



Interim Report

JANUARY - SEPTEMBER 2008, JM GROUP

3/2008



Liljeholmskajen, Stockholm

Cautious demand and declining level of activity

- ♦ Income increased by 6 percent to SEK 9,379m (8,852) and the number of residential units sold fell to 1,601 (2,837)
- ♦ Earnings before tax totaled SEK 1,276m (1,491) and net profit for the period totaled SEK 915m (1,074). Operating margin decreased to 13.8 percent (17.0)
- ♦ Property sales of SEK 83m (564) provided capital gains of SEK 21m (143)
- ♦ Return on equity for the past twelve months was 45.5 percent (46.6). Earnings per share during the nine-month period was SEK 10.50 (11.70)
- ♦ Consolidated cash flow including net investments in properties was SEK -141m (1,081)
- ♦ Staff cutbacks are planned due to the rapidly declining economy and the effects of the crisis in the financial system. About 600 of a total of about 2,500 employees are affected.

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Income	9,379	8,852	2,550	2,643	13,258	12,731
Operating profit	1,294	1,509	276	481	2,086	2,301
Profit before tax	1,276	1,491	262	468	2,082	2,297
Cash flow from operating activities	-141	1,081	-196	560	604	1,826
Operating margin (%)	13.8	17.0	10.8	18.2	15.7	18.1
Return on equity (%)					45.5	44.5
Equity/assets ratio (%)	34	39	34	39		39
Earnings per share (SEK)	10.50	11.70	2.30	3.70	17.20	18.30
Number of housing starts	1,483	3,018	246	848	2,530	4,065
Number of residential units sold	1,601	2,837	307	817	2,644	3,880

GROUP

"Demand for our housing has weakened on all main markets. We continue to see great interest in our projects in Sweden but our customers are cautious due to the turmoil in the financial system. Consequently both sales and housing starts dropped to a low level during the last quarter. JM's business is closely coupled with the banking system with respect to both customer demand and financing of the operation.

The economy is now clearly weakening, with deteriorating demand in our markets. We are therefore forced to adapt our operations to a lower activity level, which means that we must unfortunately lay off a large number of employees. The final scope of the layoffs will depend on the ability of the political and financial systems to ensure that financing is available for business and households. In the long term, fundamentals continue to be positive for our business. At the same time we are dynamically positioned with financial strength and an excellent project portfolio that continues to be refined to be ready when demand improves."

Johan Skoglund, President and CEO

Market, sales and housing starts

Demand for newly built homes has weakened during the year in all of JM's main markets. Demand continues to be weak in southern and western Sweden as well as in Norway and Copenhagen. The financial turmoil and liquidity problems in the Swedish banking system have also resulted in a clearly guarded stance from our customers in Stockholm despite great interest in our projects. Consequently conditions are not right for starting new projects. The ability of the banking system to handle the supply of liquidity for new projects is also a limiting factor. Demand in the short-term is also weaker due to higher interest rates and the clear slowdown of the economy.

The number of sold residential units in the form of signed contracts totaled 1,601(2,837), while the percentage of sold or reserved residential units in relation to ongoing production continues to drop and now falls short of normalized levels. The reservation rate also declined due to cancellation of previously booked reservations at a higher level than in the past. JM Residential Stockholm sold 964 residential units (1,267), JM Residential Sweden sold 427(1,172) and JM International sold 210 (398). JM International's decreased sales can mainly be attributed to continued low demand in Norway.

The number of housing starts amounted to 1,483 (3,018) including 923 (1,359) in the Stockholm area and 360 (1,067) elsewhere in Sweden. Housing starts in international operations totaled 200 (592).

Income, operating profit and operating margin

Consolidated income for the nine-month period increased by 6 percent to SEK 9,379m (8,852) attributable to the high level of housing starts at higher prices during 2007/2008 in Stockholm and the higher percentage of particularly well-located projects. Operating profit was SEK 1,294m (1,508) and the operating margin was 13.8 percent (17.0).

The decrease in operating profit and operating margin can mainly be attributed to the persistently low level of sales and housing starts in JM International and JM Residential Sweden. The results for JM Residential Stockholm also weakened due to weaker demand. JM International reports lower operating profit and margin due to weak demand in Norway, Denmark, and Finland. The expected negative impact of the financial crisis on future demand and prices for our residential units also had a negative effect on third quarter results because results are calculated using the percentage of completion method based on quarterly updated forecasts for the projects. JM operations still demonstrate a trend toward rising costs.

During the nine-month period properties sold for SEK 83m (564) with gains of SEK 21m (143). Rental income from JM's project properties totaled SEK 86m (57), including SEK 37m (42) for residential units. Net operating income was SEK 27m (18).

