



## **JM AB (publ)**

Press release  
20 February 2001

### **Year-end report for 2000**

#### **EARNINGS UP 91 PER CENT TO SEK 25 PER SHARE**

- Profit after financial items rose 91 per cent to MSEK 1,209 (634).
- Return on shareholders' equity was 24 (15) per cent.
- The Board proposes that the dividend be raised from SEK 6.75 to SEK 10 per share.
- The Board requests a mandate to repurchase up to 10 per cent of the company's shares.

#### **MSEK**

	<b>2000</b>	<b>1999</b>
Net sales	6,849	5,825
Costs for production and management	<u>-5,519</u>	<u>-4,770</u>
<b>Gross profit</b>	<b>1,330</b>	<b>1,055</b>
Selling and administration costs	-455	-395
Gains on the sale of operations	30	-
Gains on the sale of properties	535	330
Surplus funds from SPP	<u>78</u>	<u>-</u>
<b>Operating profit</b>	<b>1,518</b>	<b>990</b>
Net financial items	<u>-309</u>	<u>-356</u>
<b>Profit after financial items</b>	<b>1,209</b>	<b>634</b>
Tax	<u>-364</u>	<u>-193</u>
<b>Net profit for the period</b>	<b>845</b>	<b>441</b>

## GROUP PROFIT AND OPERATIONS

The JM Group's profit after financial items was MSEK 1,209 (634), including gains of MSEK 535 (330) on the sale of fully developed management properties. The year's profit also includes MSEK 78 comprising the total allocation of surplus funds from SPP.

Profit in project development rose 92 per cent to MSEK 637 (332) and the margin strengthened to 10.3 (6.5) per cent, to be compared with the target of 12 per cent within a few years. Both profit and the margin included gains of MSEK 75 on property sales directly attributable to project development. In the future, property sales of this type will cause a certain irregularity in the margin.

Net financial items improved by MSEK 47 to MSEK -309 (-356).

The year's net profit amounted to MSEK 845 (441) after tax of MSEK 364 (193).

Earnings per share after tax totalled SEK 25.40 (13.30) and return on equity was 24 per cent. Average return over the past five calendar years was 14 per cent. The Group's target is a return of 15 per cent over the course of a business cycle.

During 2000 JM started projects containing 3,000 (2,300) residential units, compared with the target of 4,500 within a few years. At year-end 2000, JM had building rights for a total of 27,000 (24,000) residential units.

## BUSINESS UNIT STOCKHOLM RESIDENTIAL

### Profit

Profit in Stockholm Residential amounted to MSEK 378 (180) and included gains of MSEK 41 (-) on the sale of project-related properties. The margin was 13.9 (10.9) per cent and return on capital employed was 22.6 (14.3) per cent. Net sales totalled MSEK 2,421 (1,658), which represents an increase of 46 per cent.

The increased order backlog is attributable to a large volume of scheduled project starts.

<b>MSEK</b>	<b>2000</b>	<b>1999</b>
Net sales	2,421	1,658
Costs for production and management	-1,958	-1,396
Selling and administration costs	<u>-126</u>	<u>-82</u>
<b>Gross profit</b>	<b>337</b>	<b>180</b>
Property sales	<u>41</u>	<u>-</u>
<b>Profit in Stockholm Residential</b>	<b>378</b>	<b>180</b>
<b>Key ratios</b>		
Margin (%)	13.9	10.9
Capital employed *)	1,671	1,263
Return on capital employed (%)	22.6	14.3
Order bookings	4,210	1,958
Order backlog (31 December)	3,268	1,357
No. of employees (31 December)	589	441
*) Average		

## The housing market

Demand for housing in the greater Stockholm area has grown dramatically. For several consecutive years the annual population influx has been around 20,000 residents, whereas the number of housing starts has been only about 3,000 per year. The result is that housing prices have been forced up to exceptional levels and there are no indications of a change in the supply and demand situation in the next few years.

## Building rights and project status

Key statistics on building rights and project status:

(Number)	2000	1999
Acquired building rights	2,000	2,100
Housing starts	1,400	1,000
Building rights portfolio	12,500	12,000
Book value of development properties (MSEK)	2,020	1,904
Properties sold	655	797

The planning processes and project status are proceeding according to plan, with strong demand and housing sales at excellent prices directly after completion. There is a keen demand for advance options on housing not yet completed.

The year's most significant acquisition took place in central Gustavsberg and included 1,550 hectares of land, 700 existing residential apartments and around 50,000 square meters of commercial space. The acquisition could provide more than 1,000 building rights.

