MANDAMUS
ANNUAL REPORT 2002

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Mandamus is a property company that seeks, on a long-term basis, to own, develop and manage high-yield residential properties, mainly in growth areas in Southern and Central Sweden.

Time and venue for the Annual General Meeting

The Mandamus Annual General Meeting will be held on Thursday 15 May 2003 at 3.00 pm in Stockholm Concert Hall, Grünewaldssalen, Kungsgatan 43, Stockholm.

Application to attend the Annual General Meeting

Shareholders wishing to attend the Annual General Meeting must fulfil two conditions:

- Their names must, not later than 5 May 2003, be entered in the share register kept by VPC AB.
- They must, not later than at 1.00 pm on Monday 12 May 2003, notify their intention to attend by post to Mandamus Fastigheter AB, Box 12, 171 18 Solna or through the Mandamus web site, www.mandamus.se.

Nominee shareholders must, in good time before 5 May, temporarily register the shares in their own names in order to be entitled to participate in the AGM, in person or by proxy. This registration should be requested a few days in advance, through the bank or stockbroker holding the shares in trust. If participation is by proxy, the document concerned must be submitted to the company before the AGM.

Dividend

The Board proposes SEK 2.00 as the dividend for each share in Mandamus Fastigheter AB (publ), and 20 May 2003 as the record day for the dividend. Disbursement is expected to take place through the agency of VPC on 23 May 2003.

Nominating committee

Under the Articles of Association, the Board must comprise a minimum of five and a maximum of nine permanent members. The members are elected each year at the Annual General Meeting, for the period up to the next AGM. The AGM has appointed a nominating committee, with three members, to propose Board members and remuneration for the same.

The nominating committee appointed by the AGM comprises Lars Holmgren (LRF), Hans Ragnarsson (Akelius Insurance Ltd) and Kurt Lodenius (individual shareholder), with Lars Holmgren as the convener..

The cover illustration shows caretaker Lars Andersson renovating a bathroom.

The year in brief

- Mandamus' profit from current operations, i.e. management profit, amounted to SEK 148m (148m).
- Items affecting comparability, such as write-downs, costs of phasing out the company's previous Managing Director and sale losses, were charged to profit for the year at SEK 76m.
- Pre-tax profit totalled SEK 73m (188m). This deterioration in profit, a reduction of SEK 115m against the previous year, is entirely attributable to non-repeating costs.
- The valuation of the property stock carried out at year-end shows a market value of SEK 7,070m (6,500m). The actual change in value during 2002 (excluding acquisitions, investments and disposals) was 7 (2) per cent.
- Earnings per share after tax amounted to SEK 2.44 (7.38) and net worth per share was SEK 113.71 (95.62).
- The Board proposes a regular dividend of SEK 2.00 (4.25) per share.
- During December, the Board decided to dismiss the then Managing Director of the company, Anders Johansson, from his post. Since 1 January 2003, Anders Silverbåge has been Acting MD in the company.
- Owing to increased maintenance spending during 2003, a decrease in management profit to around SEK 130m (148m) is forecast for 2003.

KEY FIGURES FOR MANDAMUS

FIGURES IN SEK m UNLESS OTHERWISE SPECIFIED	2002	2001	2000	1999	1998
Rental income	907	867	828	794	547
Net operating income	440	443	425	398	249
Management profit	148	148	139	115	58
Pre-tax profit	73	188	222	288	103
Book value of properties	5,698	5,720	5,432	5,433	4,926
Interest-bearing liabilities	4,213	4,203	3,925	3,547	3,490
Shareholders' equity	1,348	1,343	1,275	1,414	1,262
Direct yield on properties, %	7.7	7.9	7.8	7.9	7.6
Economic letting ratio, %	98.1	97.9	97.0	95.5	93.7
Rentable area, '000 m^2	1,203	1,222	1,175	1,260	1,220
Equity ratio, %	22.9	22.8	23.0	25.4	25.0
Closing share price, SEK	75.50	69.00	65.50	53.0	45.50
Equity per share, SEK	65.62	67.43	64.01	68.83	61.44
Net worth per share, SEK	113.71	95.62	88.16	85.20	78.76
EPS after tax, SEK	2.44	7.38	8.02	9.80	4.23
Cash flow per share, SEK	8.45	8.38	6.68	6.13	5.46
Dividend per share, SEK[1)]	2.00	4.25	4.00	13.25	2.25

1) Board proposal of SEK 2.00 per share for the 2002 financial year.

Concentration and focus ensure that management profit remains high

The year 2002 was another good one for Mandamus. I venture to say this although we had to write down the value of a small portion of our property stock, mainly commercial properties, by 64 million Swedish kronor. Despite this write-down, our property stock rose in value by 7 per cent, or nearly SEK 460m. Management profit, which is the financial result from current operations, was unchanged in relation to the previous year, at SEK 148m.

Our mission and strategy of focusing on housing are successful, and thereby benefit our owners, tenants and employees alike. Thanks to systematic efforts throughout the company, we are well on the way to reaching all the highly ambitious long-term targets we and our Board have adopted for Mandamus. We have, in fact, already attained several of them, prompting the Board to set successively higher targets for our operations.

Further concentration

During the year we came, for example, a bit closer to our targets in terms of property-stock composition. At year-end 2002, residential properties accounted for 87 per cent of our aggregate book value. So we are not far from achieving our target of at least 90 per cent. We have also resolved that at least 75 per cent of property value should be found in a small number of selected growth areas. In terms of this target, we had attained 71 per cent by year-end and are thus also well on track here too. Looking back and comparing the present situation with that of only a few years ago, we see that it is no exaggeration to state that Mandamus is now, in many ways, a new company — more concentrated and focused than ever.

Our concentration on housing and growth areas means more reliable and stable rental income and cash flows, for several reasons. The vacancy ratio for residential properties is, and is forecast to remain, virtually zero in our growth areas. Nor are our other areas particularly affected by market fluctuations, and in times of economic slowdown it is commercial properties that are hit hardest. Even when times are hard, good homes with stable, dependable landlords are in demand.

Satisfied customers

Our motto is that the tenant is our guest of honour. We aim to ensure that our tenants feel and notice that, in everything we do, their needs and interests are our guiding considerations. This covers simple, everyday details, such as rapid response times and remedial action when problems are reported, as well as the planning of service, maintenance and any conversion or renovation work so that these tasks are performed in an optimal way for the tenants. It is therefore gratifying that, in 2002 as in previous years, we earned our tenants' stamp of approval.

