus be broken.

Despite the substantially increased sales of residential units, earnings for the full year 2003 were lower than in 2002, which was mainly due to low margins in older ongoing residential projects in Stockholm. At the same time, revenue recognition is conservative for newly started projects. Earnings were also reduced by the lower net sales.

The earnings trend for JM's other operations was stable, although earnings in Norway declined compared with the previous year due to a lower average revenue level for residential units sold during the year.

Improved control and oversight

During 2003, JM introduced a new structure for stricter control and project oversight routines, particularly for newly started residential projects in the Group. This involved extensive work throughout 2003 which is now essentially completed. This also led to postponement of production starts to the latter part of the year. Our efforts to increase internal efficiency and reduce costs continue to have high priority.

Lower net debt

The Group's return on equity for 2003 amounted to 6%. Over the past five calendar years, the average return has been 16%. The Group's restated return target is 10-15% over a business cycle. Earnings per share for 2003 amounted to SEK 7. In the fourth quarter, net debt could be decreased by SEK 1.4 billion due to the improved cash flow.

"JM sold more homes than ever before in 2003. This was partly due to our broadened product range. The strong sales allowed us to start new residential projects which had a positive impact on cash flow and debt. With our ongoing programme designed to raise efficiency and cut costs, we have taken the first steps towards a more profitable JM."

Johan Skoglund, President and CEO.

Project development

Project development of residential units and commercial premises is JM's core business.

Undeveloped and developed land is acquired and transformed through construction, conversion or extension into attractive living and working environments.

Profit from project development amounted to SEK 182m (459). The margin in these operations amounted to 2.4% (5.4) for 2003. Project-related property sales and write-downs made a net contribution of SEK 45m (232).

The number of sold residential units in the form of signed contracts during the year rose sharply to 3,189 (2,511). The stabilised market and good sales in the fourth quarter, combined with a stable reservations rate, allowed a large number of housing starts in the fourth quarter. The number of housing starts for the full year totalled 2,714 (2,711). The number of unsold residential units six months after final inspection fell in the fourth quarter. The segment for large homes in Stockholm, Gothenburg and Oslo remains the part of the market with the weakest demand. Both production starts and sales volumes can vary over time depending on the dates of project starts and the size of individual projects.

Despite increased sales, JM is retaining its higher requirements on the proportion of reserved residential units prior to production starts. In addition to delays due to re-planning, the high reservation requirements reduced the number of housing starts in the first nine months of the year. The high sales in relation to the number of housing starts means that the level of risk for JM decreased during 2003. Commercial project development continues to be conducted with considerable caution.

The building rights portfolio comprises approximately 23,400 residential units which can be compared with just over 25,500 at year-end 2002. Valuations, in co-operation with external consultants, of JM's development properties with a book value of SEK 3.6 billion (3.9) indicate a surplus value of approximately SEK 1.4 billion (1.4).

Investment properties

JM's portfolio of investment properties amounts to approximately SEK 2.8 billion, mostly

comprising residential properties for further development and office projects under construction.

Fully developed properties only account for a small portion.

The operating net from investment properties amounted to SEK 109m (293). The lower operating net is due to major property sales in 2003 and 2002, which were carried out in line with the Group's strategy to sell fully developed properties. In 2003 properties were sold for SEK 2,219m (3,015) with capital gains of SEK 411m (523), of which SEK 108m (473) is included in profit from project development. Write-downs of investment properties were made with SEK 63m (34).

Investments in existing investment properties amounted to SEK 350m (483). In addition, residential properties were acquired for SEK 1,422m.

The property market for commercial premises in Stockholm is characterised by a continued fall in rental levels and vacancies of 15-16%. New and recently renovated premises continued to perform relatively well in comparison. Vacancies in JM's portfolio of fully developed commercial and residential properties amount to 4% (10) of annual rents and 4% (10) of space. The occupancy rate for the Swedish office projects under construction amounts to approximately 65% of annual rents and 64% of space.

The Läraren property in Stockholm was sold for SEK 70m in the fourth quarter. Earlier in the year, JM sold the Svärdet properties in Mörby for SEK 931m and at the same time acquired 2,100 residential units in Nacka and Vaxholm for SEK 1,422m. Other major property deals

during the year included the sale of the newly developed hotel property Pennfältaren 10 on Vasagatan in Stockholm to a Norwegian insurance company for SEK 575m, and the sale of the Pilen 30 property for SEK 180m and of a newly developed office property in central Brussels for SEK 133m.