	January - September		July - September		Oct.- Sept.
Operating profit, SEK m	2008	2007	2008	2007	2007/08
JM Residential Stockholm	832	788	165	264	1,280
JM Residential Sweden	319	465	61	154	539
JM International	67	104	18	17	141
JM Property Development	33	132	9	35	63
JM Production	80	56	32	23	113
Group-wide expenses	-37	-36	-9	-12	-50
Total ¹⁾	1,294	1,509	276	481	2,086
¹⁾ Including property sales	21	143	0	37	60

	January - September		July - September		Oct.- Sept.
Operating margin, %	2008	2007	2008	2007	2007/08
JM Residential Stockholm	20.7	21.9	15.9	24.5	22,7
JM Residential Sweden	12.0	16.1	8.9	17.7	14,3
JM International	4.1	5.8	4.1	3.3	5,6
JM Production	5.7	6.0	6.0	7.9	6,4

Building rights

JM's available building rights increased to 32,900 residential units (30,300) of which 21,200 (18,900) are recognized in the balance sheet. The Group increased its holdings of building rights in all markets. Capital tied up in building rights (development properties in the balance sheet) for residential units rose to SEK 6,059m (4,295) at the end of the first nine months.

JM acquired development properties for residential units for SEK 1,410m (760) during the first nine months of the year.

The biggest acquisitions included properties in Västra Kungsholmen in Stockholm for SEK 129m, Järva, Solna for SEK 330m, central Lund for SEK 197m, Telefonplan in southern Stockholm for SEK 120m, property in western Lund for SEK 60m, Hornstull in central Stockholm for SEK 55m and Staffanstorp in Skåne for SEK 47m. JM International reports acquisitions for a total of SEK 365m, the biggest of which was a property in central Oslo for SEK 96m.

Financial items

Net financial items are unchanged compared with the corresponding period the previous year. The increased financial income and expenses during the third quarter are mainly attributable to revaluation of receivables and liabilities in foreign currency.

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Financial income	49	27	16	4	77	55
Financial expenses	-67	-45	-30	-17	-81	-59
Financial income and expenses	-18	-18	-14	-13	-4	-4

For the nine-month period interest-bearing loans increased by SEK 144m to SEK 904m (710), of which the provision for pensions comprised SEK 507m (497). At the end of the nine-month period the average interest rate for the total loan stock, including pension liabilities, was 5.4 percent (4.5). The average term for fixed-rate loans excluding pension liabilities is 0.4 years (0.5).

The Group's available liquidity was SEK 3,378m (4,054). Aside from cash and cash equivalents of SEK 578m (1,254), this includes unutilised overdraft facilities and credit lines totaling 2,800m (2,800).

Interest-bearing net debt was SEK 304m (-566) at the end of the nine-month period. At the end of the nine-month period non interest-bearing liabilities for implemented property acquisitions amounted to SEK 1,337m (896), including SEK 218m (645) in short-term liabilities.

SEK m	January - September 2008 2007		July - September 2008 2007		Oct.- Sept. 2007/08	Full Year 2007
Interest-bearing net liability(+)/-receivables(-) at beginning of period	-1,313	-852	132	-937	-566	-852
Change in interest-bearing net liability/receivables	1,617	286	172	371	870	-461
Interest-bearing net liability(+)/-receivables(-) at end of the period	304	-566	304	-566	304	-1,313

Cash flow

Cash flow from operating activities was SEK -141m (1,081). The change is mainly attributable to increased investments in development properties and fewer projects in which production has begun. Settlement of deferred payments relating to acquisitions of development properties had a negative impact on cash flow, with a net change of SEK -242m (-82).

Change in cash flow from property development (project properties) contributed SEK -8m (-119).

Risk and uncertainties

JM's risk and risk management policies are presented in the 2007 annual report on pages 37-39. In addition to this description of risks, we saw an increase in market, cost and liquidity risks in our business, coupled with the banking system's ability to supply JM's customers and production with cost-effective financing.

The effects of the financial crisis also increased the risk related to values of the more capital-heavy development properties. However, we cannot make a more accurate assessment until the situation pertaining to the financial system stabilizes.

Employees

The number of employees at the end of the first nine months of the year was 2,467 (2,408). The number of wage-earners was 1,184 (1,208) and the number of salaried employees was 1,283 (1,200).

Planned staff cutbacks

Due to the rapidly declining economy and the effects of the crisis in the financial system JM is planning staff cutbacks affecting a total of about 600 employees, where measures have already been initiated involving about 150 employees. The financial crisis strengthens the economic downturn through tighter credit, a shortage of liquidity, higher interest rates, lower employment and increased uncertainty about the future for our customers. In summary, this situation has caused a substantial drop in demand for our residential units to which the organization must adjust. The planned staff cutbacks will mainly take place through dismissals evenly distributed across the Group's markets. We have now initiated negotiations about these staff cuts with the involved trade unions. Our hope is that confidence in the financial system will be sufficiently restored quickly enough so that the layoffs do not have to be carried out to their full extent. However, in the current situation it is difficult to assess how long the crisis will last and the impact on the real economy and therefore further layoffs may be necessary.

Own shares

As at September 30, 2008 the Company holds 185,000 own shares as a hedge for JM's long-term incentive program.