## BUSINESS UNIT SWEDEN

### Profit

Business unit Sweden (all of Sweden except for Stockholm) posted a profit of MSEK 138 (72). The margin was 6.9 (4.6) per cent and return on capital employed was 20.4 (21.6) per cent. Net sales totalled MSEK 1,803 (1,562), up 15 per cent on the year-earlier figure.

### MSEK

	2000	1999
Net sales	1,803	1,562
Costs for production and management	-1,595	-1,420
Selling and administration costs	<u>-84</u>	<u>-70</u>
<b>Gross profit</b>	<b>124</b>	<b>72</b>
Gains on the sale of properties	<u>14</u>	<u>-</u>
<b>Profit in business unit Sweden</b>	<b>138</b>	<b>72</b>

## Key ratios

Margin (%)	6.9	4.6
Capital employed *)	676	333
Return on capital employed (%)	20.4	21.6
Order bookings	1,616	1,647
Order backlog (31 December)	1,019	1,105
No. of employees (31 December)	576	511

\*) Average

## The housing market

Demand for housing was strong throughout the year in all areas of the country where JM is active, particularly the major university towns, and housing prices have risen fiercely. There is no sign that demand will slacken in the foreseeable future.

## Building rights and project status

Key statistics on building rights and project status:

(Number)	2000	1999
Acquired building rights	2,200	2,900
Housing starts	1,000	900
Building rights portfolio	9,000	8,000
Book value of development properties (MSEK)	622	400
Properties sold	677	868

More than 200 completed residential apartments are leased in blocks to the municipalities of Uppsala and Västerås as assisted living units, and are therefore not included in the sales statistics. The major projects are progressing according to plan.

The year's largest acquisitions were the Kranen area of Malmö's western harbour for around 400 residential units, land for around 700 residential units in Lomma harbour and a number of properties in the Gothenburg area corresponding to some 550 residential units.

## BUSINESS UNIT STOCKHOLM COMMERCIAL

### Profit

The business unit's profit amounted to MSEK 146 (87), including a gain of MSEK 30 (0) on the sale of operations in JM Maskinservice. Return on capital employed was 7.7 (7.4) per cent. Net sales amounted to MSEK 1,626 (1,470), an increase of 11 per cent. The business unit's net sales include rental revenue of MSEK 104 (72). Other net sales are attributable to contracting operations, including production related to management properties under construction. The business unit's profit includes an operating net of MSEK 65 (42) from property management. The business unit's project development has not yet resulted in any sales. This will not take place to a significant extent until 2002.

**MSEK**

	<b>2000</b>	<b>1999</b>
Net sales	1,626	1,470
Costs for production and management	-1,410	-1,305
Selling and administration costs	<u>-102</u>	<u>-78</u>
<b>Gross profit</b>	<b>114</b>	<b>87</b>
Gains on the sale of properties	2	-
Gains on the sale of operations	<u>30</u>	<u>-</u>
<b>Profit in Stockholm Commercial</b>	<b>146</b>	<b>87</b>

**Key ratios**

Margin (%)	7.0	5.9
Capital employed *)	1,900	1,178
Return on capital employed (%)	7.7	7.4
Order bookings	1,928	1,314
Order backlog (31 December)	1,310	623
No. of employees (31 December)	704	944

\*) Average

**The market**

Investments in office and commercial space in the greater Stockholm area have shown favourable development over the past 2-3 years. Demand for office space in prime locations remains intense and the vacancy rate in the inner city and surrounding areas is expected to remain low. Rents soared in 2000 and rates for prime downtown locations in the so-called “Golden Triangle” have risen to more than SEK 4,500 per square meter, while rents in the rest of downtown are now in the range of SEK 3,500-4,500 per square meter. In areas like Mörby Centrum and Frösunda, leases have been signed with rents of SEK 2,500 – 3,000 per square meter.

**Acquisitions**

During the period, JM signed an agreement with the City of Stockholm to acquire the Lustgården 6 property on Västra Kungsholmen for MSEK 262, with transfer of ownership and payment in the third quarter of 2001. The project includes 35,000 square meters of office and residential space.

The business unit has building rights for future development of more than 200,000 square meters of commercial space, all in preferred areas of Stockholm.

**Investments**

In the Frösunda area of Solna, by JM’s new head office, construction of an additional 10,000 square meters of office space has been started and is scheduled for completion in the third quarter of 2001.

