

## Semi-Annual Report for Piren AB

### January – June 2000

- **Earnings from core operations totalled SEK 75 million, an improvement of 53 percent.**
- **Sales at Piren's shopping centres rose 11.2 percent the first six months 2000.**
- **Piren's new shopping centre in central Copenhagen, Fisketorvet Shopping Center, is due to open on October 10<sup>th</sup>.**
- **Rodamco owns more than 99 percent of the shares in Piren.**

	<b>2000 Jan 1–June 30</b>	<b>1999 Jan 1-June 30</b>	<b>1999 Jan 1-Dec 31</b>
Rental income, SEK million	<b>321</b>	294	597
Profit from core operations, SEK million	<b>75</b>	49	125
Income before tax, SEK million	<b>75</b>	49	125
Profit for the period, SEK million	<b>72</b>	49	125
Equity, SEK million	<b>2,196</b>	2,120	2,196
Equity ratio, percent	<b>30</b>	33	32

#### **Revenues and earnings**

Consolidated operating revenue for the period January-June 2000 was SEK 322.6 (296.2) million, including rental income of SEK 321.2 (293.8) million.

Operating income reached SEK 170.3 (154.6) million.

Income before tax equalled SEK 75.2 (48.7) million.

Depreciation was SEK 28.0 (26.4) million, including depreciation on buildings and amortisation of goodwill totalling SEK 27.0 (25.5) million.

Piren reported profit for the period of SEK 72.2 (48.7) million.

Surplus assignments in the insurance company SPP, which Piren and its subsidiaries have been assigned and which preliminary have been estimated to SEK 3.4 Million, are not included in the accounts at June 30, 2000.

### **Occupancy**

Of the floor space in Piren's property holdings (excluding Fisketorvet Shopping Center), 95 (95)\* percent was under lease at June 30, 2000. On that date, the financial vacancy rate equalled 3 (3)\* percent.

### **Fisketorvet Shopping Center in Copenhagen**

Fisketorvet Shopping Center will contain about 54,000 square metres of leasable space. In addition to some 120 shops and restaurants, the complex will include a cinema centre seating a total of 3,200 persons in 10 cinemas and some 2,000 parking spaces. At the inauguration on October 10, all space is estimated to be under lease. Five percent of the shops will not be ready and opened until after the inauguration, though.

### **Investments**

During January-June 2000, Piren invested SEK 484 (585) million, of which SEK 319 (512) million was in the Fisketorvet Shopping Center project.

### **Sales trends at Piren's shopping centres**

During the first six months of 2000, sales at Piren's shopping centres averaged some 11.2 percent higher than in the corresponding period in 1999, based on current prices. According to statistics from the Swedish Research Institute of Trade (HUI), comparative sales for the Swedish retail trade increased 7.5 percent.

### **Financial position**

Group liquid funds (cash on hand and bank balances) at the end of June were SEK 127 (79)\* million.

At June 30, 2000, bank overdraft and loan facilities granted but not exercised totalled SEK 46.2 (27.6)\* million. In addition, there is DKK 230 million that has not yet been utilized of the agreed financing of Fisketorvet Shopping Center totalling DKK 900 million.

At June 30, 2000, the Group's loans totalled SEK 4 644 (4 201)\* million, SEK 100 (100)\* million of which was a convertible loan. The total amount includes loans for DKK 1,000 (650)\* million, roughly equal to SEK 1 128 million. The conversion rate was SEK 1.1275 SEK/DKK.

The average interest rate for the Piren Group's borrowings at June 30, 2000, was 5.7 (5.8)\* percent, not taking into account interest subsidies. Interest subsidies for the first six months of 2000 equalled SEK 0.6 (0.9) million.

At June 30, 2000, interest rates on Piren's loans were fixed for an average of 20 (22)\* months.

At June 30, 2000, the equity ratio equalled 30.0 (32.3)\* percent.

### **Convertible debentures redeemed**

The convertible debentures were redeemed on July 31, 2000. As the convertibles were not converted into shares, share data and key ratios after conversion are not specified any more. The convertible debentures had a total amount of SEK 100.0 million with maturity through July 31, 2000. All convertible debentures were held by Piren's parent company Rodamco.

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Figures in parantheses without asterisks refer to amounts at June 30, 1999, or January-June 1999.

Figures in parantheses with asterisks refer to amounts at December 31, 1999.



### Forecast for 2000

Earnings from core operations are expected to be better than in 1999.

### Next report

The interim report for January-September 2000 will be released on October 26, 2000.

### Rodamco owns 99.3 percent of Piren

On January 24, 2000, Piren's former largest shareholders, Skanska and Latour, announced that they had agreed to sell their holdings in Piren AB to Rodamco Continental Europe N.V. (Rodamco). The price was SEK 69.60 per share. Rodamco also made an offer to the other shareholders to sell all their shares on the same terms and conditions as agreed with Skanska and Latour. An offer prospectus was distributed to the shareholders at the end of February 2000. Following expiration of the acceptance period and after purchases on the market, Rodamco owns 99.3 percent of all shares and votes in Piren at June 30, 2000.