BUSINESS SEGMENTS

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 - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Income	4,016	3,596	1,035	1,077	5,637	5,217
Operating profit ¹⁾	832	788	165	264	1,280	1,236
Operating margin (%)	20.7	21.9	15.9	24.5	22.7	23.7
Average operating capital					1,867	1,286
Return on operating capital (%)					68.6	96.1
Operating cash flow	648	916	13	382	1,021	1,289
Carrying amount, development properties	2,718	1,656				2,405
Number of available building rights	12,800	12,100				12,300
Number of housing starts	923	1,359	23	414	1,384	1,820
Number of residential units sold	964	1,267	147	364	1,604	1,907
Number of employees	931	912				921
¹⁾ Including property sales	-	5	-	-	10	15

Demand and prices for tenant-owned apartments on the existing home market have dropped over the past few months. For JM's new projects the financial turmoil has caused customers to be extremely cautious, though they continue to be interested. Competition for land for development has decreased. However, the supply of new homes is not large enough in relation to long-term demand in the Stockholm area.

The business segment's income during the nine-month period increased by 12 percent to SEK 4,016m (3,596) and operating profit was up 6 percent to SEK 832m (788). Operating margin decreased to 20.7 percent (21.9). The lower operating margin is attributable to lower demand and sales.

Cash flow is lower mainly because of an increase in investments in development properties and the low number of housing starts.

During the third quarter JM acquired building rights equivalent to about 750 residential units in Solna and the city of Stockholm.

Production began on 23 single-family homes in Sundbyberg. The low number of housing starts is attributable to weaker demand, a lower sales rate and the banking system's inability to support production with cost-effective financing as well as it has in the past.

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 - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Income	2,651	2,892	683	872	3,770	4,011
Operating profit ¹⁾	319	465	61	154	539	685
Operating margin (%)	12.0	16.1	8.9	17.7	14.3	17.1
Average operating capital					1,328	871
Return on operating capital (%)					40.6	78.6
Operating cash flow	-17	258	100	108	193	468
Carrying amount, development properties	1,671	1,415				1,377
Number of available building rights	11,900	10,800				10,700
Number of housing starts	360	1,067	118	331	808	1,515
Number of residential units sold	427	1,172	119	371	757	1,502
Number of employees	675	688				678
¹⁾ Including property sales	-	-	-	-	2	2

Demand in Greater Göteborg continued to weaken during the third quarter. Housing prices have flattened or fallen in the business segment. For JM's new projects the financial turmoil has caused customers to be extremely cautious despite continued interest. Competition for development land has decreased.

The business segment's income during the nine-month period was SEK 2,651m (2,892) and operating profit was SEK 319m (465). The operating margin was 12.0 percent (16.1). The decreased margin is attributable to the downturn in demand and sales.

The decrease in cash flow is mainly attributable to investments in development properties and the low number of housing starts.

During the third quarter building rights equivalent to about 200 residential units were acquired in Skåne and Norrtälje.

Production started during the third quarter on a total of 76 residential units in apartment buildings, including in Västerås and Vallentuna and 42 single-family homes in Skåne and Örebro.

The low number of housing starts is attributable to weaker demand, a lower sales rate and the banking system's inability to support production with cost-effective financing as well as it has in the past.

JM INTERNATIONAL

The JM International business segment develops and sells residential properties in Norway, Denmark, Finland and Belgium.

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Income	1,640	1,807	435	509	2,518	2,685
Operating profit	67	104	18	17	141	178
Operating margin (%)	4.1	5.8	4.1	3.3	5.6	6.6
Average operating capital					1,630	1,144
Return on operating capital (%)					8.7	15.6
Operating cash flow	-555	130	-146	106	-695	-10
Carrying amount, development properties	1,670	1,224				1,389
Carrying amount, project properties	58	37				30
Number of available building rights	8,200	7,400				8,000
Number of housing starts	200	592	105	103	338	730
Number of residential units sold	210	398	41	82	283	471
Number of employees	305	322				316

The business segment's income for the nine-month period decreased 9 percent to SEK 1,640m (1,807). Operating profit decreased 35 percent to SEK 67m (104), where weak demand in Norway, Denmark and Finland had a negative impact on earnings. Operating profit for the third quarter includes SEK 18m for the sale of the machinery rental business in JM Norway. Operating margin decreased to 4.1 percent (5.8).

The decreased cash flow can mainly be explained by the fact that loans for acquisitions of development properties from previous years were paid at the same time that JM acquired new properties.

Considering the persistent low demand in Denmark and the low level of demand in Finland JM is formulating a winter-survival strategy in these countries with accompanying personnel cutbacks.

Norway

Demand for newly built homes remains weak. Prices in the existing home market have dropped somewhat over the past few months. Housing starts will be postponed due to the low activity on the housing market. The supply of newly built homes is large.

Efforts to improve cost controls in JM projects are a top priority.

During the nine-month period 112 residential units (328) were sold and production began on 200 residential units (544). During the third quarter production began on 105 residential units in Oslo and 160 building rights were acquired in a central location in Oslo.

Available building rights correspond to about 5,800 residential units (5,400).

Denmark

Demand for residential units in Copenhagen remains soft. Housing prices in Copenhagen do not yet appear to have found their equilibrium level. The decreased activity level in the market has resulted in some stabilization of production costs. JM uses external production resources for its operations in Denmark, which allows flexibility in adapting capacity.