Through a strategic deal comprising residential portfolios in Vaxholm and Nacka with very low vacancies and therefore secure cash flows JM acquired an opportunity to develop two attractive property portfolios, among other things through densification with new homes. Many tenants have shown an interest in conversion to tenant-owner co-operatives, which JM also favours.

During the past year, the book value of the portfolio of fully developed commercial properties decreased due to sales from SEK 2,109m to SEK 515m.

Market values of JM's investment properties

In an appraisal conducted in co-operation with external consultants, the market value of JM's portfolio of investment properties at year-end 2003 was estimated at SEK 3,205m (3,478). The corresponding book value amounted to SEK 2,833m (2,774). The surplus value thus amounts to SEK 0.4 billion (0.7). A breakdown of values by category is shown below:

SEKm	Book value	Market value
Fully developed properties	515	640
Properties under construction	776	856
Properties for further development ^{*)}	<u>1,542</u>	<u>1,709</u>
Total	2,833	3,205

^{*)} Includes residential properties acquired during the year

NEW CONTROL AND PROJECT OVERSIGHT ROUTINES

In 2003 a large number of measures were adopted to improve control and governance of JM's operations. Decisions on starting-up and overall design of projects are now always made in group management or business unit management, or, for major projects, by the Board. The assignments of external auditors have been widened.

New and formalised monitoring routines have been introduced with a special focus on large projects.

During 2003 major work was carried out to develop a group-wide project planning process designed to achieve greater efficiency and lower costs while retaining high quality and high customer values.

STRATEGIC DEVELOPMENT

In line with the aim of further streamlining operations towards residential project development, the strategy for the Group's market orientation, product range, geographical spread, building rights portfolio and holding of investment properties has been sharpened.

JM will increase its customer and market orientation. Customer satisfaction will be further increased and the service content of JM's business will be further developed.

The product range is being broadened both as regards type of homes and homes in lower price bands without renouncing quality homes in attractive locations.

Geographically, the focus will continue to be to operate in growth markets and for expansion to mainly take place in the Nordic countries.

For residential property deals the holding of development properties will normally not exceed four years' production expressed in number of building rights.

The Group's investment properties will entirely comprise properties intended for project development and will as far as possible consist of residential properties. Project development of commercial properties will be limited and primarily support residential development.

UPDATED FINANCIAL TARGETS

JM's margin target has been restated from the earlier project development margin of 10% by 2005 to an operating margin of 10%. The new margin target includes profit from property sales, operating net and group-wide expenses. The changeover to a new margin target is a natural consequence of the completed extensive sales of the older property portfolio where the Group's income statement and balance sheet can now entirely be seen as attributable to project operations.

Housing starts will take place in pace with guaranteed demand and quality assured project and production planning.

The profitability target for return on equity after tax has been changed to 10-15% over a business cycle from the previous five-year weighted average of 15%.

The targets for a dividend share of 50% of net profit and an equity ratio of 35% over a business cycle remain unchanged.

FINANCIAL ITEMS

Net financial items and debt/equity ratio

Net financial items improved compared with the previous year. Interest expenses mainly decreased due to a lower average debt. In conjunction with the receipt of proceeds from property sales, loans of approximately SEK 1 billion were redeemed in the first quarter of 2003 which led to costs of SEK 30m for early redemption.

At 31 December 2003, the interest-bearing net debt amounted to SEK 2,611m (3,665), representing a decrease of just over SEK 1.4 billion in the fourth quarter of 2003 attributable to an improved cash flow. The debt/equity ratio amounted to 0.8 (1.0).

SEKm	January – December		October – December	
	2003	2002	2003	2002
Interest income, etc.	39	38	9	1
Interest expenses	<u>-250</u>	<u>-322</u>	<u>-54</u>	<u>-82</u>
Net financial items	-211	-284	-45	-81

Liquidity and loan structure

Total interest-bearing loans at 31 December 2003 amounted to SEK 2,986m (4,313) of which the PRI liability accounted for SEK 451m (433). At the end of the period the average interest rate in the total loan stock was 5.5% (5.7). The average fixed-interest period for the Group's total loan stock, excluding the PRI liability, was 2.5 years (2.3).