On Vasagatan, near Stockholm Central Station and the Arlanda Express Terminal, the business unit has completed a total renovation and remodelling of the former Norrmalm police station and extension of a low-rise on the neighbouring block, the so-called Mercedes building. Together these two structures now make up Stockholm’s largest hotel, Nordic Hotel, with 542 rooms. The hotel opened in January 2001. The Mercedes building also contains

some 12,000 square meters of office space, for which leases were signed during the year at rental rates of SEK 4,000 – 5,000 per square meter.

The period's investments in existing properties totalled MSEK 417.

## **BUSINESS UNIT BUSINESS DEVELOPMENT/REAL ESTATE**

### **Profit**

The business unit's profit amounted to MSEK 762 (695), of which gains on the sale of properties accounted for MSEK 458 (330). The period's profit in property management after planned depreciation and before selling and administration costs amounted to MSEK 350 (413). The drop in earnings from property management is attributable to the sale of fully developed properties during 1999 and 2000, which is a natural part of JM's role as a project developer. Profit was charged with depreciation of MSEK 46 (77) and property tax of MSEK 31 (30). Rental revenue totalled MSEK 549 (668) and included interest subsidies of MSEK 10 (31). Return on capital employed was 16.0 (12.8) per cent.

### **MSEK**

	<b>2000</b>	<b>1999</b>
Net sales	550	668
Costs for production and management	-200	-255
Selling and administration costs	<u>-46</u>	<u>-48</u>
<b>Gross profit</b>	<b>304</b>	<b>365</b>
Gains on the sale of properties	<u>458</u>	<u>330</u>
<b>Profit in Business Development/Real Estate</b>	<b>762</b>	<b>695</b>

### **Key ratios**

Margin (%)	55.3	54.6
Capital employed *)	4,776	5,413
Return on capital employed (%)	16.0	12.8
No. of employees (31 December)	102	94

\*) Average

### **Sale of management properties**

Today a significant part of JM's operations is the sale of fully developed properties, in which resources are freed up for new projects in the Group. During 2000, JM sold properties for a combined value of SEK 2.2 billion, providing a total capital gain of MSEK 535. Of this total, the business unit contributed MSEK 458. The year's most significant transactions were the sale of the Hägern Större property on Drottninggatan in Stockholm (MSEK 385) and the exchange of properties with Gyllenforsen (MSEK 339). In addition, a large residential property by Jarlaplan in Stockholm was sold to a tenant-owner association (MSEK 401).

### **Business development**

JM has launched the Smart Homes project with a focus on development of new technological solutions in JM's homes and offices. JM is currently building some of Sweden's first Smart Homes – apartments on the Vallgossen block of Kungsholmen and detached homes in Hagaberg on Värmdö, where state-of-the-art IT solutions are being harmonized with good

architecture and environmental awareness. In September of this year, the first Smart Home on Värmdö was completed for occupancy.

## BUSINESS UNIT INTERNATIONAL

### Profit

The business unit's profit for 2000 was MSEK 72 (33), including gains of MSEK 20 (0) on the sale of a newly developed office property in Brussels. Net sales amounted to MSEK 761 (627), an increase of 21 per cent. The margin was 6,8 (5,3) per cent and return on capital employed was 11.8 (7.6) per cent.

### MSEK

	2000	1999
Net sales	761	627
Costs for production and management	-668	-554
Selling and administration costs	<u>-41</u>	<u>-40</u>
<b>Gross profit</b>	<b>52</b>	<b>33</b>
Gains on the sale of properties	<u>20</u>	<u>-</u>
<b>Profit in business unit International</b>	<b>72</b>	<b>33</b>

### Key ratios

Margin (%)	6.8	5.3
Capital employed <sup>*)</sup>	609	433
Return on capital employed (%)	11.8	7,6
Order bookings	1,020	962
Order backlog (31 December)	1,006	734
No. of employees (31 December)	225	209

<sup>\*)</sup> Average

### Building rights and project status

Key statistics on building rights and project status:

(Number)	2000	1999
Acquired building rights	2,200	1,500
Housing starts	600	400
Building rights portfolio	5,200	3,800
Book value of development properties (MSEK)	315	197
Properties sold	467	280

### Norway

Activities in Norway, the business unit's largest and most expansive market, are focused on residential project development. Demand for housing is strong and prices rose by an average of 10 per cent during the year. Despite some uncertainty about future interest rates, this robust growth is expected to continue. JM's operations in Norway showed excellent development during 2000 in terms of both volume and profitability, with net sales of MSEK 700.