During the nine-month period 64 residential units (27) were sold, including 57 sold to a single investor who intends to rent them out. Production began on 0 residential units (48) during the nine-month period. No acquisitions were made during the third quarter.

Available building rights correspond to about 1,000 residential units (900).

Finland

One residential project is underway with 22 residential units in Kervo municipality outside Helsinki. Activity on the Helsinki housing market has slowed in recent months.

During the nine-month period 6 residential units (0) were sold and production began on 0 residential units (0).

No acquisitions were made during the third quarter. Available building rights correspond to approximately 300 residential units (400).

Belgium

In the Brussels region, where JM has its operations, sales prices are stable.

During the nine-month period 28 residential units (43) were sold and production began on 0 residential units (0).

No acquisitions were made during the third quarter.

Sales are low in Belgium because few residential units are for sale and housing starts are low due to delays in the planning process in several projects.

Available building rights correspond to about 1,100 residential units (700).

JM PROPERTY DEVELOPMENT

The JM Property Development business segment develops residential and commercial properties in Greater Stockholm. The business segment's entire portfolio comprises project development properties.

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Income	155	64	53	25	182	91
Operating profit ¹⁾	33	132	9	35	63	162
Average operating capital					949	984
Return on operating capital (%)					6.6	16.5
Operating cash flow	-35	-27	-54	35	162	170
Carrying amount, development properties	101	73				111
Carrying amount, project properties	798	585				760
Number of employees	19	15				17
¹⁾ Including property sales	21	138	-	37	48	165

The business segment's income during the nine-month period was SEK 155m (64) including rental revenue of SEK 81m (56) and contracting revenue of SEK 74m (8). Operating profit fell to SEK 33m (132). The change is attributable to lower gains from property sales. Net operating income for project properties was SEK 25m (17).

Contracting revenues from production amounted to SEK 15m (-).

Gains from the sold properties were SEK 21m (138), including SEK 3m for the dissolution of earlier provisions in conjunction with property sales.

Renovations and tenant adjustments, including about 6,500 m² for AGA, are in progress in the Dalénium area in Lidingö, which was acquired in late 2007. The occupancy rate in the buildings that will be kept is 91 percent.

Production of the office building in Frösunda Park, Solna, ordered by Vasakronan and with JM AB as the tenant, is proceeding according to plan, with completion expected around year-end 2009. The project is recognized as revenue for external contracting.

Production of sheltered housing for the elderly in Lillängen, Nacka Municipality (45 residential units), is progressing according to plan with completion expected in early 2009.

During the third quarter JM signed rental agreements with the municipalities of Sigtuna and Norrtälje for two senior housing projects for a total of 136 residential units.

JM's building rights for commercial project development, including building rights for rental housing, amount to a total of about 73,000 m² with a carrying amount of SEK 101m (73).

JM PRODUCTION

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

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Income ¹⁾	1,402	930	529	290	1,768	1,296
Operating profit	80	56	32	23	113	89
Operating margin (%)	5.7	6.0	6.0	7.9	6.4	6.9
Operating cash flow	123	18	51	-1	159	54
Number of employees	433	371				382
¹⁾ Including internally	485	437	185	130	617	569

Demand for contracting operations in the Stockholm market is still robust and orders in the business segment continue to be strong.

The business segment's income during the nine-month period was SEK 1,402m (930) and operating profit was SEK 80m (56). The operating margin was 5.7 percent (6.0). Several projects were completed during the year, with a positive final adjustment.

During the third quarter the business segment received several projects, the largest of which involves reclamation work for the city of Stockholm in Hornsberg and an additional stage in the current project for Söderenergi at Igelstaverket.

The largest ongoing projects include new construction of a commercial building in Kista for AP Fastigheter, new construction of a commercial property in Solna and renovation of a commercial property on Lidingö, both for JM Property Development. In addition, projects currently in progress include terminal 5 at Arlanda airport for the Swedish Civil Aviation Administration, renovation of commercial properties in Kista for Fastighetsbolaget Klöver, construction work and new construction of an industrial property at the Igelstaverket plant for Söderenergi AB, as well as expansion work in Henriksdalshamnen for the City of Stockholm.

CONSOLIDATED INCOME STATEMENT IN BRIEF

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Income	9,379	8,852	2,550	2,643	13,258	12,731
Costs for production and management	-7,554	-6,984	-2,116	-2,057	-10,509	-9,939
Gross profit	1,825	1,868	434	586	2,749	2,792
Selling and administrative expenses	-552	-502	-158	-142	-723	-673
Gains on the sale of properties	21	143	0	37	60	182
Operating profit	1,294	1,509	276	481	2,086	2,301
Financing income and expenses	-18	-18	-14	-13	-4	-4
Profit before tax	1,276	1,491	262	468	2,082	2,297
Taxes	-361	-417	-74	-132	-576	-632
Net profit for the period	915	1,074	188	336	1,506	1,665
Attributable to:						
Shareholders of parent company	915	1,074	188	336	1,506	1,665
Earnings per share, basic and diluted (SEK)						
attributable to shareholders of parent company	10.50	11.70	2.30	3.70	17.20	18.30
<i>No. of shares outstanding at close of period</i>	<i>83 216 883</i>	<i>88 879 308</i>	<i>83 216 883</i>	<i>88 879 308</i>	<i>83 216 883</i>	<i>88 879 308</i>
<i>Average number of shares, basic</i>	<i>86 895 131</i>	<i>91 816 644</i>	<i>83 216 883</i>	<i>90 897 244</i>	<i>87 395 252</i>	<i>91 076 274</i>
<i>Average number of shares, diluted</i>	<i>86 922 776</i>	<i>91 828 029</i>	<i>83 252 919</i>	<i>90 922 721</i>	<i>87 421 189</i>	<i>91 090 084</i>

CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	2008-09-30	2007-09-30	2007-12-31
ASSETS			
Non-current assets	108	119	121
Project properties	856	625	790
Development properties	6,160	4,368	5,282
Participations in tenant-owner associations, etc.	159	65	104
Current receivables ¹⁾	2,054	1,955	1,558
Cash and cash equivalents	578	1,254	2,061
Total current assets	9,807	8,267	9,795
Total assets	9,915	8,386	9,916
EQUITY & LIABILITIES ²⁾			
Shareholders' equity	3,327	3,290	3,893
Non-current interest-bearing liabilities	315	177	216
Other non-current liabilities	1,120	251	978
Non-current provisions	1,652	1,064	1,358
Total non-current liabilities	3,087	1,492	2,552
Current interest-bearing liabilities	82	36	45
Other current liabilities	3,288	3,478	3,321
Current provisions	131	90	105
Total current liabilities	3,501	3,604	3,471
Total shareholders' equity and liabilities	9,915	8,386	9,916
Pledged assets	206	168	162
Contingent liabilities	7,851	7,747	7,015
¹⁾ Including receivables from property sales	7	440	64
²⁾ Including liabilities for property acquisition	1,358	916	1,600

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY IN BRIEF

SEK m	January - September		Full Year
	2008	2007	2007
Opening balance at beginning of the year	3,893	3,590	3,590
Fair value reserve (cash flow hedges), net	10	54	67
Net sum of all entries charged or credited directly to equity	10	54	67
Net profit for the period	915	1,074	1,665
Total income and expenses for the period	925	1,128	1,732
Redemption of shares	-992	-1,013	-1,013
Dividend	-489	-415	-415
Equity component of convertible debentures	3	8	7
Share-based payments regulated with equity instruments	2	1	1
Repurchase of own shares	-15	-9	-9
Closing balance at end of the period	3,327	3,290	3,893

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY)

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Cash flow from current operations before change in working capital	1,051	1,129	171	360	1,750	1,828
Investments in development properties, etc.	-1,884	-907	-752	-573	-2,603	-1,626
Payment on account for development properties etc.	643	891	213	282	1,137	1,385
Investment in project properties	-126	-119	-74	37	-314	-307
Sale of project properties	118	0	10	0	507	389
Change in current liabilities/receivables	57	87	236	454	127	157
Cash flow from current operations	-141	1,081	-196	560	604	1,826
Cash flow from investment activities	17	-8	37	0	18	-7
Loans raised	529	143	423	8	596	210
Amortization of debt	-393	-34	-351	-7	-411	-52
Repurchase and redemption of own shares	-1,008	-1,022	-	-1,013	-1,008	-1,022
Dividend	-489	-415	-	-	-489	-415
Cash flow from financing activities	-1,361	-1,328	72	-1,012	-1,312	-1,279
Cash flow for the period	-1,485	-255	-87	-452	-690	540
Cash and cash equivalents, end of the period	578	1,254	578	1,254	578	2,061

KEY RATIOS

%	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Operating margin	13.8	17.0	10.8	18.2	15.7	18.1
Pre-tax return on capital employed					52.6	52.9
Return on equity					45.5	44.5
Debt/equity ratio (x)	0.1	-	0.1	-		-
Equity/assets ratio	34	39	34	39		39

Accounting principles

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

The accounting principles applied in this interim report are described in the 2007 Annual Report, pages 51-53.

INCOME BY COUNTRY

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Sweden	7,739	7,045	2,115	2,134	10,740	10,046
Norway	1,038	1,325	286	365	1,621	1,908
Denmark	477	394	135	113	694	611
Finland	39	9	-5	6	51	21
Belgium	86	79	19	25	152	145
Total	9,379	8,852	2,550	2,643	13,258	12,731

INCOME BY BUSINESS SEGMENT

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
JM Residential Stockholm	4,016	3,596	1,035	1,077	5,637	5,217
JM Residential Sweden	2,651	2,892	683	872	3,770	4,011
JM International	1,640	1,807	435	509	2,518	2,685
JM Property Development	155	64	53	25	182	91
JM Production	1,402	930	529	290	1,768	1,296
Elimination	-485	-437	-185	-130	-617	-569
Total	9,379	8,852	2,550	2,643	13,258	12,731

OPERATING PROFIT BY BUSINESS SEGMENT

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
JM Residential Stockholm	832	788	165	264	1,280	1,236
JM Residential Sweden	319	465	61	154	539	685
JM International	67	104	18	17	141	178
JM Property Development	33	132	9	35	63	162
JM Production	80	56	32	23	113	89
Group-wide costs	-37	-36	-9	-12	-50	-49
Total	1,294	1,509	276	481	2,086	2,301