The Group's available liquidity amounted to SEK 3,065m (2,724). Aside from liquid assets of SEK 332m (596) this includes unutilised overdraft facilities and credit lines totalling SEK 2,733m (2,128).

Year for interest conversion, loan amount and average interest on interest-bearing loans:

Year	Loan amount (SEKm)	Average interest (%)
2004	1,019	6.2
2005	410	4.5
2006	300	4.9
2007	206	6.0
2008 -	<u>600</u>	<u>5.2</u>
Total (excl. PRI)	2,535	5.5
PRI 2004	<u>451</u>	<u>5.1</u>
Total (incl. PRI)	2,986	5.5

CHANGED ACCOUNTING PRINCIPLES 2005 (IFRS¹)

During 2003, JM has carried out work to plan the changeover to IFRS where two main areas are mainly relevant to JM:

IAS² 11 – Construction Contracts – within the framework of the Swedish Construction Federation, preparations have been made in 2003 to define a revenue recognition that meets the criteria according to the industry's interpretation of IAS 11. The industry has not yet stipulated the new industry recommendation in every detail. The current draft stipulates a conservative revenue recognition that is linked to sold residential units. This will lead to a more conservative revenue reporting than that prescribed by the current industry recommendation. JM plans to change over to the new industry recommendation with effect from 1 January 2005.

IAS 19 – Employee Benefits – all the Group's pension commitments have been examined. The revaluation effect on opening equity for 2004 amounts to SEK -0.7m. The assumptions made regarding discounting, return and salary development are on a par with established practice.

SHARE BUY-BACK PROGRAMME

The Board has a mandate from the Annual General Meeting for the repurchase of up to 10% of the number of shares outstanding. Repurchases were made for SEK 154m (1.4 million shares) at the beginning of 2003. The company has not repurchased own shares under the present mandate since the Annual General Meeting in April 2003.

PERSONNEL

The number of employees decreased in 2003 by 11% and amounted to 2,368 (2,664) at the end of the year. The number of wage-earners was 1,278 (1,477) and the number of salaried employees was 1,090 (1,187).

During 2003, JM issued redundancy notices to both wage-earners and salaried employees whereby approximately 300 people have left the Group.

PARENT COMPANY

The Parent Company's profit before appropriations and tax amounted to SEK 735m (-17) for the year. The Parent Company's property investments in 2003 totalled SEK 232m (408).

DIVIDEND

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 5 per share (10). The proposed record date is 3 May 2004. Provided the Annual General Meeting decides in favour of the proposal, dividends are expected to be paid by VPC on Thursday, 6 May 2004.

¹ International Financial Reporting Standards (IFRS)

² International Accounting Standards (IAS)

COMMENTS BY BUSINESS UNIT

JM Residential Stockholm

The business unit develops mainly residential projects in preferred areas of Greater Stockholm. Operations comprise acquisition of attractively located development properties as well as planning, designing, building and selling homes.

SEKm	January-December		October-December	
	2003	2002	2003	2002
Net sales	3,218	3,623	919	893
Operating loss/profit ^{*)}	-22	-160	13	-452
Margin (%) ^{**)}	-1.4	-0.4	0.8	-33.5
Return on operating capital (%)	-0.7	-4.6		
Number of building rights at end of period	10,300	11,500		
Book value of development properties	2,219	2,330		
^{*)} Of which –property sales	22	9	6	2
–property write-downs	-	-155	-	-155
^{**) Excluding property sales and property write-downs}				

The business unit's net sales fell by 11% to SEK 3,218m (3,623). Earnings excluding property sales and write-downs amounted to SEK -44m (-14). The capital gain from property sales amounted to SEK 22m (9). No write-downs of properties were carried out compared with SEK 155m in the previous year.

The lower volume is a consequence of a lower number of production starts compared with the previous year. However, a large number of housing starts took place in the fourth quarter.

The negative earnings were due to the lower volume, weak earnings in a number of ongoing projects and more conservative revenue assessment in early phases of newly started projects. Higher costs for sales and marketing activities are putting pressure on margins in ongoing projects.

House prices remain stable in both the second hand market and in JM's projects. Demand is good in both completed and ongoing projects. The sales rate increased starting in the third quarter and further improved in the final quarter resulting in record sales for 2003.

96 building rights (350) were acquired during the year.

At the end of the year, the business unit had approximately 10,300 building rights (11,500) at its disposal.

