

Summarised Financial Statements 2002

- **Pre-tax profit amounted to SEK 73m (188m). The deterioration in profit is due largely to property write-downs by SEK 64m, a net loss from property sales and other costs of a non-repeating nature.**
- **Mandamus' management profit amounted to SEK 148m (148m), which was lower than previously forecast. Fourth-quarter management profit totalled SEK 17m (34m).**
- **The property valuation carried out at year-end 2002 shows a market value of SEK 7,070m (6,500m). The actual increase in value during 2002 (eliminating acquisitions, investments and disposals) was 7 per cent.**
- **Earnings per share after tax amounted to SEK 2.44 (7.38) and net worth per share is estimated at SEK 114 (96).**
- **Owing to increased maintenance inputs during 2003, a fall in management profit to some SEK 130m (148m) is forecast.**

Mandamus Properties AB (publ)
Summarised Financial Statements**OPERATIONS****Rent and profit trends**

Rental income amounted to SEK 907m (867m), up 4.6 per cent from the previous year. This increase was due both to the accrual of rental income from net acquisitions during the period under review, amounting to some SEK 11m, and to a rise of some SEK 29m due to raised rents and a reduced vacancy ratio. Fourth-quarter rental income amounted to SEK 228m (221m). Annual rental income for the property stock owned at the end of the financial year (pro forma for the year 2002) is estimated at SEK 900m.

The average economic letting ratio for the year was 98.1 per cent, which is 0.2 percentage point higher than the previous year. Vacancies in the property stock were mainly in commercial premises, while the vacancy ratio for residential properties is very low, in most areas consisting solely in vacancies due to tenants' moving. The letting ratio for homes was 99.4 (99.3) per cent at year-end.

Property expense was just over 10 per cent higher than in the previous year, at SEK 467m (424m). The largest increase relates to costs of repairs and maintenance, which rose by SEK 24m to SEK 100m. The causes of these increases in maintenance costs were, first, planned increases in maintenance measures regarding water and sewerage mains, roofs and windows for certain residential properties and, secondly, costs amounting to SEK 8m for remedying acute problems of damp in two others. Costs of electricity, heating and water also rose by just over 5 per cent or SEK 8m, mainly owing to raised prices from the energy companies. Higher tax-assessment values have also meant an increase of SEK 5m in property tax. During the fourth quarter, property expense totalled SEK 134m (113m). The increase in relation to the last quarter of 2001 was due to rises of SEK 5m in energy costs, SEK 7m in maintenance costs, SEK 6m in property tax and SEK 3m in costs of property maintenance.

After deduction of property expense, a net operating income of SEK 440m (443m) remained. The surplus ratio was 48.5 per cent, which is 2.6 percentage points lower than in the previous year.

Depreciation on properties amounted to SEK 53m (52m) and central administrative expense to SEK 20m (17m). During the year, Mandamus received SEK 4m (2m) in management remuneration from the associated company, Mandamus Förvaltning i Haninge AB.

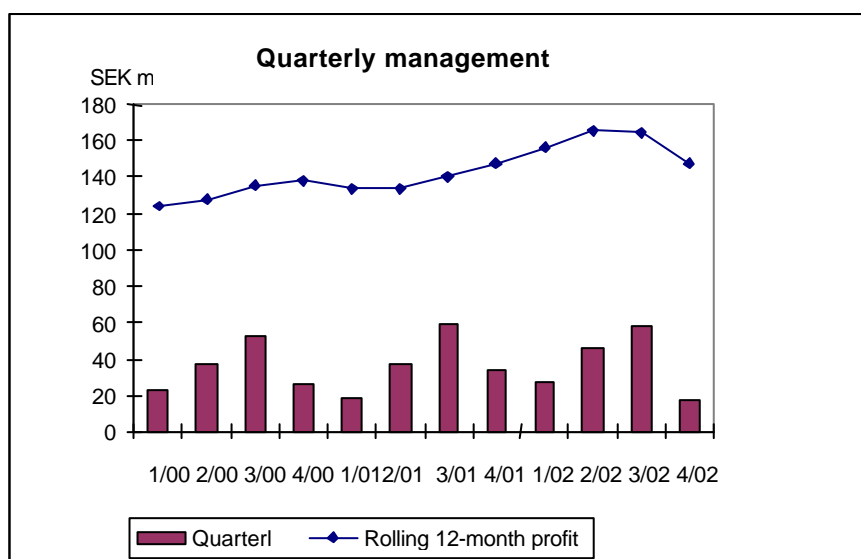
Profit contribution from associated company