OPERATING MARGIN BY BUSINESS SEGMENT

%	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
JM Residential Stockholm	20.7	21.9	15.9	24.5	22.7	23.7
JM Residential Sweden	12.0	16.1	8.9	17.7	14.3	17.1
JM International	4.1	5.8	4.1	3.3	5.6	6.6
JM Production	5.7	6.0	6.0	7.9	6.4	6.9

AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

SEK m	Oct.- Sept.	Full Year
	2007/08	2007
JM Residential Stockholm	1,867	1,286
JM Residential Sweden	1,328	871
JM International	1,630	1,144
JM Property Development	949	984

RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

%	Oct.- Sept.	Full Year
	2007/08	2007
JM Residential Stockholm	68.6	96.1
JM Residential Sweden	40.6	78.6
JM International	8.7	15.6
JM Property Development	6.6	16.5

OPERATING CASH FLOW BY BUSINESS SEGMENT

SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
JM Residential Stockholm	648	916	13	382	1,021	1,289
JM Residential Sweden	-17	258	100	108	193	468
JM International	-555	130	-146	106	-695	-10
JM Property Development	-35	-27	-54	35	162	170
JM Production	123	18	51	-1	159	54

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

Carrying amount , SEK m	2008-09-30	2007-09-30	2007-12-31
JM Residential Stockholm	2,718	1,656	2,405
JM Residential Sweden	1,671	1,415	1,377
JM International	1,670	1,224	1,389
JM Property Development	101	73	111
Total	6,160	4,368	5,282

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

Number	2008-09-30	2007-09-30	2007-12-31
Total number of residential building rights			
JM Residential Stockholm	12,800	12,100	12,300
JM Residential Sweden	11,900	10,800	10,700
JM International	8,200	7,400	8,000
Total	32,900	30,300	31,000
Recognized in the balance sheet (development properties)			
JM Residential Stockholm	8,800	7,600	8,100
JM Residential Sweden	7,200	6,600	6,200
JM International	5,200	4,700	4,900
Total	21,200	18,900	19,200

HOUSING STARTS BY BUSINESS SEGMENT

Number	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
JM Residential Stockholm	923	1,359	23	414	1,384	1,820
JM Residential Sweden	360	1,067	118	331	808	1,515
JM International	200	592	105	103	338	730
Total	1,483	3,018	246	848	2,530	4,065

RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

Number	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
JM Residential Stockholm	964	1,267	147	364	1,604	1,907
JM Residential Sweden	427	1,172	119	371	757	1,502
JM International	210	398	41	82	283	471
Total	1,601	2,837	307	817	2,644	3,880

PROJECT PROPERTIES

Carrying amount , SEK m	2008-09-30	2007-09-30	2007-12-31
Residential units (tenancy rights)	446	495	484
Properties under development	346	85	271
Fully developed commercial properties	64	45	35
Total	856	625	790

DEVELOPMENT PROPERTIES GROUP

Carrying amount SEK m	January - September		July - September		Oct.- Sept.	Full Year
	2008	2007	2008	2007	2007/08	2007
Opening balance beginning of period	5,282	4,348	5,640	4,365	4,368	4,348
New purchases	1,410	764	665	237	2,776	2,130
Transferred to production	-538	-727	-171	-249	-970	-1,159
Other	6	-17	26	15	-14	-37
Closing balance at end of the period	6,160	4,368	6,160	4,368	6,160	5,282

INCOME STATEMENT, PARENT COMPANY, IN BRIEF

SEK m	January - September		Full Year
	2008	2007	2007
Net sales	6,745	6,661	9,397
Costs for production and management	-5,260	-5,015	-7,008
Gross profit	1,485	1,646	2,389
Selling and administrative expenses	-389	-354	-470
Gains on the sale of properties	20	35	65
Operating profit	1,116	1,327	1,984
Financing income and expenses	668	829	-270
Profit before appropriations and tax	1,784	2,156	1,714
Appropriations	-	-	-214
Profit before tax	1,784	2,156	1,500
Taxes	-75	-337	-139
Net profit for the period	1,709	1,819	1,361

BALANCE SHEET, PARENT COMPANY, IN BRIEF

SEK m	2008-09-30	2007-09-30	2007-12-31
Assets			
Non-current assets	1,323	1,509	1,592
Current assets	6,512	5,359	6,337
Total assets	7,835	6,868	7,929
Liabilities and equity			
Shareholders' equity	2,009	2,178	1,795
Untaxed reserves	345	131	345
Provisions	771	715	708
Long-term liabilities	1,343	415	1,142
Current liabilities	3,367	3,429	3,939
Total shareholders' equity and liabilities	7,835	6,868	7,929
Pledged assets	120	120	120
Contingent liabilities	8,811	7,983	7,921

Investments in properties totaled SEK 332m (474).

Stockholm, October 24, 2008
JM AB (publ)

Johan Skoglund
President

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

JM discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on October 24, 2008.