In the fourth quarter production started on 586 residential units in a total of 12 projects comprising 68 single-family houses, 424 units in apartment blocks and 96 sheltered housing units. The single-family homes project is in Värmdö. 74 of the units in apartment blocks are in Stockholm, 73 in Järfälla, 23 in Värmdö, 182 in Solna and 26 in Täby. The sheltered housing units are in Stockholm.

During the year, housing starts totalled 966 (1,262) and 1,547 residential units (1,044) were sold.

JM Residential Sweden

The business unit develops mainly residential projects in preferred growth areas in Sweden, excluding Greater Stockholm. Operations comprise acquisition of attractively located development properties as well as planning, designing, building and selling homes. Contract work is also conducted to a limited extent.

SEKm	January-December		October-December	
	2003	2002	2003	2002
Net sales	2,092	2,205	585	697
Operating profit ^{*)}	98	180	33	64
Margin (%) ^{**)}	5.0	8.1	6.0	9.5
Return on operating capital (%)	10.2	16.7		
Number of building rights at end of period	7,400	8,400		
Book value of development properties	700	808		
^{*)} Of which-property sales	-7	4	-2	-
-property write-downs	-	-2	-	-2
^{**)} Excluding property sales and property write-downs				

The business unit's net sales fell 5% to SEK 2,092m (2,205) and operating profit, excluding property sales and property write-downs, decreased to SEK 105m (178). The margin decreased to 5.0% (8.1). The capital loss from property sales amounted to SEK 7m (4 gain) and no write-downs were made of properties compared with SEK 2m in the previous year.

The lower volume is due to fewer project starts in the first nine months of the year.

Demand was favourable throughout the year, apart from JM's large residential units in Gothenburg. The total number of sold residential units exceeded the previous sales record. Sales increased further in the final quarter.

At the end of the period the business unit had approximately 7,400 building rights (8,400) at its disposal.

Approximately 170 building rights (350) were acquired during the year and land use agreements were signed for approximately 130 building rights.

In the fourth quarter production started on 364 residential units in a total of 13 projects, including 179 single-family houses and 185 residential units in apartment blocks.

Housing starts totalled 958 (1,010) during the year and 958 residential units (883) were sold.

JM Production

The business unit carries out construction work for external and internal customers in the Greater Stockholm area. Reported net sales and operating profit include the revenue-earning construction work. Other sales and earnings, i.e. from internal residential projects, are reported in the JM Residential Stockholm business unit.

SEKm	January-December		October-December	
	2003	2002	2003	2002
Net sales	701	1 166	196	213
Operating profit/loss ^{*)}	34	-27	13	-29
Margin (%)	4.9	-2.3	6.6	-13.6
^{*)} Provision for risk of loss in ongoing project	-	-65	-	-35

Operating profit amounted to SEK 34m (-27). The earlier provision for risk of loss was reversed in the fourth quarter with no earnings impact, following settlement of an outstanding dispute.

Operations were streamlined during the fourth quarter through the sale of Lindqvist Rör to the NVS Group.

The business unit's lower external volumes are a result of a lower proportion of external contracting work. Phasing out of unprofitable units and the sale of non-strategic operations contributed to an improved margin.

Major external contracts include new construction of premises for the University College of Film, Radio, Television and Theatre on Stockholm's Valhallavägen, and conversion of the Swedish Patent and Registration Office's premises on Valhallavägen for Vasakronan.

Work already in progress includes a new 12,000 sq.m. office along the Bergshamra link road with a view over Brunnsviken which has been completed, and conversion of J&W's former offices at Torsviks Torg, Lidingö.

JM Commercial

The business unit develops commercial property projects in Greater Stockholm. The business unit also manages JM's commercial properties and is responsible for the purchase and sale of the Group's investment properties.

SEKm	January-December		October-December	
	2003	2002	2003	2002
Net sales	227	424	64	102
Operating profit/loss ^{*)}	358	634	-45	220
Margin (%) ^{**)}	20.7	51.9	17.2	51.0
Return on operating capital (%)	14.3	16.8		
^{*)} Of which –property sales	374	513	7	254
–property write-downs	-63	-99	-63	-86
^{**) Excluding property sales and property write-downs}				

Operating profit for 2003 amounted to SEK 358m (634), of which property sales accounted for SEK 374m (513). Operating net amounted to SEK 95m (284). In line with the strategy to reduce

the portfolio of fully developed properties, sales and earnings from property management are decreasing.