Mandamus' participation in Bostadsinvest i Haninge AB, the associated company since June 2001, developed according to plan during 2002. From this company, Mandamus receives management remuneration for the commission of managing the associated company's property-owning subsidiary and its properties. Besides this remuneration, interest is received on the loan advanced to the company, and also a third of the company's disclosed profit. Altogether, its profit contribution for 2002 amounted to SEK 25m, of which SEK 4m consisted of management remuneration.

Management profit

Interest expense amounted to SEK 246m (243m) — up SEK 3m, owing mainly to increased borrowing and to rescheduling of debt to longer fixed-interest terms. Management profit, i.e. profit before items affecting comparability, such as sale profit, write-downs, non-repeating income and expense and interest contributions, totalled SEK 148m. This level is unchanged compared with the previous year. Fourth-quarter management profit amounted to SEK 17m (34m). The deterioration in relation to the corresponding quarter of the previous year was due mainly to a fall in net operating income resulting from increased maintenance and energy costs.

Financial income amounted to SEK 2m (1m) and interest contributions fell further, to only SEK 1m (2m).



Items affecting comparability

The valuation of the property stock carried out at year-end called for a number of properties to be written down, involving a charge of SEK 64m to fourth-quarter profit. These write-downs related essentially, to commercial properties, and almost half consisted of a write-down of an office property in Karlstad. Another expense, SEK 6m, charged to fourth-quarter profit was the cost of phasing out the company's previous managing director.

During the fourth quarter, two small properties in Malmö were sold for SEK 11m, at a sale profit of SEK 2m. Altogether, 22 properties were sold during the year for SEK 125m, at a net sale loss of SEK 6m. The property sales implemented during the year meant that Mandamus left another five municipalities, and now owns properties in a total of 30 municipalities.

Profit after tax

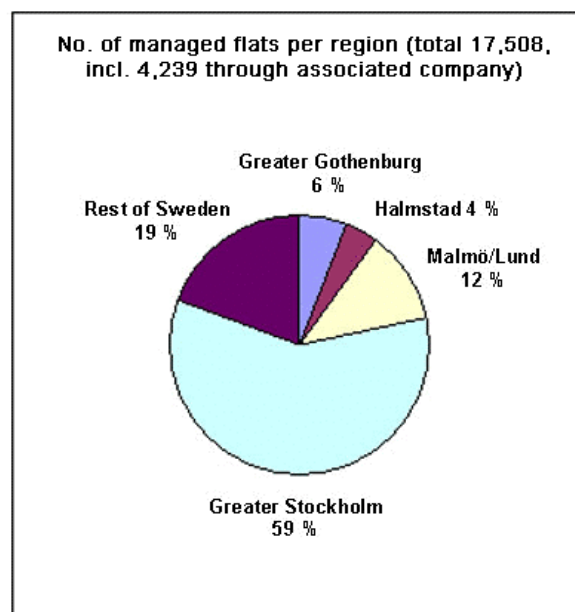
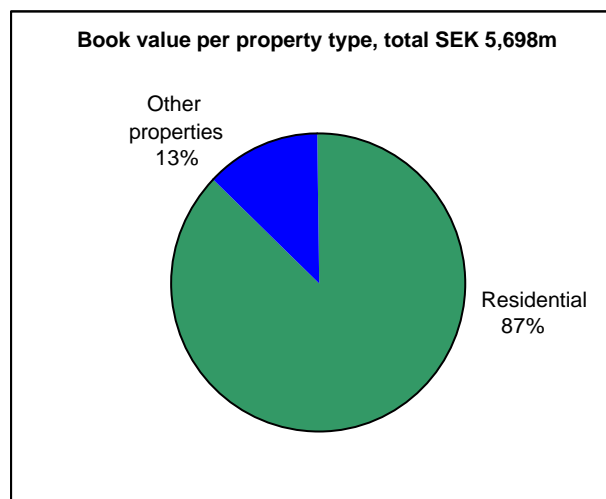
Pre-tax profit was reduced by a total of some SEK 75m in non-repeating costs, such as write-downs, phase-out costs and sale losses. Profit for the previous year was boosted to a corresponding degree by sale profits and non-repeating income of roughly SEK 40m. Altogether, profit with respect to non-repeating items thus decreased by some SEK 115m in relation to the previous year. Pre-tax profit totalled SEK 73m (188m).