GROUP

FIVE-YEAR OVERVIEW ¹⁾

SEK m	2007	2006	2005	2004	2003
Income	12,731	12,065	9,887	8,532	7,787
Operating profit	2,301	1,881	1,231	792	478
Profit before tax	2,297	1,852	1,151	647	267
Total assets	9,916	8,406	8,155	8,252	9,145
Cash flow from operating activities	1,826	667	3,368	2,161	1,504
Interest-bearing receivables (+)/liability (-)	1,313	852	1,536	-613	-2,611
Operating margin (%) ²⁾	18.1	15.6	12.5	9.3	2.4
Return on equity (%)	44.5	45.4	28.8	14.4	5.5
Equity/assets ratio (%)	39	43	41	42	36
Earnings per share (SEK)	18.30	16.40	9.30	4.20	1.70
Dividend per share (SEK)	5.50	4.50	2.50	1.80	1.30
Number of available building rights	31,000	29,800	23,200	21,900	23,400
Number of housing starts	4,065	4,132	4,476	3,943	2,714
Number of sold residential units	3,880	3,790	4,240	4,315	3,189

¹⁾ 2003 financial year is not restated according to IFRS. This means that the new principles for goodwill and using the percentage of completion method as a basis for calculations did not affect the year 2003.

²⁾ 2003 financial year operating margin corresponds to project development margin.

GROUP

QUARTERLY- OVERVIEW, SEK M

	2008			2007			
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
INCOME STATEMENT							
Income	2,550	3,663	3,166	3,879	2,643	3,182	3,027
Costs for production and management	-2,116	-2,926	-2,512	-2,955	-2,057	-2,476	-2,451
Gross profit	434	737	654	924	586	706	576
Selling and administrative expenses	-158	-194	-200	-171	-142	-204	-156
Gains on the sale of properties	0	18	3	39	37	30	76
Operating profit	276	561	457	792	481	532	496
Financing income and expenses	-14	-4	0	14	-13	-1	-4
Profit before tax	262	557	457	806	468	531	492
Taxes	-74	-158	-129	-215	-132	-151	-134
Net profit for the period	188	399	328	591	336	380	358
BALANCE SHEET							
	09-30	06-30	03-31	12-31	09-30	06-30	03-31
Assets							
Non-current assets	108	130	117	121	119	120	140
Project properties	856	802	809	790	625	618	615
Development properties	6,160	5,640	5,748	5,282	4,368	4,365	4,230
Participations in tenant-owner associations, etc	159	155	90	104	65	66	73
Current receivables	2,054	2,243	1,697	1,558	1,955	2,222	2,175
Cash and cash equivalents	578	663	1,797	2,061	1,254	1,706	1,745
Total current assets	9,807	9,503	10,141	9,795	8,267	8,977	8,838
Total assets	9,915	9,633	10,258	9,916	8,386	9,097	8,978
Equity and liabilities							
Shareholders' equity	3,327	3,122	4,205	3,893	3,290	3,953	3,988
Non-current interest-bearing liabilities	315	261	224	216	177	176	63
Other non-current liabilities	1,120	1,154	1,197	978	251	255	598
Non-current provisions	1,652	1,634	1,409	1,358	1,064	1,039	976
Total non-current liabilities	3,087	3,049	2,830	2,552	1,492	1,470	1,637
Current interest-bearing liabilities	82	63	17	45	36	122	117
Other current liabilities	3,288	3,276	3,101	3,321	3,478	3,466	3,157
Current provisions	131	123	105	105	90	86	79
Total current liabilities	3,501	3,462	3,223	3,471	3,604	3,674	3,353
Total shareholders' equity and liabilities	9,915	9,633	10,258	9,916	8,386	9,097	8,978
CASH FLOW STATEMENT							
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Cash flow from operating activities	-196	290	-235	745	560	249	272
Cash flow from investing activities	37	-13	-7	1	0	15	-23
Cash flow from financing activities	72	-1,414	-19	49	-1,012	-303	-13
Total cash flow for the period	-87	-1,137	-261	795	-452	-39	236
Cash and cash equivalents, end of period	578	663	1,797	2,061	1,254	1,706	1,745
INTEREST-BEARING NET LIABILITY/-RECEIVABLES							
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Interest-bearing net liability(+/-) receivables(-) at beginning of period	132	-1,076	-1,313	-566	-937	-1,100	-852
Change in interest-bearing net liability/ receivables	172	1,208	237	-747	371	163	-248
Interest-bearing net liability(+/-) receivables(-) at end of the period	304	132	-1,076	-1,313	-566	-937	-1,100
DEVELOPMENT PROPERTIES							
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Opening balance at beginning of period	5,640	5,748	5,282	4,368	4,365	4,230	4,348
New purchases	665	138	607	1,366	237	361	166
Transferred to production	-171	-246	-121	-432	-249	-222	-256
Other	26	0	-20	-20	15	-4	-28
Closing balance at end of period	6,160	5,640	5,748	5,282	4,368	4,365	4,230
KEY RATIOS							
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Operating margin (%)	10.8	15.3	14.4	20.4	18.2	16.7	16.4
Debt/equity ratio (x)	0.1	0.0	-	-	-	-	-
Equity/assets ratio (%)	34	32	41	39	39	43	44
Earnings per share (SEK)	2.30	4.50	3.70	6.60	3.70	4.10	3.90
Number of available building rights	32,900	33,000	32,500	31,000	30,300	30,300	30,100
Number of housing starts	246	733	504	1,047	848	1,332	838
Number of residential units sold	307	674	620	1,043	817	1,121	899