During the fourth quarter the Läraren property was sold for SEK 70m. Major property deals earlier in the year included the sale of the Svärdet properties in Mörby for SEK 931m and acquisition of 2,100 residential units in Vaxholm and Nacka for SEK 1,422m. Other major property deals during the year were the sale of the newly developed hotel property Pennfäktaren 10 on Vasagatan to a Norwegian insurance company for SEK 575m and the sale of the Pilen 30 property on Vasagatan in Stockholm for SEK 180m.

Property write-downs totalled SEK 63m and mainly relate to the Barnängen property in Stockholm.

During the year, JM signed a rental contract with the transport and logistics company DHL for the newly built office property Norra Brunnsviken in Solna. The lease runs for five years and comprises approximately 7,400 sq.m., corresponding to two-thirds of the property. Occupation is scheduled for the first quarter of 2004. A 9,000 sq.m. industrial property is being converted into modern office premises in the Barnängen block in Södermalm where tenants already moved in include the architect firms Nyréns and Sweco FFNS. Office and retail space is also being converted in the Västerbotten block in Torsvik, Lidingö. So far, leases have been signed for approximately 16,000 sq.m. out of a total of 25,000 sq.m. in ongoing commercial projects.

JM possesses land for commercial project development on prime sites in Norra Frösunda, Solna, and the Lustgården block in Kungsholmen where production can start as soon as demand is guaranteed. JM's building rights for commercial premises total approximately 200,000 sq.m. with a book value of SEK 187m.

JM International

The business unit develops and sells residential properties in Norway, Denmark and Belgium. In Belgium, JM also develops centrally located commercial property projects.

SEKm	January-December		October-December	
	2003	2002	2003	2002
Net sales	1,683	1,530	547	396
Operating profit ^{*)}	72	90	15	19
Margin (%) ^{**)}	3.0	6.1	2.7	5.6
Return on operating capital (%)	6.8	9.2		
Number of building rights at end of period	5,700	5,650		
Book value of development properties	520	641		
^{*)} Of which property sales	22	-3	-	-3
^{**) Excluding property sales}				

Operating profit in 2003 amounted to SEK 72m (90). Net sales for the operations in Norway amounted to SEK 985m (1,114).

Earnings in Norway weakened during 2003 due to a lower average revenue level for sold residential units combined with a more conservative market assessment. Some improvement was noted, however, in the fourth quarter.

At year-end 2003, the business unit's available building rights portfolio totalled some 5,700 building rights (5,650). Housing starts totalled 790 (439) during the year and 684 residential units (584) were sold.

Norway

Housing prices levelled out during 2003. Demand which was previously low, increased in the fourth quarter.

Vikevåg Bolig AS with operations in Stavanger was acquired during the year.

In 2003 housing starts totalled 409 (396) and 482 residential units (424) were sold. The available building rights portfolio comprises approximately 4,500 residential units (4,350).

Denmark

The housing market in Copenhagen was characterised by stable demand and stable prices throughout 2003. Copenhagen has had a low but rising residential production for a number of years. Demand for new homes is expected to remain good.

During 2003 housing starts totalled 242 (43) and 152 residential units (85) were sold. The available building rights portfolio comprises approximately 1,100 residential units (1,100).

Belgium

Demand for functional offices in the EU district and the administrative centre of Brussels remains high. New additions are limited and new contracts are mainly signed in newly refurbished or rebuilt offices. In total, leasing in 2003 exceeded the level in the previous year and the decision on EU enlargement has had a noticeable impact.

Demand for good homes in attractive locations in the Brussels region has increased in pace with the number of residents. This has also led to higher house prices. In 2003, there were 139 housing starts (0) and 50 residential units (75) were sold. The building rights portfolio comprises approximately 100 residential units (200).

Stockholm, 16 February 2004

JM AB (publ)

Board of Directors

Additional information and calendar

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The printed annual report for 2003 will be available on 7 April at JM's head office.

The Annual General Meeting will be held on 28 April 2004 at 4 p.m. at JM's head office, Telegrafgatan 4, Solna, Sweden.