## **Denmark**

Since 1999, JM conducts project development in Denmark. JM Danmark's operations comprise residential development in Copenhagen and the surrounding areas. The housing market in Copenhagen has entered a relatively stable period. Demand for JM Denmark's housing has been strong and net sales are expected to increase dramatically.

## **Belgium**

Since 1998 the Group's has conducted project development in Brussels, with a focus on both residential and commercial properties. There is a keen demand for high-quality housing in Brussels. The residential project started by JM during the first quarter of 2000 is progressing according to plan. During the year, JM sold a newly developed office property with a high return on investment.

## **Portugal**

Operations in Portugal were wound up as per year-end 2000.

## **PROPERTY MANAGEMENT – TOTAL GROUP**

The JM Group's management properties are found mainly in the Business Development/Real Estate and Stockholm Commercial business units.

JM's total rental revenue from property management amounted to MSEK 670 (740), including interest subsidies of MSEK 10 (31). Profit in property management before planned depreciation and before selling and administration costs was MSEK 483 (542). The year's investments in existing management properties totalled MSEK 979 (566) and management properties were acquired for MSEK 59 (753).

The vacancy rate in fully development management properties at year-end corresponded to 2 (2) per cent of annual rents and 2 (3) per cent of total floor space.

Total rentable space at the end of the year amounted to 586 000 (677 000) square meters.

## **MARKET VALUE OF JM's MANAGEMENT PROPERTIES**

Through a property valuation in association with external consultants, the market value of JM's portfolio of management properties at year-end 2000 was appraised at MSEK 9,619 (9,202) with a corresponding book value of MSEK 6 445 (6 855). The revaluation surplus thus amounts to SEK 3.2 (2.3) billion. In line with JM's focus on project development, the Group's management properties have been classified based on project status. The breakdown of value in each category is shown below:

	Book value	Market value
Fully developed properties	MSEK 4,286	MSEK 6,352
Properties in progress	MSEK 1,522	MSEK 2,438
Properties for further development	MSEK 637	MSEK 829



The hotel on Vasagatan has been assigned to the category “Properties in progress” and the development properties by Sergels torg (Adam och Eva and Beridarebanan) to the category “Properties for further development”.

## FINANCE OPERATIONS

### Net financial items and debt/equity ratio

Net financial items showed a deficit of MSEK 309 (-356), an improvement of MSEK 47 on the year-earlier figure that was mainly attributable to a lower average interest expense on net debt and increased capitalization of interest expenses related commercial project development. Average interest-bearing loans in 2000 showed a marginal increase on the preceding year. Net financial items were charged with costs of MSEK 4 for early redemption of loans and MSEK 9 for issuance of mortgage deeds. Net financial items also include a capital gain of MSEK 10 on the sale of shares in the OM Group. The average fixed interest period for the JM Group’s combined loan stock excluding PRI pension liabilities was 1.6 (1.7) years.

#### MSEK

	2000	1999
Interest income, etc.	30	14
Interest expense	<u>-339</u>	<u>-370</u>
<b>Net financial items</b>	<b>-309</b>	<b>-356</b>

### Financial key ratios

#### MSEK

	2000	1999
Interest-bearing net debt	5,117	5,588
Interest-bearing loans	5,610	6,014
Average interest on loans (%)	5.8	5.9
Debt/equity ratio	1.4	1.8
Equity ratio (%)	33	28
Return on equity after tax (%)	24.4	14.8

### Liquidity and loan structure

The Group’s disposable liquidity on 31 December 2000 amounted to MSEK 2,182 (1,116). Aside from liquid assets of MSEK 446 (390), this includes unutilized overdraft facilities and credit lines of MSEK 1,736 (726). Year for interest rate conversion, loan amount and average interest on interest-bearing loans as per 31 December 2000:

	Loan amount (MSEK)	Average interest (%)
<b>Year</b>		
2001	2,272	5.9
2002	1,347	5.9
2003	863	5.7
2004	519	6.1
2005 -	<u>235</u>	<u>6.1</u>
Total (excl. PRI)	5,236	5.9
PRI 2001	<u>374</u>	<u>4.2</u>
Total (incl. PRI)	5,610	5.8

**PERSONNEL**

The number of employees at the end of the year was 2,265 (2,266). The number of construction workers was 1,223 (1 336) and the number of salaried employees was 1,042 (930).