Tax expense for the year amounted to SEK 23m (41m), and profit after tax was SEK 50m (147m), representing earnings per share of SEK 2.44 (7.38).

Continued emphasis on growth areas, with a focus on residential properties

The past year was characterised by further consolidation and investment in the existing property stock. The year's investments in the existing property stock amounted to SEK 79m (60m). During the year, major conversion projects were under way in Trollhättan and Malmö: residential properties were rebuilt and extended, and at the same time virtually complete refurbishing of existing residential space took place. The decision was also taken to implement, during a period of three to four years, full refurbishing and improvement of Mandamus' 800 flats in Partille near Gothenburg. Besides a raised level of investments in the existing property stock, costs of maintenance rose by nearly SEK 25m in relation to the previous year. The plan is for this increase in investment in the existing property stock, in the form of improvement and modernisation of existing flats and a raised maintenance level, to continue in the years ahead.

During the year, six properties — four in Malmö and two in Värnamo — were acquired for SEK 147m. These acquisitions mainly constitute a good supplement to the existing property stock in each of these areas.



With a view to further concentrating the property stock in residential buildings in the company's defined growth areas, Mandamus disposed of 22 properties during the year. The book value of the properties sold amounted to SEK 131m, and with these sales Mandamus has entirely left five more towns: Enköping, Falkenberg, Gävle, Landskrona and Valdemarsvik. At 31 December 2002, the book value of the property stock was SEK 5,698m (5,720m).

Of the current property stock, some 79 per cent has been acquired since Mandamus' admission to the stock exchange, and in the same period the number of properties has fallen by 52 per cent to 261. The proportion of properties in growth areas, which was 32 per cent of book value at the time of admission, has now risen to 71 per cent. At the same time, the proportion of managed flats in growth areas, i.e. including the management assignment in Haninge, has risen to 81 per cent. The overall percentage of residential properties has risen from 60 to 87 per cent during the same period.

Change in property holdings

	Book value, SEK m	Percentage	Number	Rentable area, '000 m ²
At 15 June 1998	2,957	–	547	919
Properties sold	–1,860	–	–418	– 584
Remaining stock	1,097	19	129	335
Properties acquired	4,499	79	178	868
Investments/property regulation	401	7	–46	–
Depreciation/write-downs	–302	–5	–	–
Changes in exchange rates	3	0	–	–
At 31 December 2002	5,698	100	261	1,203

Market valuation of property stock

Svefa AB carried out an assessment of the market value of the property stock at year-end 2002. Full valuations of all the properties were conducted. The market value of the group's entire property stock was estimated at some SEK 7,070m (6,500m). Eliminating the effects of acquisitions, sales and investments, this valuation represents a value increase of 7 per cent since the previous year-end. The biggest value increase was shown, in 2002 as in previous years, in Skåne: properties in this county rose in value by nearly 12 per cent. The valuation indicates a surplus value of 24 per cent, or SEK 1,372m, in the group's property stock.