BUSINESS SEGMENTS

QUARTERLY OVERVIEW, SEK M

	2008			2007			
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
JM RESIDENTIAL STOCKHOLM							
Income	1,035	1,615	1,366	1,621	1,077	1,256	1,263
Operating profit ¹⁾	165	375	292	448	264	287	237
Operating margin (%)	15.9	23.2	21.4	27.6	24.5	22.9	18.8
Average operating capital	1,867	1,672	1,461	1,286	1,204	1,049	937
Return on operating capital (%) ²⁾	68.6	82.5	88.4	96.1	91.6	99.1	102.0
Operating cash flow	13	410	225	373	382	46	488
Carrying amount of development properties	2,718	2,325	2,531	2,405	1,656	1,725	1,600
Number of available building rights	12,800	12,900	12,500	12,300	12,100	12,400	12,200
Number of housing starts	23	568	332	461	414	532	413
Number of residential units sold	147	425	392	640	364	521	382
¹⁾ Including property sales	-	-	-	10	-	3	2
JM RESIDENTIAL SWEDEN							
Income	683	1,015	953	1,119	872	1,055	965
Operating profit ¹⁾	61	126	132	220	154	168	143
Operating margin (%)	8.9	12.4	13.9	19.7	17.7	15.9	14.8
Average operating capital	1,328	1,184	1,039	871	831	759	696
Return on operating capital (%) ²⁾	40.6	53.4	64.9	78.6	80.2	83.1	87.2
Operating cash flow	100	29	-146	210	108	195	-45
Carrying amount of development properties	1,671	1,645	1,606	1,377	1,415	1,385	1,358
Number of available building rights	11,900	11,800	11,500	10,700	10,800	10,600	10,800
Number of housing starts	118	131	111	448	331	481	255
Number of residential units sold	119	139	169	330	371	465	336
¹⁾ Including property sales	-	-	-	2	-	-	-
JM INTERNATIONAL							
Income	435	661	544	878	509	700	598
Operating profit	18	28	21	74	17	46	41
Operating margin (%)	4.1	4.2	3.9	8.4	3.3	6.6	6.9
Average operating capital	1,630	1,464	1,313	1,144	1,098	1,090	1,058
Return on operating capital (%) ²⁾	8.7	9.6	12.0	15.6	18.1	20.5	22.4
Operating cash flow	-146	-91	-318	-140	106	151	-127
Carrying amount of development properties	1,670	1,560	1,501	1,389	1,224	1,181	1,198
Carrying amount, project properties	58	31	29	30	37	29	29
Number of available building rights	8,200	8,300	8,500	8,000	7,400	7,300	7,100
Number of housing starts	105	34	61	138	103	319	170
Number of residential units sold	41	110	59	73	82	135	181
JM PROPERTY DEVELOPMENT							
Income	53	61	41	27	25	18	21
Operating profit ¹⁾	9	19	5	30	35	26	71
Average operating capital	949	965	983	984	999	962	938
Return on operating capital (%) ²⁾	6.6	9.2	9.8	16.5	14.4	12.9	15.9
Operating cash flow	-54	-3	22	197	35	-30	-32
Carrying amount of development properties	101	110	110	111	73	74	74
Carrying amount, project properties	798	771	780	760	585	586	584
¹⁾ Including property sales	0	18	3	27	37	27	74
JM PRODUCTION							
Income	529	459	414	366	290	318	322
Operating profit	32	26	22	33	23	19	14
Operating margin (%)	6.0	5.7	5.3	9.0	7.9	6.0	4.3
Operating cash flow	51	39	33	36	-1	-3	22
JM OTHER							
Income (elimination)	-185	-148	-152	-132	-130	-165	-142
Operating profit (group-wide expenses)	-9	-13	-15	-13	-12	-14	-10

²⁾ Calculated on 12-month rolling profits and average capital.

JM AB (publ)

Mailing address S-169 82 Stockholm
Street address Telegrafgatan 4, Solna
Telephone +46 (0)8-782 87 00
Fax +46 (0)8-782 86 00
Company reg. no. 556045-2103
Website www.jm.se

For additional information, please contact:

Johan Skoglund, President and CEO
Claes Magnus Åkesson, CFO

johan.skoglund@jm.se	+46 (0)8 - 782 89 39
claes-magnus.akesson@jm.se	+46 (0)8 - 782 89 71

Future reporting dates

Year-end Report 2008	February 10, 2009
Annual General Meeting 2009	April 28, 2009
Interim Report January – March 2009	April 28, 2009

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 13 billion and the company has about 2,500 employees. JM AB is a public limited company listed on the Nordic Stock Exchange, Large Cap segment.

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