But we can and must become even better. This year, 2003, is to be a 'Safety Year' for our tenants. We want our residential areas to be safe places to live in and visit. Basement storerooms are to be made ever more secure against break-ins. Gardens and patios must be congenial venues for people to meet and spend time together. Our questionnaire and Customer Satisfaction Index surveys provide both factual information and intriguing ideas for us to build on. Needless to say, this work must be conducted in close consultation with our guests of honour.

Sometimes we describe the task of managing a housing-property stock as being like a marathon or very long relay race. New ideas are constantly coming up. Perfection is invariably out of reach. There is always a bit more to be done — at least for a company like Mandamus, which goes in for long-term ownership.

This long-termism represents security for the tenants. But it also means that we can plan, systematically and well in advance, for maintenance and renovation of our properties. This enables us to sustain and generate stakeholder value — for the company itself, our shareholders and our tenants alike.

Listed company of the year

Last year we had occasion to be extra proud. The publications *Aktiespararen* ('The Share Saver') and *Dagens Industri* ('Industry Today') chose Mandamus as the 'Listed company of the year' for giving its shareholders, the capital market and the mass media useful, prompt information of high quality.

This is a matter of very high priority to us. We had gained a high ranking in previous years; then, in 2002, we reached all the way to the top. It was a well-deserved acknowledgement of those who are directly responsible for the company's financial announcements. But I would also like to see it as a tribute to all Mandamus' staff, who constantly show tremendous commitment to making our strong company even stronger.

Further growth

We have grown, and shall continue to grow, by acquiring the right properties, in the right place and at the right price. But our expansion should take place, as it has done to date, only on the residential side. We have never bought a property with an investment calculation based on hopes of future rises in value. The calculation must rest on actual costs and income.

We also aim to have at least 500 flats in each of our main areas, to attain cost-effective, high-class management. Every new flat in such a stock affords not only economies of scale, in technical and financial terms, but also scope for creating added value in the communities where we and our local organisations operate.

We retain our strategy of focusing on a few growth areas, mainly outside the metropolitan city centres. Here, however, we see that competition for housing property and therefore prices for the same have increased. We are not the only ones to have found that excessively narrow investment in commercial floor space in major

cities can be both expensive and uncertain when market conditions and, accordingly, demand for premises are slack. It is then time to seek safer investments.

Today, we have a strong position in our growth areas: Greater Stockholm, Greater Gothenburg, Malmö/Lund and Halmstad. This is a position we must protect.

Naturally, we also consider other areas with stable future prospects that we believe can fit into our investment strategy. We have also noted that, in several municipalities, interest has been shown in selling off parts of the public housing stock to private stakeholders, and we ourselves have received a number of inquiries of this kind. Out latest purchases have been two large residential stocks in Huddinge, in southern Greater Stockholm, with a total of more than 1,300 flats, from Hugebostäder, the municipally owned housing company.

We also intend to continue selling off the properties that do not fit into our stock. This applies particularly to some of our commercial properties.

Prospects for 2003

For 2003, we foresee increased activity in a number of areas. Besides our above-mentioned efforts to improve safety and security, we shall focus more clearly on investing in our existing properties. Investments of two types are to be given priority: those, such as energy-saving measures, that yield reduced operating costs and those that, in the long term, can provide raised income through improvement. These investments in property improvement and our raised ambition for 2003 regarding maintenance measures pave the way for long-term high yield, most of all when there is ample indication that quality issues will have a greater impact on the setting of rents. Issues relating to future setting of rent rates, within the scope of the 'tripartite agreement' between the Swedish Federation for Rental Property Owners, the Swedish Association of Municipal Housing Companies (SABO) and the Tenants' Union in Sweden, and opportunities for collaborating in new housing production, are of course crucial. For 2003, this spells slightly higher costs, with an adverse short-term impact on profit. Management profit for 2003 is expected to total some SEK 130m, corresponding to SEK 6.33 per share.

The Board and company's principal owners have been discussing Mandamus' future orientation. We can but note that, when it comes to business operations and the company's growth strategy, there is a consensus on these issues. With stability in the business, our focus and our earning capacity, we shall continue along the same lines as we adopted at the time of our admission to the stock exchange in 1998. This means successively refining and developing the company with an emphasis on housing and providing homes for rent in areas where rental homes are in demand. Mandamus is, admittedly, a fairly small company. But it is strong, well consolidated and — as Acting Managing Director, I venture to say — well run at all levels.

Our assignment is to continue managing the listed company of the year in such a way that, in five years' time, we shall be able look back on ten successful years' listing on the stock exchange.

Solna, March 2003

Anders Silverbåge
Managing Director

Mandamus shares

Shares in Mandamus Fastigheter AB have been quoted on the 'O' list of the Stockholm Stock Exchange since 15 June 1998, under the symbol 'MFAS'. Since 1 January 2001, the shares have been listed under Attract 40, which contains the shares on the 'O' list with the highest turnover. At 31 December 2002, the shareholders numbered 24,851 (25,928). The company's share capital amounts to SEK 410,839,240, comprising 20,541,962 shares with a nominal value of SEK 20 each. Mandamus shares are of one type only, and the listing block is 200 shares.

Share-dealing and ownership structure

Mandamus shares traded amounted to 23 per cent of the total number of shares, against 71 per cent in the previous year. There was further concentration of ownership, mainly in two major groups of owners: Akelius Insurance funds with 39.8 per cent and the LRF group with 26.9 per cent. The ten biggest shareholder groups represented 72 (65) per cent of ownership.

Buyback and sale of own shares

In 2001 the AGM gave the Board a mandate to acquire, in the period up to the next AGM in April 2002, a maximum of 10 per cent of the shares issued. The AGM also instructed the Board to dispose of any Mandamus shares it might have acquired. During the first quarter of 2002, the entire previous holding of bought-back shares, numbering 624,400, was sold for SEK 42m. All 20,541,962 shares issued are now entitled to dividend.