28 April 2004 Interim report January – March 2004.

JM AB is a public limited company listed on the Stockholm Stock Exchange. JM has around 2,400 employees in Sweden, Norway, Denmark and Belgium and annual sales of approximately SEK 8 billion. The company is Sweden's leading housing developer, and the core business is project development of residential property and commercial premises in central areas of growth markets. JM's operations are characterised by a focus on quality and the environment.

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OWNERSHIP STRUCTURE

<u>At 31 January 2004</u>	<u>% of number of shares</u>
SEB funds and foundations	
Gamla Livförsäkrings AB SEB Trygg Liv	13.2
Robur funds	9.8
AFA Försäkringar	6.0
Handelsbanken funds	4.5
Eikos	2.8
Fourth National Pension Fund	2.7
Alecta	2.6
Livförsäkrings AB Skandia	2.5
Länsförsäkringar Liv Försäkrings AB	
Länsförsäkringar – funds	1.9
Foreign shareholders	31.2
<u>Other shareholders</u>	<u>22.8</u>
Total	100.0

Number of shareholders at 31 January 2004: 5,165

Number of shares: 28,065,407

CONDENSED CONSOLIDATED INCOME STATEMENT

SEKm	January-December		October-December	
	2003	2002	2003	2002
Net sales	7,787	8,872	2,224	2,301
Costs for production and management	<u>-7,152</u>	<u>-7,960</u>	<u>-2,026</u>	<u>-2,355</u>
Gross profit	635	912	198	-54
Selling and administrative expenses	-505	-527	-134	-153
Gains on the sale of properties	411	523	11	253
Property write-downs	<u>-63</u>	<u>-256</u>	<u>-63</u>	<u>-243</u>
Operating profit/loss	478	652	12	-197
Net financial items	<u>-211</u>	<u>-284</u>	<u>-45</u>	<u>-81</u>
Profit/loss after financial items	267	368	-33	-278
Tax	<u>-80</u>	<u>-115</u>	<u>11</u>	<u>71</u>
Net profit/loss for the period	187	253	-22	-207
Earnings per share (SEK)	6.60	8.50	-0.80	-7.00
Earnings per share after full dilution (SEK)	6.60	8.50	-0.80	-7.00
Number of shares at end of period	28,065,407	29,463,614	28,065,407	29,463,614
Average number of shares before dilution	28,311,705	29,857,486	28,065,407	29,498,025
Average number of shares after dilution	28,311,705	29,954,360	28,065,407	29,594,899

CONDENSED CONSOLIDATED BALANCE SHEET

SEKm	31 December 2003	31 December 2002
Assets		
Fixed assets	168	196
Investment properties	2,833	2,774
Development properties	3,631	3,871
Other current assets ^{*)}	2,181	3,191
Liquid assets	<u>332</u>	<u>596</u>
Total	9,145	10,628
Shareholders' equity and liabilities		
Shareholders' equity	3,285	3,570
Provisions	1,045	918
Interest-bearing liabilities	2,535	3,880
Other liabilities	<u>2,280</u>	<u>2,260</u>
Total	9,145	10,628
Pledged assets	183	432
Contingent liabilities	3,686	3,641
 ^{*) Of which-receivables from property sales}	 54	 1,063
participations in tenant-owner co-operatives	527	358

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

SEKm	January – December	
	2003	2002
Shareholders' equity, opening balance	3,570	3,823
Translation differences	-37	19
Dividend	-281	-420
Repurchase of shares	-154	-116
New issue (conversion) and options	0	11
Net profit for the period	<u>187</u>	<u>253</u>
Shareholders' equity, closing balance	3,285	3,570

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEKm	January – December	
	2003	2002
Cash flow after financial items and tax ^{*)}	-83	-33
Investments in properties, etc.	-3,456	-1,678
Sale of properties, etc.	4,645	4,077
Change in current liabilities/receivables	<u>398</u>	<u>-205</u>
Cash flow from operating activities	1,504	2,161
Cash flow from investing activities, other	-34	-34
Repurchase of shares and remuneration for options, net	-154	-116
Dividend	-281	-420
Other financing activities	<u>-1,299</u>	<u>-1,647</u>
Cash flow from financing activities	-1,734	-2,183
Cash flow for the year	-264	-56
Liquid assets at the end of the period	332	596
<i>Change in interest-bearing net debt</i>	<i>-1,054</i>	<i>-1,555</i>
<i>(+ = increase/ - = decrease)</i>		