Financial position

At 31 December 2002, the group had interest-bearing liabilities of SEK 4,213m (4,203m). The loan portfolio has a formal average fixed-interest term of 2.3 (2.2) years. Taking the effect of signed interest-swap agreements into account in calculating the average fixed-interest term, this brings the term up to just over 3 years. The average

interest rate at year-end was 5.66 (5.66) per cent. Net loan debt at year-end was SEK 4,107m — 15m higher than at the previous year-end, mainly owing to new loans taken out to finance the year's acquisitions. At 31 December 2002, the group had SEK 558m (286m) in confirmed, unutilised credit pledges.

Shareholders' equity at year-end totalled SEK 1,348m (1,343m), giving a visible equity ratio of 22.9 (22.8) per cent. The adjusted equity ratio, which includes surplus value in the group's property stock after deduction of full deferred tax, amounted at year-end to 32.2 (28.6) per cent. During the year, the company's holdings of 624,000 Mandamus shares were sold at a total price of just over SEK 42m. This amount has been added to the company's shareholders' equity.

Shareholders' equity per share at 31 December 2002 totalled SEK 65.62 (67.43). At the same date, net worth per share less 28 per cent deferred tax on the surplus value in the properties amounted to SEK 113.71 (95.62).

Parent company

Rental income during the year totalled SEK 903m (862m) and profit after tax SEK 31m (116m). Total investments, including property acquisitions, amounted to SEK 226m (546m). At 31 December 2002, the company's liquid funds amounted to SEK 14m (7m), and its net loan debt to SEK 4,106m (4,114m).

Proposed dividend for the 2002 financial year

When the Board approves the company's Annual Report on 14 March 2003, it will also propose a dividend for 2002.

Annual Report and Annual General Meeting

The Annual General Meeting will be held on Thursday 15 May at 3.00 pm in the Bonnier building, Torsgatan 21, Stockholm. The Annual Report will be sent to the shareholders and made available at Mandamus' head office in Solna from 31 March 2003.

Change of MD from 1 January 2003

At the end of December, the Board decided to terminate the employment of the then Managing Director, Anders Johansson, with effect from 1 January 2003. The costs of phasing out the MD were charged to profit for the year 2002. The Board also decided to appoint Regional Manager Anders Silverbåge as Acting Managing Director, pending a permanent appointment of a new Managing Director in the company.

Profit forecast for 2003

During 2003, a further rise in maintenance standards is planned. This will have an adverse effect on group management profit in the short term. A major upgrading and renovation programme will be commenced in Partille, and in Ljungby the current measures to repair damage to one residential property due to damp are to be completed. In several other portions of the property stock, increased inputs relating to maintenance of the flats and the properties as a whole, such as window replacement and roof renovation, are under way. Owing to the enhanced maintenance level, management profit is expected to be lower than for 2002, at some SEK 130m.

Stockholm 6 February 2003

Mandamus Fastigheter AB (publ)

Anders Silverbåge
Managing Director

GROUP PROFIT AND LOSS ACCOUNT	2002	2001	2002	2001	2000
Figures in SEK m	Q4	Q4	Jan.–Dec.	Jan.–Dec.	Jan.–Dec.
Rental income	228	221	907	867	828
<i>Property expense</i>					
Operating costs	–77	–67	–266	–251	–222
Repairs and maintenance	–30	–23	–100	–76	–76
Ground rent	–1	–2	–5	–6	–6
Property tax	–7	–1	–30	–25	–32
Property management	–19	–20	–66	–66	–67
<i>Total property expense</i>	<i>–134</i>	<i>–113</i>	<i>–467</i>	<i>–424</i>	<i>–403</i>
Net operating income	94	108	440	443	425
Depreciation on properties	–14	–13	–53	–52	–49
Gross profit	80	95	387	391	376
Central administrative expense	–7	–5	–20	–17	–19
Income from management assignment	1	1	4	2	–
Non-repeating income	–	–	–	5	–
Non-repeating expense	–6	–	–6	–	–
Write-downs	–64	–	–64	–	–
Profit from property sales	2	0	–6	33	76
Operating profit	6	91	295	414	433
Profit from associated companies	4	4	21	14	–
Interest contributions	0	0	1	2	7
Financial income	1	0	2	1	2
Financial expense	–62	–61	–246	–243	–220
Pre-tax profit	–51	34	73	188	222
Tax expense	12	2	–23	–41	–60
Profit for the period	–39	36	50	147	162
Earnings per share (SEK)	–1.90	1.81	2.44	7.38	8.02
Average number of shares	20,542	19,918	20,471	19,918	20,202