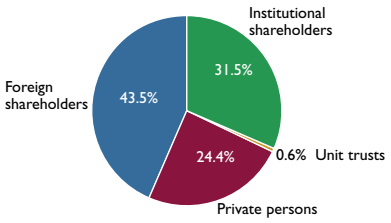
TREND OF SHARE CAPITAL AND NUMBER OF SHARES

		INCREASE IN SHARE CAPITAL, SEK	SHARE CAPITAL, SEK	ACCUMULATED NUMBER OF SHARES	NOMINAL VALUE PER SHARE, SEK
1997	Company formation	350,000,000	350,000,000	350,000,000	1
1997	Reverse split (20:1)	–	350,000,000	17,500,000	20
1997	New share issue	1,872,560	351,872,560	17,593,628	20
1998	Non-cash issue	58,966,680	410,839,240	20,541,962	20

Each share carries one (1) vote and confers the right to dividend. At 31 December 2002 there were no outstanding options, convertible promissory notes or the like.

SHAREHOLDER STRUCTURE AT 31 DECEMBER 2002

HOLDINGS	NO. OF OWNERS	NO. OF SHARES	% 31 DEC. 2002	% 31 DEC. 2001
1 – 500	23,165	2,222,711	10.8	11.3
501 – 1,000	898	759,126	3.7	4.4
1,001 – 2,000	425	681,496	3.3	4.2
2,001 – 5,000	243	813,304	4.0	5.0
5,001 – 10,000	76	576,799	2.8	3.9
10,001 – 20,000	18	243,992	1.2	2.7
20,001 – 50,000	11	353,946	1.7	3.1
50,001 – 100,000	4	296,834	1.5	2.3
100,001 –	11	14,593,754	71.0	63.1
Total	**24,851**	**20,541,962**	**100.0**	**100.0**



MAJOR SHAREHOLDER GROUPS AT 31 DECEMBER 2002

	2002 NO. OF SHARES	2002 STAKE, %	2001 NO. OF SHARES	2001 STAKE, %
Akelius Insurance Funds	8,167,227	39.8	7,436,190	37.3
LRF Group	5,524,541	26.9	4,245,253	21.3
CF Funds (GB)	249,340	1.2	195,840	1.0
Tonold Konsult AB	248,078	1.2	-	0.0
Skandia	162,700	0.8	267,700	1.3
Independent savings banks	149,436	0.7	265,556	1.3
Bengt Norman and family	135,000	0.6	135,000	0.7
Wasa Property Fund	56,200	0.3	125,800	0.6
SHB/SPP funds	47,305	0.2	45,505	0.2
Swedish Municipal	33,635	0.2	33,635	0.2
Total (10 owners)	**14,773,462**	**71.9**	**12,750,479**	**63.9**
Other foreign shareholders	526,891	2.6	679,581	3.4
Other Swedish shareholders	5,241,609	25.5	6,487,502	32.7
Total outstanding shares	**20,541,962**	**100.0**	**19,917,562**	**100.0**
Own shares bought back			624,400	
Total number of shares	**20,541,962**		**20,541,962**	

The shareholders' meeting in June 2002 did not grant any new Board mandate to acquire Mandamus shares for the period up to the next AGM in May 2003.

KEY FIGURES PER SHARE

Figures in SEK unless otherwise specified	2002	2001	2000	1999	1998
Closing share price	75.50	69.00	65.50	53.00	45.50
Shareholders' equity	65.62	67.43	64.01	68.83	61.44
Properties, book value	277.38	287.20	272.72	264.48	239.80
Properties, market value	344.17	326.34	306.26	287.22	263.85
Net worth	113.71	95.62	88.16	85.20	78.76
Rental income	44.31	43.53	40.97	38.65	30.48
Management profit	7.23	7.43	6.98	5.60	3.23
Earnings after tax	2.44	7.38	8.02	9.78	4.23
Cash flow	8.45	8.38	6.68	6.13	5.46
Dividend	2.00 1)	4.25	4.00	13.25	2.25
Yield of share, %	2.6 1)	6.2	6.1	25.0	5.0
Total yield of share, %	15.6	11.5	48.6	21.5	3.4
Share price in relation to net worth, %	66.4	72.2	74.3	62.2	57.8
P/E ratio, times	30.9	9.3	8.2	5.4	10.8
No. of shares at 31 December ('000) 2)	20,542	19,918	19,918	20,542	20,542
Average number of shares ('000) 2)	20,471	19,918	20,202	20,542	17,946

1) Board proposal for dividend for 2002.
2) Mandamus' previous holdings of its own shares, 624,400 in number, have been decucted and are not included in the basis for key figures per share.

Price trend and total yield in 2002

The trend of the Mandamus share price in 2002, as in the previous year, surpassed the Stockholm Stock Exchange general index. During the year, the price rose by 9.4 per cent to SEK 75.50 per share. During the same period, the general index of the Stockholm Stock Exchange fell by 37.2 per cent, while the index of the property sector, the Carnegie Real Estate Index (CREX), rose by 4.3 per cent.

Total yield, which shows investors' total return on their investment in the form of the share-price trend and dividend paid, was 15.6 (11.5) per cent, which was 6.5 percentage points higher than the average total yield for listed property companies. The total yield for Mandamus shares has exceeded the average total yield for listed property companies for the past four financial years.

Dividend policy

Under the Board's policy, dividend must correspond to some 75 per cent of profit after tax, excluding profit from property sales. The Board proposes a dividend for 2002 of SEK 2.00 (4.25) per share.