^{*)} Of which SEK 1m (225) pertains to paid tax on profit for the previous year

KEY RATIOS

SEKm	January-December		October-December	
	2003	2002	2003	2002
Profit/loss from project development	182	459	16	-265
Project development margin (%)	2.4	5.4	0.7	-12.0
Return on capital employed before tax (%)	7.3	7.8		
Return on equity after tax (%)	5.5	6.8		
Interest-bearing net debt	2,611	3,665	2,611	3,665
Debt/equity ratio	0.8	1.0	0.8	1.0
Equity ratio (%)	36	34	36	34

NET SALES FROM PROJECT DEVELOPMENT

SEKm	January-December		October-December	
	2003	2002	2003	2002
JM Residential Stockholm	3,218	3,623	919	893
JM Residential Sweden	2,092	2,205	585	697
JM Production	701	1,166	196	213
JM International	1,683	1,530	547	396
Eliminations	<u>-134</u>	<u>-76</u>	<u>-87</u>	<u>-</u>
Total Group	7,560	8,448	2,160	2,199

PROFIT FROM PROJECT DEVELOPMENT

SEKm	January-December		October-December	
	2003	2002	2003	2002
JM Residential Stockholm	-22	-160	13	-452
JM Residential Sweden	98	180	33	64
JM Production	34	-27	13	-29
JM Commercial	0	376	-58	133
JM International	<u>72</u>	<u>90</u>	<u>15</u>	<u>19</u>
Total Group	182	459	16	-265

CONSOLIDATED NET SALES BY BUSINESS UNIT

SEKm	January-December		October-December	
	2003	2002	2003	2002
JM Residential Stockholm	3,218	3,623	919	893
JM Residential Sweden	2,092	2,205	585	697
JM Production	701	1,166	196	213
JM Commercial	227	424	64	102
JM International	1,683	1,530	547	396
Eliminations	<u>-134</u>	<u>-76</u>	<u>-87</u>	<u>-</u>
Total Group	7,787	8,872	2,224	2,301

CONSOLIDATED OPERATING PROFIT BY BUSINESS UNIT

SEKm	January-December		October-December	
	2003	2002	2003	2002
JM Residential Stockholm	-22	-160	13	-452
JM Residential Sweden	98	180	33	64
JM Production	34	-27	13	-29
JM Commercial	358	634	-45	220
JM International	72	90	15	19
Group-wide expenses	<u>-62</u>	<u>-65</u>	<u>-17</u>	<u>-19</u>
Total Group	478	652	12	-197

MARGIN BY BUSINESS UNIT ^{*)}

%	January-December		October-December	
	2003	2002	2003	2002
JM Residential Stockholm	-1.4	-0.4	0.8	-33.5
JM Residential Sweden	5.0	8.1	6.0	9.5
JM Production	4.9	-2.3	6.6	-13.6
JM Commercial	20.7	51.9	17.2	51.0
JM International	3.0	6.1	2.7	5.6

^{*)} Operating profit excluding property sales and property write-downs in relation to net sales.

ORDER BOOKINGS BY BUSINESS UNIT

SEKm	January-December		October-December	
	2003	2002	2003	2002
JM Residential Stockholm	2,479	2,833	1,174	340
JM Residential Sweden	1,997	2,610	578	1,199
JM Production	495	513	20	209
JM International	<u>2,174</u>	<u>734</u>	<u>854</u>	<u>-66</u>
Total Group	7,145	6,690	2,626	1,682

ORDER BACKLOG BY BUSINESS UNIT

SEKm	31 December 2003	31 December 2002
JM Residential Stockholm	2,131	2,740
JM Residential Sweden	1,716	1,785
JM Production	358	465
JM International	<u>1,480</u>	<u>935</u>
Total Group	5,685	5,925

OPERATING CAPITAL (SEKm) ^{*)}**RETURN (%) ON OPERATING CAPITAL BY BUSINESS UNIT**

	January – December	
	2003	2002
JM Residential Stockholm	3,091	3,496
	-0.7%	-4.6%
JM Residential Sweden	961	1,076
	10.2%	16.7%
JM Commercial	2,498	3,776
	14.3%	16.8%
JM International	1,059	979
	6.8%	9.2%

^{*)} Average

Accounting principles

The accounts are prepared in accordance with the Swedish Financial Accounting Standards Council's recommendations. The accounting principles and calculation methods applied are unchanged from those used in the 2002 Annual Report.