Rodamco, based in Rotterdam, The Netherlands, is one of Europe's leading property management companies. Rodamco owns 750 properties in 10 European countries with a total market value of about SEK 40,000 million, Piren inclusively. About 75 percent of that total consist of shopping centres and retail properties. Rodamco is listed on the stock exchanges in Amsterdam, Frankfurt, Paris and Brussels.

### Shareholders

Shareholders at June 30, 2000	Number of shares	Percentage capital and votes
Rodamco Continental Europe	40,919,149	99.3
Other shareholders (about 1,500)	287,522	0.7
<b>Total</b>	<b>41,206,671</b>	<b>100.0</b>

### Share data and key ratios

	June 30, 2000	June 30, 1999	Dec 31, 1999
No. of shares	41,206,671	41,206,671	41,206,671
Operating income/share	4.13	4.50	8.64
Earnings/share before tax (SEK)	1.83	1.42	3.25
Earnings/share after tax (SEK)	1.75	1.42	3.25
Shareholders' equity (SEK mn.)	2,196	2,120	2,196
Shareholders' equity/share (SEK)	53	51	53
Equity ratio (%)	30	33	32
Gearing ratio (%)	66	64	64

# **PROFIT AND LOSS ACCOUNTS**

<b>Group</b> (SEK million)	<b>2000</b> Jan 1-June 30	<b>1999</b> Jan 1-June 30	<b>1999</b> Jan 1-Dec 31
Rental income	321.2	293.8	596.8
Other operating revenues	1.4	2.4	5.7
<b>Operating revenue</b>	<b>322.6</b>	<b>296.2</b>	<b>602.5</b>
<u>Property expenses</u>			
Operations and maintenance	-66.1	-62.2	-119.5
Property administration and shopping centre management	-23.0	-24.5	-45.2
Real estate tax	-19.9	-15.2	-30.3
Other operating expenses	-2.2	-2.3	-5.6
Depreciation on buildings and amortisation of goodwill	-27.0	-25.5	-51.5
<b>Total property expenses</b>	<b>-138.2</b>	<b>-129.7</b>	<b>-252.1</b>
<b>Gross income</b>	<b>184.4</b>	<b>166.5</b>	<b>350.4</b>
Administration and marketing overhead	-14.3	-12.0	-24.2
Share of earnings in associated companies	0.2	0.1	0.1
<b>Operating income</b>	<b>170.3</b>	<b>154.6</b>	<b>326.3</b>
<u>Financial items</u>			
Interest income	1.1	2.0	3.3
Interest subsidy	0.6	0.9	1.6
Interest expense and similar costs	-96.8	-108.8	-206.6
Net financial income/expense	-95.1	-105.9	-201.7
<b>Income before tax</b>	<b>75.2</b>	<b>48.7</b>	<b>124.6</b>
Taxes	-3.0	—	—
<b>Profit for the period</b>	<b>72.2</b>	<b>48.7</b>	<b>124.6</b>

<b>Parent company</b> (SEK million)	<b>2000</b> Jan 1-June 30	<b>1999</b> Jan 1-June 30	<b>1999</b> Jan 1-Dec 31
Operating revenue	<b>26.6</b>	21.4	40.8
Operating income	<b>0.8</b>	0.4	0.3
Income before appropriations and tax	<b>34.3</b>	2.5	106.3

**BALANCE SHEETS**

<b>Group (SEK million)</b>	<b>June 30, 2000</b>	<b>June 30, 1999</b>	<b>Dec 31, 1999</b>
<b>Assets</b>			
Long-term property holdings	7,028.4	6,000.5	6,571.0
Other long-term assets	123.2	118.3	118.8
Current assets (excluding liquid funds)	48.7	162.0	34.0
Liquid funds	126.8	104.9	79.3
<b>Total assets</b>	<b>7,327.1</b>	<b>6,385.7</b>	<b>6,803.1</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	2,195.7	2,119.7	2,195.7
Reserves	83.9	83.9	83.9
Liabilities			
- Interest-bearing liabilities	4,643.7	3,857.0	4,201.3
- Non-interest-bearing liabilities	403.8	325.1	322.2
Total liabilities	5,047.5	4,182.1	4,523.5
<b>Total shareholders' equity and liabilities</b>	<b>7,327.1</b>	<b>6,385.7</b>	<b>6,803.1</b>

**FUNDS STATEMENTS**

<b>Group (SEK million)</b>	<b>2000 Jan 1-June 30</b>	<b>1999 Jan 1-June 30</b>	<b>1999 Jan 1-Dec 31</b>
Cash flow from operating activities before change in working capital	128.7	113.4	207.8
Change in working capital	37.9	-43.2	90.5
Cash flow from investing activities	-484.4	-585.4	-1,183.6
Cash flow from financing activities	365.3	394.1	738.6
Change in liquid funds including short-term investments	47.5	-121.1	-146.7

Täby, August 29, 2000

Lars Söderblom  
Managing Director

The Company's auditors did not examine this interim report.

Please direct questions to Lars Söderblom.

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**This interim report is also available at Piren's web site: [www.piren.se](http://www.piren.se)**