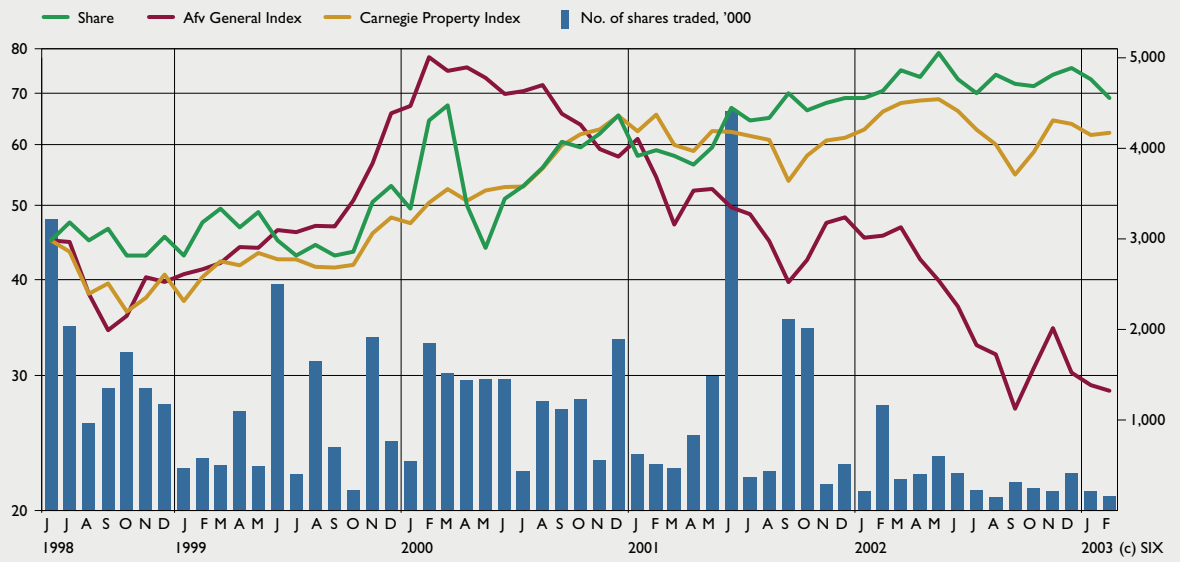
Opening values

Owing to Swedbank's distribution of shares in Mandamus Fastigheter AB in spring 1998, the National Tax Board issued the following recommendation (RSV 1998:37): 'Of the acquisition value of shares in Swedbank, 99 per cent should be attributable to these shares and 1 per cent to share participations in Mandamus.'

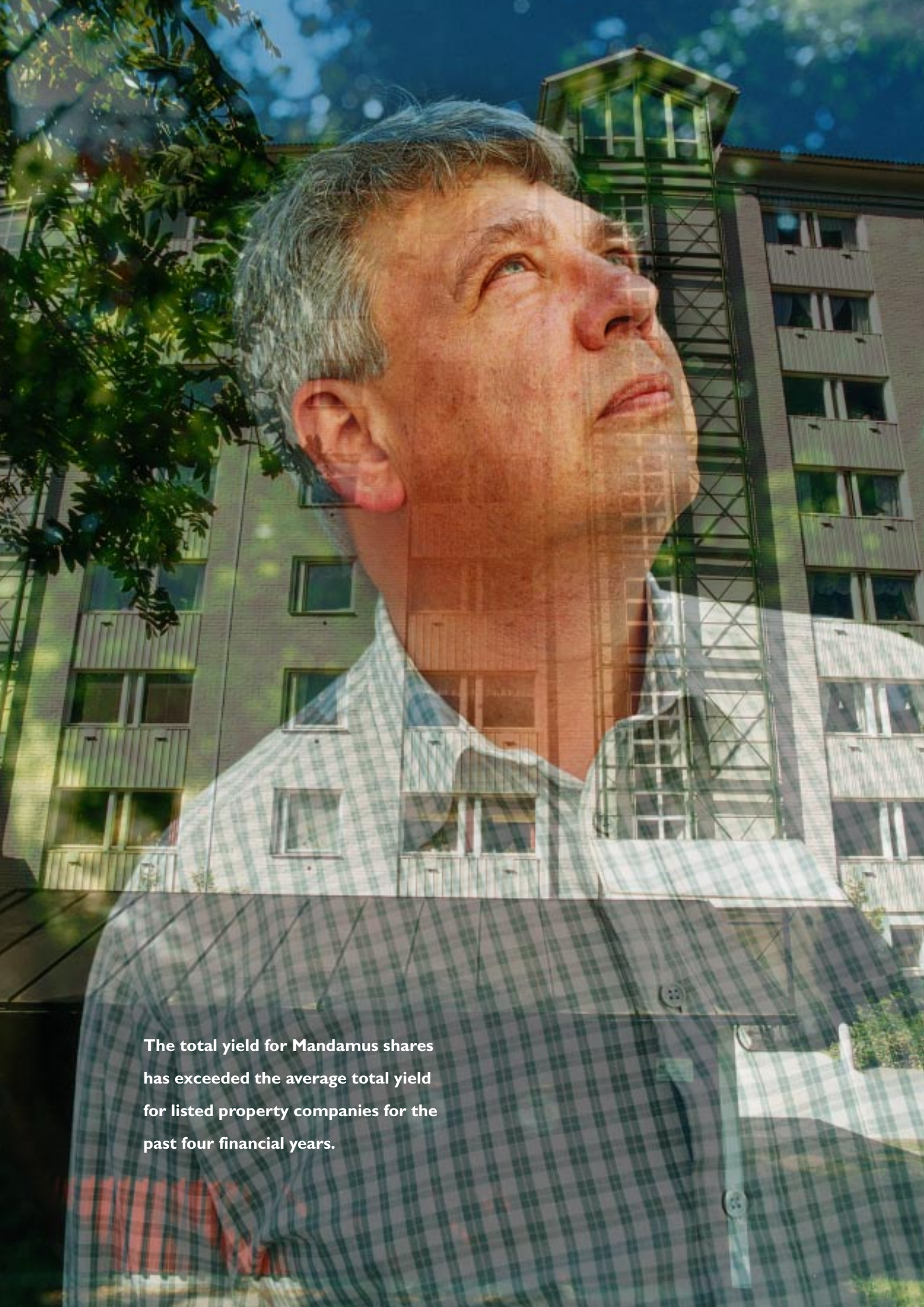
Investor relations

Mandamus' objective is to provide prompt, open and accurate information on the company's operations to shareholders, the capital market and the media. Contacts with the stock market are based on information issued by the company in the form of interim reports, summarised

SHARE-PRICE DIAGRAM



Size of listing block: 200 shares. Market value at 31 December 2002 was SEK 1,551m.
The highest price in 2002 was SEK 82.00 and the lowest SEK 66.00.



The total yield for Mandamus shares has exceeded the average total yield for listed property companies for the past four financial years.

financial statements and the annual report. Press releases are issued in connection with these financial statements, and also in the event of major business events or news deemed relevant to the stock market.

Analyst meetings, to which media representatives are also invited, are held regularly in conjunction with the publication of interim reports and the annual report. During the year, a number of presentations of Mandamus to investors and analysts were also held. Normally, an annual 'Capital Market Day' is arranged, to which analysts and the media are invited.

Mandamus' lofty ambitions in its provision of external information have earned appreciation in-house as well as externally. Stringent requirements concerning the content and structure of financial information have always been important to the company. In-house, this has affected employees' understanding of financial information, while rationalisation in production of financial reports have also been attainable.