**PARENT COMPANY**

The year's profit in the Parent Company before appropriations and tax was MSEK 1,075 (230). The Parent Company's property investments during the year totalled MSEK 557 (964). After the fusion with the wholly owned subsidiary JM Byggnads AB, the Parent Company, like the Group, calculates profit according to the percentage of completion method.

**DIVIDEND**

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 10 (6.75). The proposed record date for payment of dividends is Friday, 27 April 2001. Provided that the AGM votes in favour of the proposal, dividends are expected to be paid by VPC on Thursday, 3 May 2001.

**REPURCHASE OF SHARES**

In view of JM's strong cash flow from the sale of fully developed properties and the growing project volume, the Board of Directors has decided to propose to the Annual General Meeting on 24 April 2001 that the Board be given a mandate to repurchase up to 10 per cent of the company's own shares. At a share price of SEK 220, the proposed repurchase and dividend would provide the shareholders' with total proceeds of more than SEK 1 billion.

The repurchase will be carried out on the OM Stockholm Stock Exchange over the period extending until the next Annual General Meeting and the acquired shares will be purchased at the market price on the acquisition date. The objective of the repurchase is to adjust the company's capital structure and thereby increase return on shareholders' equity and earnings per share.

Furthermore, the Board has decided to propose that the Annual General Meeting authorize the Board to sell the repurchased shares, in a manner other than over the OM Stockholm Stock Exchange, in order to finance acquisitions.

## PRESIDENT'S COMMENTS

The effects of a growing project volume and stronger margins in a robust housing market, coupled with a high pace in sales of fully developed properties, generated a record profit for JM. We expect profit for the current year to show an improvement compared with 2000. One particular cause for optimism is that the major markets outside Stockholm, namely Uppsala, Gothenburg, Malmoe, Oslo and Copenhagen, are also showing excellent development.

We will prioritise active management of our balance sheet in view of the substantial future cash flows. The Board's proposal to repurchase shares is a decisive step in this direction. The regular dividend together with the proposed repurchase will provide proceeds of around SEK 1 billion for JM's shareholders.

Stockholm, 20 February 2001

**JM AB (publ)**

The Board of Directors

### Additional information and financial calendar

For additional information, contact President & CEO Carl Eric Stålberg, tel: +46 8 782 88 33 or CFO Claes Magnus Åkesson, tel: +46 8 782 89 71.

The annual report for 2000 will be published on Tuesday, 3 April, and will be available at JM's head office.

Annual General Meeting will be held at 5:00 p.m. on 24 April 2001 at JM's head office, Telegrafgatan 4, Solna.

24 April 2001: Interim report for the period January – March 2001

16 August 2001: Interim report for the period January – June 2001

23 October 2001: Interim report for the period January – September 2001

JM AB is a public limited company listed on the Stockholm Stock Exchange, and is Sweden's leading residential developer. The company has around 2,200 employees in Sweden, Norway and Denmark and an annual turnover of approximately SEK 7 billion. The company's core business is project development of centrally located residential and commercial properties in expansive areas. JM's operations are characterised by a focus on quality and the environment.

JM AB · SE-169 82 Stockholm · Visiting address: Telegrafgatan 4, Solna, Sweden  
Telephone: +46 8 782 87 00 · Fax: +46 8 782 86 00 · [www.jm.se](http://www.jm.se)

## OWNERSHIP STRUCTURE

The largest shareholders as per 16 February 2001 are listed below. The proportion of foreign ownership continued to increase sharply during the year and now amounts to 22 per cent following Skanska's sale of its earlier majority holding to nearly 70 Swedish and foreign institutions. SEB and Nordea's mutual funds and foundations are now JM's principal owners.

<u>As per 16 February 2001</u>	<u>Procent of shares</u>
SEB mutual funds and foundations (Former Livförsäkrings AB SEB Trygg Liv)	14.9
Nordea mutual funds and foundations	9.8
FöreningsSparbanken mutual funds	6.0
AMF Pension	5.2
Stefan Persson Placering AB	3.6
Livförsäkrings AB Skandia	3.6
Handelsbanken mutual funds	3.5
Alecta pension insurance, ömsesidigt (Former Försäkringsbolaget SPP, ömsesidigt)	2.2
The Swedish Metal Workers' Union	2.0
Foreign shareholders	22.0
<u>Other shareholders</u>	<u>27.2</u>
<b>Total</b>	<b>100.0</b>

Number of shareholders on 31 January 2001: **3,597**.

### Number of shares

The number of shares is 33,241,000.