GROUP BALANCE SHEET	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000
Figures in SEK m			
Assets			
Properties	5,698	5,720	5,432
Other tangible fixed assets	8	8	9
Participations in associated companies	19	16	–
Financial fixed assets	91	95	6
Other current assets	49	34	84
Liquid funds	15	16	19
Total assets	5,880	5,889	5,550
Shareholders' equity and liabilities			
Shareholders' equity	1,348	1,343	1,275
Provisions	142	174	151
Interest-bearing liabilities	4,213	4,203	3,925
Non-interest-bearing liabilities	177	169	199
Total shareholders' equity and liabilities	5,880	5,889	5,550
<i>Change in shareholders' equity</i>			
Opening shareholders' equity	1,343	1,275	1,414
Dividend paid	–87	–79	–272

Buyback of own shares	42	–	–29
Profit for the period	50	147	162
Closing shareholders' equity	1,348	1,343	1,275

GROUP CASH-FLOW STATEMENT

Figures in SEK m

	2002 Q4	2001 Q4	2002 Whole year	2001 Whole year
Cash flow before change in working capital	37	51	173	168
Change in working capital	–12	–13	–7	20
Cash flow from operations	25	38	166	188
Current investments	–22	–25	–79	–61
Property acquisitions	–4	–	–147	–486
Property sales	11	0	125	240
Acquisitions of participations in associated companies	0	–6	–3	–16
Provisions made/dissolved	–14	20	–32	23
Cash flow from investments	–29	–11	–136	–300
New share issues	–	–	–	–
Dividend paid	–	–	–87	–79
Buyback of own shares	–	–	42	–
Cash flow from/to shareholders	–	–	–45	– 79
Total cash flow	–4	27	–15	–191
Opening net loan debt	–4,103	–4,118	–4,092	–3,900
Cash flow for the period	–4	27	–15	–191
Exchange-rate effect	0	–1	0	–1
Closing net loan debt	–4,107	–4,092	–4,107	–4,092

Loan structure at 31 December 2002

Fixed-interest terms until	Total loans SEK m	Av. interest, %	% of loans
2003*	1,796	5.50	43
2004	536	5.75	13
2005	591	5.70	14
2006	487	5.44	11
2007	255	5.42	6
2008	267	6.31	6
2009	281	6.45	7
Total	4,213	5.66	100

* This figure includes loans in euro to a value of SEK 9m, at an average interest rate of 3.65 per cent.

KEY FIGURES

	2002	2001	2000
Property-related key figures			
Properties' market value (SEK m)	7,070	6,500	6,100
Properties' book value (SEK m)	5,698	5,720	5,432
Yield on properties (%)	7.7	7.9	7.8
Economic letting ratio (%)	98.1	97.9	97.0
Surplus ratio (%)	48.5	51.1	51.3
Book property value per m ² (SEK)	4,736	4,681	4,623
Financial key figures			
Interest on total capital (%)	5.4	7.5	8.0

Interest on shareholders' equity after tax (%)	3.7	11.2	12.0
Management profit (SEK m)	148	148	139
Equity ratio (%)	22.9	22.8	23.0
Adjusted equity ratio (%)	32.2	28.6	28.2
Debt/equity ratio (times)	3.1	3.1	3.1
Property gearing (%)	73.9	73.5	72.3
Interest-coverage ratio (times)	1.61	1.64	1.66
Average interest on loans (%)	5.66	5.66	5.77
Average fixed-interest term (years)	2.3	2.2	2.1
Average number of employees	166	167	165