In the annual quality assessment of listed companies' annual reports, Mandamus has performed well. Successive improvements have taken place from one year to the next, and the Annual Report for 2001 received a highly honourable third place in *Aktiespararna*'s and *Dagens Industri*'s annual competition for listed Swedish companies. In the previous year, Mandamus had ranked fourth.

Listed company of the year

In 2002, Mandamus was nominated 'Listed company of the year' in the competition in stock-market information arranged by *Aktiespararen* and *Dagens Industri*. Besides the companies' annual reports, interim reports, promptness and punctuality of reporting, and the quality of the company management's contact with the media are also assessed. Mandamus received high points on all counts, without coming top in any one. Mandamus and its staff are, of course, very proud of the nomination, which is an indication that high-quality information is noticed.

LISTED SWEDISH PROPERTY COMPANIES

Aggregate market value for focused property companies on the Stockholm Stock Exchange amounted, at year-end 2002, to some SEK 40 billion. Focused property companies are listed in the table below.

COMPANY	MARKET VALUE, SEK M 31 DEC. 2002	TOTAL YIELD 2002, %
Drott	8,937	– 5.6
Huvudstaden	5,704	6.5
Castellum	5,002	14.1
Wihlborgs	4,805	18.4
Tornet	4,117	14.4
Kungsleden	2,748	32.9
Pandox	1,818	2.7
Mandamus	1,551	15.6
Wallenstam	1,542	32.9
Ljungberggruppen	1,261	1.2
Heba	1,087	22.2
Capona	1,045	3.8
Fastighetspartner	363	18.4

ANALYSTS WHO MONITOR MANDAMUS

Rikard Alte
Julis Bear

Kjetil Anthonisen
Nordiska Fondkommission

Lars-Åke Bokenberger
Alfred Berg Fondkommission

Bengt Claesson
Erik Penser Fondkommission

Hans Derninger
Handelsbanken Markets

Johan Gahm
Öhman Fondkommission

Fredrik Grevelius
ABG Sundal Collier

Tobias Kaj
Swedbank Markets

Erik Nyman
Enskilda Securities

Thomas Ramsälv
Chevreux de Virieu

Christian Roos
Alfred Berg Fondkommission

Fredrik Skoglund
Carnegie

Martin Söder
ABG Sundal Collier

Mission statement, objectives and strategies

Mission statement

'Mandamus is aims to own, develop and manage properties with a high yield, mainly in growth areas in Southern and Central Sweden, on a long-term basis.'

The mission statement was altered during the year with the addition of the phrase 'on a long-term basis', to confirm the purpose of Mandamus' property holdings.

Mandamus' motto

'The tenant is our guest of honour.'

In relations with our customers, the tenants, we should always strive for all the tenants to feel like guests of honour in their own homes.

General targets

The total yield for Mandamus' shareholders should exceed the average for the sector. This should be achieved subject to the requirements of lasting profitability and low operating risk, attained through further residential enhancement and closeness to our customers.

Financial targets

• Long-term stable and growing cash flows should be attained through continuous improvement in profits from day-to-day management.
• The visible equity ratio should be at least 20 per cent.
• The total yield on the market value of the property stock should, with the current inflation rate, be at least 10 per cent.
• Dividend should amount to around 75 per cent of net profit, excluding profit from sales.

The purpose of these financial targets is to ensure both that operations show a long-term trend that is better than the sector average and that the shareholders receive a good yield with a satisfactory equity ratio.

Children playing outside one of Mandamus' blocks of flats in Visättra, Huddinge.

Targets for the property stock

• At least 75 per cent of the property stock should be concentrated in Greater Stockholm, Greater Gothenburg, Malmö/Lund and Halmstad.
• The proportion of residential property should be at least 90 per cent of book value.
• Property volume should increase not only through direct acquisitions, but also through participation in property consortia.

Customer and service objectives

• Mandamus seeks to work for active and customer-oriented development of homes with the aim of improving the customer's/tenant's perception of the residential experience and Mandamus' profitability.
• Our 'Customer Satisfaction Index' should exceed the sector average, and the customers' views of Mandamus should be measured by means of customer questionnaires.

Environmental objectives

Environmental impact should always be taken into consideration in day-to-day work and in the development of the property stock. The quantitative environmental targets for 2002 are:
• An inventory system concerning the content of chlorofluorocarbon 12 (CFC-12, also known by its trade name 'Freon') in refrigerators should be developed.

• Maximum allowable emissions of CO_2 are 13 kg/m² a year during a normal year.
• A reference library for environmental measures undertaken in Mandamus should be set up.
• An environmental information campaign directed at our tenants should be implemented.

The environmental objectives for 2002 have been fulfilled in all essentials. Accordingly:
• Fire alarms have been installed in all flats.
• Energy surveys have been carried out for residential properties where annual consumption, corrected in line with normal annual figures, exceeds a defined level.
• All staff have been trained in environmental science.
• Emissions of carbon dioxide, corrected in relation to a normal year, were less than 13 kg per m².

Staff objectives

• Mandamus seeks to apply active performance management at all levels and, through annual performance reviews, to ensure that all the employees undergo appropriate skills development.
• Profit awareness, responsibility, environmental awareness, servicemindedness and the entrepreneurial spirit should permeate the Mandamus workforce.
• The staff's perceptions of the work climate and their own development potential within the company should be measured annually by means of an employee questionnaire.

Mandamus is continuing to pursue policies concerning such matters as pay and bonuses, the work environment, development and training, and gender equality.

Fulfilment of objectives

Mandamus communicates its objectives to the market through, for example, its annual and interim reports. Most of the company's objectives are quantifiable targets, and a summary of progress to date is given below. As earlier targets have been attained, the Board has successively modified them or adopted new ones that tally better with present-day business conditions. It should be noted that these improvements are due both to increasingly efficient management and to the measures to restructure the property stock implemented to date.