The total number of shares after full conversion of outstanding convertible debentures is 33,773,988.

**CONDENSED CONSOLIDATED INCOME STATEMENT****MSEK**

	2000	1999
Net sales	6,849	5,825
Costs for production and management	<u>-5,519</u>	<u>-4,770</u>
<b>Gross profit</b>	<b>1,330</b>	<b>1,055</b>
Selling and administration costs	-455	-395
Gains on the sale of operations	30	-
Gains on the sale of properties	535	330
SPP – repayment of surplus funds	<u>78</u>	<u>-</u>
<b>Operating profit</b>	<b>1,518</b>	<b>990</b>
Net financial items	<u>-309</u>	<u>-356</u>
<b>Profit after financial items</b>	<b>1,209</b>	<b>634</b>
Tax	<u>-364</u>	<u>-193</u>
<b>Net profit for the year</b>	<b>845</b>	<b>441</b>

**CONDENSED CONSOLIDATED BALANCE SHEET****MSEK**

	31/12/2000	31/12/1999
<b>Assets</b>		
Management properties (fixed assets)	-	6,855
Other fixed assets	254	300
Management properties (current assets) <sup>*)</sup>	6,445	-
Development properties	3,105	2,611
Other current assets	1,174	894
Liquid assets	<u>446</u>	<u>390</u>
<b>Total</b>	<b>11,424</b>	<b>11,050</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	3,770	3,144
Provisions	936	987
Interest-bearing liabilities	5,236	5,662
Other liabilities	<u>1,482</u>	<u>1,257</u>
<b>Total</b>	<b>11,424</b>	<b>11,050</b>

<sup>\*)</sup> The Group's management properties have been reclassified from fixed assets to current assets as a result of the Group's strategic decision to focus exclusively on project development of properties.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT****MSEK**

	2000	1999
Cash flow after financial items	659	363
Investments in properties, etc.	-2,579	-1,917
Property sales, etc.	3,011	2,044
Change in current liabilities/receivables	<u>-399</u>	<u>-440</u>
<b>Cash flow after investments</b>	<b>692</b>	<b>50</b>
Interest-bearing liabilities and receivables, etc.	-412	52
Dividends	<u>-224</u>	<u>-108</u>
<b>Financing</b>	<b>-636</b>	<b>-56</b>
<b>Total cash flow for the period</b>	<b>56</b>	<b>-6</b>
<b>Liquid assets at the end of the period</b>	<b>446</b>	<b>390</b>
<i>Change in interest-bearing net debt, (+) increase/(-) decrease</i>	<i>-471</i>	<i>77</i>

**CONSOLIDATED PROFIT BY BUSINESS UNIT****MSEK**

	2000	1999
Stockholm Residential	378	180
Sweden	138	72
Stockholm Commercial	146	87
Business Development/Real Estate	762	695
International	72	33
Group-wide costs	-56	-77
SPP – repayment of surplus funds	<u>78</u>	<u>-</u>
<b>Operating profit</b>	<b>1,518</b>	<b>990</b>

**CONSOLIDATED NET SALES BY BUSINESS UNIT****MSEK**

	2000	1999
Stockholm Residential	2,421	1,658
Sweden	1,803	1,562
Stockholm Commercial	1,626	1,470
Business Development/Real Estate	550	668
International	761	627
Eliminations	<u>-312</u>	<u>-160</u>
<b>Consolidated net sales</b>	<b>6,849</b>	<b>5,825</b>

**EARNINGS PER SHARE****SEK**

	2000	1999
Earnings per share after tax <sup>a)</sup>	25.40	13.30
<i>Earnings per share after tax and after full conversion</i>	<i>25.10</i>	<i>13.20</i>

<sup>a)</sup> Earnings per share have been calculated on 33,241,000 shares, i.e. the number of shares prior to conversion.

**Accounting principles and definitions**

For accounting principles and definitions, see the annual report for 1999.

Operating capital is defined as the total book value of management properties, development properties, goodwill and accounts receivable, minus accounts payable and plus/minus project balances.

Total profit and margins from project development operations are defined as profit after selling and administration costs and property sales in the Stockholm Residential, Sweden, Stockholm Commercial and International business units. Operating nets from property management in the Stockholm Commercial business unit are eliminated. The margin for each business unit is based on profit before property sales.

**Reclassification of management properties**

The Group's management properties have been reclassified from fixed assets to current assets as a result of the Group's strategic decision to focus exclusively on project development of properties. Due to this change, management properties are not depreciated as of 2001.