Shareholders at 31 December 2002	No. of shares	Percentage of votes and capital
Akelius Insurance funds	8,167,227	39.8
LRF group	5,524,541 249,340	26.9
CF funds (GB)	248,078	1.2
Tonold Konsult AB	162,700	1.2
Skandia	149,436	0.8
Independent savings banks	135,000	0.7
Bengt Norman and family	56,200	0.6
Wasa property fund	47,305	0.3
SHB/SPP funds	33,635 14,773,462	0.2
Swedish Municipal Workers' Union	526,891 5,241,609	0.2
Total (10 owners)	20,541,962	71.9
Other foreign shareholders		2.6
Other Swedish shareholders		25.5
Total number of shares		100.0

KEY FIGURES PER SHARE	2002	2001	2000
Closing share price (SEK)	75.50	69.00	65.50
Shareholders' equity (SEK)	65.62	67.43	64.01
Net worth (SEK)	113.71	95.62	88.16
Earnings after tax (SEK)*	2.44	7.38	8.02
Dividend (SEK) **		4.25	4.00
Yield of share (%)		6.2	6.1
Total yield of share (%)	15.6	11.5	48.6
P/E ratio (times)	30.9	9.3	8.2
Price in relation to net worth (%)	66.4	72.2	74.3
No. of shares at 31 December ('000)	20,542	19,918	19,918
Average number of shares ('000)	20,471	19,918	20,202

* Earnings per share is estimated on the average number of shares during the year.

** The Board's proposal for 2002 will be published on 14 March 2003.

Summary of property stock at 31 December 2002

Region	Book value, SEK m	Rental income, SEK m	Rentable area, '000 m ²	Economic letting ratio, %	Yield, %
Skåne	1,094	170	236	97.5	7.4
Småland/Halland	669	112	156	98.4	7.8
West	1,403	224	301	97.3	8.4
East	2,523	399	505	98.9	7.5
Total, Sweden	5,689	905	1,198	98.2	7.7
Abroad	9	2	5	71.0	0.0
Total, group	5,698	907	1,203	98.1	7.7
<i>Type of property</i>					
Residential	4,971	773	985	98.9	7.3
Offices/shops	587	108	148	94.5	10.1
Industrial/warehouse	137	26	70	88.1	10.9
Land	3	0	0		0.0
Total	5,698	907	1,203	98.1	7.7

Definitions

Cash flow: cash flow before change in working capital.

Economic letting ratio: rental income for the period and rental losses in relation to rental value.

Gross margin: management profit in relation to rental income.

Interest-coverage ratio: profit after financial income and expense, excluding items affecting comparability and financial expense, in relation to financial expense.

Management profit: pre-tax profit excluding items affecting comparability, such as disposal profit, write-downs and interest contributions.

Net loan debt: interest-bearing liabilities less long-term claims and cash and liquid funds.

Net worth: shareholders' equity plus the difference between the properties' market value and their book value, less full deferred tax.

Property gearing: interest-bearing liabilities in relation to the properties' book value at the end of the period under review.

Surplus ratio: net operating income in relation to total rental income.

Total yield of share: change in the share price during the year plus dividend paid, as a percentage of the opening share price.

Yield of properties: pro forma net operating income for the year, in relation to book value for the property stock owned at the end of the period.

Accounting principles

The same accounting principles and methods of calculation were used in these summarised financial statements as in the latest annual report for the group.

These summarised financial statements have been overviewed by the company's auditors.

Please address your queries concerning the summarised financial statements to the Acting Managing Director, Anders Silverbåge, or Deputy Managing Director Bengt Evaldsson, +46 8 566 13000.

Financial information

Annual Report for 2002	31 March 2003
Interim accounts for January–March	24 April 2003
Annual General Meeting	15 May 2003
Interim accounts for January–June	22 July 2003
Interim accounts for January–September	23 October 2003

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Mandamus Properties AB (publ)

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The registered office of the Board is in Stockholm.