TARGET FULFILMENT

	2002	2001	2000	1999	1998
Financial targets					
Long-term stable and growing cash flows	SEK 173m	SEK 167m	SEK 135m	SEK 126m	SEK 128m
Minimum 20 per cent visible equity ratio	22.9%	22.8%	23.0%	25.4%	25.0%
Minimum total yield on properties 10 per cent (of market value)	13.7%	9.7%	11.4%	n.a.	n.a.
Dividend approx. 75 per cent of profit after tax, excl. profit from sales	SEK 2.00/73%	SEK 4.25/76%	SEK 4.00/75%	SEK 3.25/76%	SEK 2.25/94%
Extra dividend	–	–	–	SEK 10	–
Property-stock targets					
Minimum 75 per cent of stock concentrated in growth areas (% of book value)	71%	69%	65%	59%	n.a.
Minimum 90 per cent of stock composed of housing (% of book value)	87%	85%	83%	81%	72%
Customer and service targets					
Satisfied Customer Index exceeding sector average (Mandamus/sector average)	89.1/91.3	89.6/91.6	91.6/91.1	89.5/89.8	88.3/88.3
Environmental targets					
Maximum carbon-dioxide emissions of 13 kg/m²	12	12	17	n.a.	n.a.
Staff targets					
Staff Satisfaction Index to improve every year	n.a.[1]	3.5	3.5	3.4	3.2
Operational business and profit targets					
High yield (stated in terms of net operating income for remaining stock, divided by book value)	7.7%	7.9%	7.8%	7.9%[2]	7.6%[2]

n.a. = not applicable.

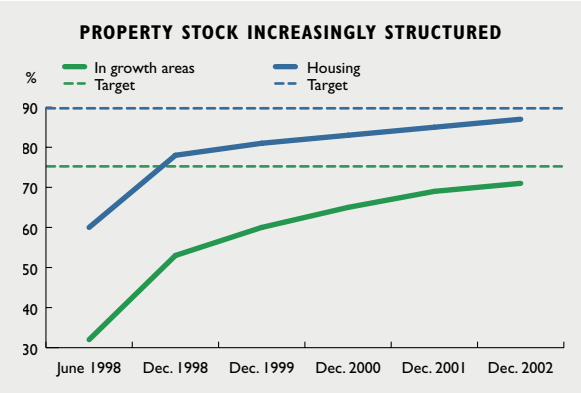
1) Since 2002, a new method of measuring the Staff Satisfaction Index has been used.
2) Since 2000, Mandamus has followed the Financial Analysts' recommendation concerning allocation of central administrative expense to be charged to net operating income. For the years 1998 and 1999, this expense was not charged to NOI. This boosted the yield for these years by some 0.15 per cent.

Core-business consolidation for rising net worth

In conjunction with Mandamus' stock-exchange admission, a strategic decision was taken that the company should concentrate its property stock both geographically and in terms of a particular property type. The business came naturally to be oriented towards residential properties, since they were deemed to afford the best scope for specialisation and increased efficiency, as well as ample scope for growth through acquisitions. The targets for the residential proportion and geographical concentration of the property stock have been successively raised. The current targets are that residential properties should make up at least 90 per cent of book value, and that 75 per cent of the property stock should be located in growth areas.

During the year, Mandamus continued to concentrate and focus its property ownership on residential properties in growth areas. In 2002, 22 properties were sold and six acquired. With these sales, Mandamus left another five municipalities and now owns properties in 30 municipalities.

The proportion of housing properties at year-end was 87 (85) per cent of the total book value of the property stock, and the proportion of properties in growth areas was 71 (69) per cent. At the time of Mandamus' admission to the stock exchange in June 1998, only 32 per cent of the property stock was in the company's defined growth areas, and the proportion of housing was then around 60 per cent.



Focus on residential properties in growth areas makes for low operating risk

The housing market in growth areas is generally known to be overheated and unbalanced. The market shortage is due mainly to the virtual standstill in new production of flats over the past ten years, while the rate of migration to the metropolitan areas has been high. In Mandamus' growth areas — Greater Stockholm, Greater Gothenburg, Malmö/Lund and Halmstad — the only vacancies are those caused by individual tenants moving out, and in practice the letting ratio for homes is virtually 100 per cent.

Mandamus' focus on flats in growth areas means that demand for the company's products and services is very high. These areas are characterised by both demographic and economic growth, and this guarantees high future demand for housing and simultaneous value growth in the property stock. The combination of high demand and a large number of tenants spells a highly secure income flow, with every individual residential tenancy contract posing a low risk. In addition, rents are regulated according to the utility-value system, which in principle means that rents rise in line with the general trend of costs. During 2002, rents were raised in Mandamus' property stock by an average of 3 per cent.

Increased maintenance inputs and investments in the property stock

During 2002, maintenance measures and reinvestments in the existing property stock were markedly higher than in the previous year. Maintenance costs amounted to SEK 100m, up SEK 24m or 31 per cent in relation to 2001. Altogether, maintenance costs correspond to just over 21 (18) per cent of Mandamus' total property costs. Of the increase compared with the previous year, SEK 8m related to measures aimed at remedying acute problems of damp and mould in two residential properties. Otherwise, the rise in the level of maintenance costs is largely planned, for the purpose of enhancing the quality of the residential property stock and reducing future operating costs. Besides investing more heavily in maintenance, Mandamus carried out an extensive investment programme in the existing property stock during the year. Altogether, the year's investments totalled SEK 79m (60m); these include energy-saving projects in several residential property stocks. The raised maintenance and investment level is part of a comprehensive upgrading programme aimed at enhancing the average quality of the housing stock. The objectives are to enhance residential quality, reduce future operating costs and lay a sound foundation for good growth of rental income. This programme is to continue in 2003, with an adverse short-term impact on management profit.

Reduced energy consumption beneficial to environment and profit

Costs of water, electricity and heating amounted to SEK 158m, corresponding to nearly 34 (35) per cent of aggregate property costs. The increase, some 5 per cent, was due entirely to the energy companies' tariff rises. In Mandamus, continuous large-scale inputs are made to reduce energy consumption, and this has a favourable impact on both profit and the environment. During 2002 there was, for example, a bonus programme aimed at encouraging measures to reduce energy consump-

tion. In addition, numerous energy-saving projects were, or are currently being, implemented.

Mandamus' structure and flat organisation facilitate planning and control of other operating costs, such as those of caretaking, purchased services and property management. Maintenance measures and their costs are also planned and implemented locally. A high volume affords economies of scale in purchasing and greater cumulative experience in planning. A flat organisation permits closeness to the customer and the services that are performed and perhaps outsourced. Use of small local organisational units combined with the group's economies of scale enables the company to make prompt decisions with firm backing, and this reduces costs. Accordingly, unexpected developments that adversely affect costs can be controlled and normally also reduced.

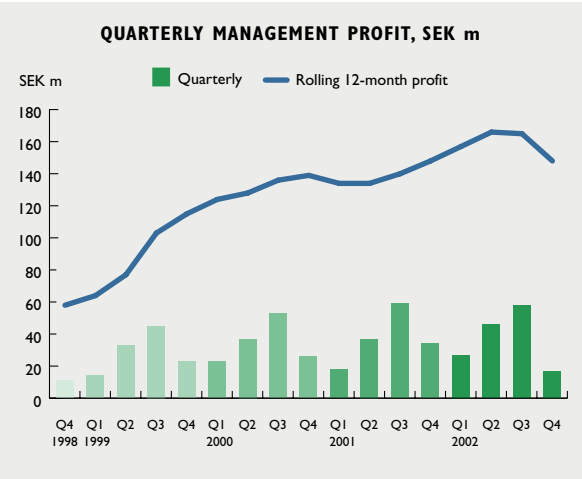
Mandamus' business focus on residential properties in growth areas, with local management, has also brought about successive increases in profit from current operations. Management profit has improved every year except in 2002, when it remained unchanged compared with the previous year.

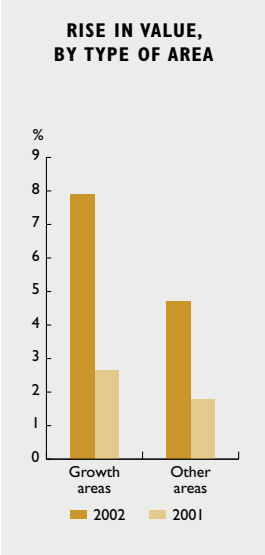
MANDAMUS PROPERTY COSTS

	2002 SEK m	2001 SEK m	2002 SEK/M²	2001 SEK/M²
Repairs and maintenance	100	76	83	62
Electricity, water and heating	158	150	131	123
Property tax	30	25	25	20
Ground rent	5	5	4	4
Property management	66	66	55	54
Other operating costs	108	102	90	84
Total	**467**	**424**	**388**	**347**

Stable, high growth in value of property stock

Focusing on residential properties in growth areas has also brought about a stable, high rate of growth in the value of the group's property stock. In 2002, there was a rise of 7 (2) per cent in the value of the whole property stock. The properties in growth areas rose in value by nearly 8 per cent during the year, clearly continuing to indicate that the market deems the risk of owning residential properties in these areas to be very low.





For commercial properties the rise in value was more moderate, and the value of some properties decreased. This also made it necessary to write down some properties. This write-down should, however, be related to the aggregate value increase for the whole property stock, which was nearly SEK 460m. At year-end, the market value of the group's properties amounted to SEK 7,070 (6,500) million.

Low operating risk permits high financial risk

The low operating risk that characterises Mandamus' business focus on residential properties in growth areas simultaneously affords scope for the company to operate with a higher financial risk. The Board has set a minimum level of 20 per cent for the visible equity ratio. At year-end 2002, the visible equity ratio was 22.9 per cent and the adjusted equity ratio was 32.2 per cent.

Limited financial risk due to acquisitions in consortium form

One way of boosting the rate of expansion while limiting financial risk is to implement acquisitions jointly with other companies on a consortium basis. With a limited capital stake, Mandamus made such an acquisition in 2001 with the Federation of Swedish Farmers (LRF) and Länsförsäkringar. Together, the three partners acquired a large property stock in Haninge through a newly formed company, Bostadsinvest i Haninge AB. Mandamus owns a third of this associated company and is responsible for managing its property stock. This was a new means of expansion for Mandamus, and one that has also yielded a substantial contribution to profit. The consortium arrangement also gives Mandamus enhanced scope for profiling its management concept, and good potential for value growth at a limited financial risk.

During 2002, Mandamus received an aggregate profit contribution of SEK 25.3m from the associated company in the form of management remuneration and participation in its profit.

Tenant-focused management

Having Mandamus as one's landlord should make for a secure, simple and economical housing situation.

For many years, Mandamus has applied a concept of management that involves working very closely with the customers. The concept is founded on the local Tenants' Service Centre (*BoButiken*), which is the natural rendezvous for tenants and staff. Today, Mandamus manages 17,508 flats, including 4,239 on behalf of the associated company.

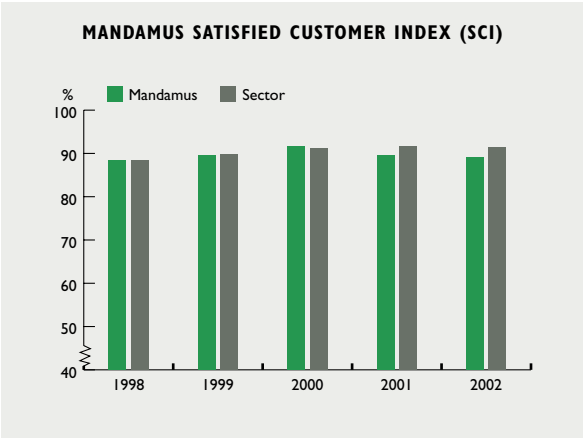
Mandamus' staff always see the tenant as the guest of honour. They are invariably well informed about the services and products Mandamus can offer its tenants. To stay up to date, all employees attend 'Ambassador' training courses, which provide knowledge and information about the company's mission, objectives, profile and services.

Annual Satisfied Customer survey

Every year, Mandamus carries out a Satisfied Customer (SC) questionnaire survey. All the tenants can then assess the quality of our property management. The results of this survey form the basis of planning of day-to-day work and activities in the housing areas.

Mandamus' experience of these SC surveys shows that residential safety and security are the key factors in the residents' wellbeing. Mandamus has therefore decided to devote additional resources to various security factors, such as closeness to and favourable opening times at the Tenants' Service Centres, supplementary lighting and better lock systems in the housing areas.

Communication with the tenants is important to Mandamus. All the information that tenants and other stakeholders could conceivably need is published continuously on the Mandamus web site, www.mandamus.se. For Mandamus' tenants, there is also mandamus@home, a part of the site that forms an intranet exclusive for all the tenants. There, the information provided is local and adapted to the needs of each housing area.



Mandamus' annual Satisfied Customer survey includes a summary question concerning tenants' satisfaction with their accommodation. The outcome for 2002 was slightly worse than that for 2001, and the figure fell slightly short of the sector average. During 2003, Mandamus will lay great emphasis on attaining the sector average.

Management concept based on closeness to the customers

Mandamus' property management comprises 'soft' and technical elements. The soft part of management includes the aspect of closeness to the tenants, with the Tenants' Service Centres, Residents' Club and Residential Enhancement. The latter is a loyalty programme through which tenants are offered services by Mandamus and its local business partners. The technical part of management comprises various types of property services, such as repairs, management and maintenance.

Mandamus' soft management

The core of Mandamus' operations is the local Tenants' Service Centre. At each centre, the letting officer, administrator and caretaker work as a team. The caretaker is the person in closest touch with the tenant, and Mandamus' primary face in the local residential area. The letting officer is in charge of the tenants' needs in terms of issues relating to contracts and letting. The administrator has responsibility for technical matters and must ensure that properties and flats are kept in good condition and residential security is offered. This covers everything from day-to-day information on what is happening in the area to, for example, ensuring that various options in the Residential Enhancement programme are installed satisfactorily.

Mandamus' technical management

By far the most popular feature of Mandamus' 'Residential Enhancement' loyalty programme is the provision of various optional extras. Tenants can upgrade their flats with, for example, washing machines or dishwashers. Co-operation with partners enables Mandamus to offer installation and maintenance of, for example, dishwashers at fixed prices. The tenants pay for these costs as surcharges on their monthly rent. The advantage to Mandamus is that installations are carried out safely. Correct electrical installation in bathroom and WC units is essential for safety, since incorrect installation may cause both fires and personal injuries. Similarly, it is vital for all plumbing work on water pipes and sewerage to be performed in a professional manner. Installation of 'spyholes' in flat doors are common, and this is normally done by the caretaker, often in conjunction with installation of safety chains. These two relatively minor safety measures are simple to perform but make an immediate contribution to people's safety in their homes. Tenants living on the ground floor or along access balconies can also have these measures supplemented by safety locks on windows and balcony doors.

Mandamus' newly acquired property Ritaren 6 in Malmö.

Mandamus has the aim of always ensuring that in-house staff look after the tenants and buildings. We believe that our tenants feel more secure when they recognise the caretaker both from the Mandamus uniform and by sight, since it is the same caretaker who comes to the building weekly. In many large areas, caretakers also have their ID cards attached to their work clothes.

Mandamus' Residential Enhancement programme also enables tenants to obtain the caretaker's help with putting up curtain rods and lamps, as well as with other troublesome jobs that often call for the right tools and attachments, and a stepladder to stand on. More and more tenants, too, are making use of the option of buying services like window-cleaning and pre-move domestic cleaning. Interest in purchasing the latter service has increased as the time available for tenants' moves has decreased. With the present-day rental market, there is no spare day for tenants moving in or out, because there is invariably a chain reaction between a large number of flats. Not having to carry out the final cleaning job and any repeated cleaning operations necessary facilitates an outgoing tenant's move and adds to the incoming tenant's satisfaction.

Increased IT support in day-to-day management

During the year, Mandamus introduced a new form of IT support for the routines involved in problem reports, service orders, inspection and maintenance. The system, which is known as 'Husar', improves the property managers and caretakers' scope for effective control of day-to-day property tasks. With this system, Mandamus also has a technical aid that facilitates the planning of future maintenance inputs. The system has been introduced in Mandamus Förvaltning i Haninge, the associated company's subsidiary, and in the East region. During 2003, the system will be successively implemented in the other regions, starting with the West region.

Participation and closeness afford security

Through close co-operation with the tenants and active management of the properties, Mandamus aims to generate the greatest possible security for the tenants. Mandamus sees many examples of tenants visiting the company's Tenants' Service Centres and suggesting various measures, such as supplementary lighting in basement corridors and dark passages. In consultation with the tenants, Mandamus has also reinforced doors of cellar storerooms and other communal premises, to prevent unauthorised persons from getting in. Similarly, access devices are being installed so that only tenants can enter certain areas by using special codes or keycards.

Optimal security is attained when the tenants alert Mandamus staff to what happens in their local housing areas. Together, through close co-operation, we can act promptly to prevent damage being done or unauthorised persons getting into the buildings. In this way, we help one another to ensure that the tenants are our guests of honour.

Organisation and workforce

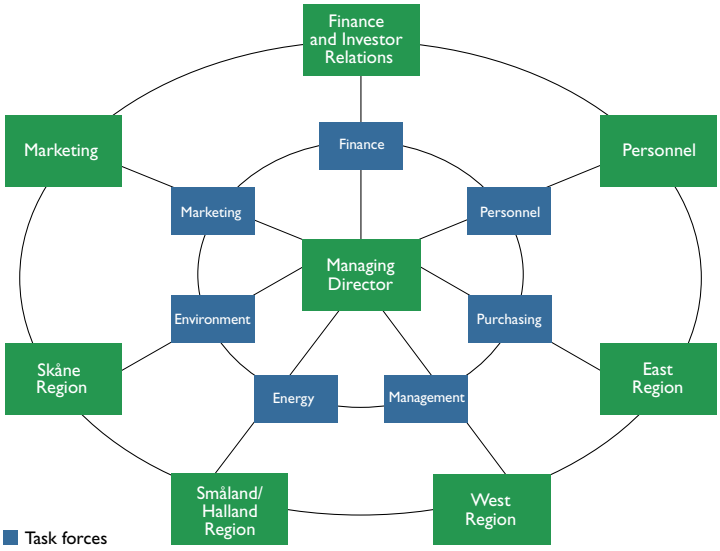
Organisation

Mandamus is a young company with short decision-making channels. The company strives to ensure that decisions are taken close to the operational activities concerned. Our organisation is therefore decentralised, divided into four regions according to the geographical markets where the company operates. Mandamus' head office is located in Solna. Besides the MD, there are also central departments that support the regions in their work. The central functions comprise overall financial accounting, financial operations, IT, investor relations, staff issues and marketing.

☐ **Regional offices**

There are Tenants' Service Centres in the following localities: Skåne Region – Malmö, Lund, Trelleborg. Småland/Halland Region – Halmstad, Ljungby, Värnamo. West Region – Borås, Partille, Trollhättan. East Region – Husby, Salem, Skogås, Solna, Tyresö, Visättra, Åkersberga.

Each region is headed by a regional manager, who bears overall management responsibility for the region. Within each region there are two to six administrative areas that are, in turn, headed by a property manager. The property managers work at the Tenants' Service Centres, where administrators, letting officers and caretakers also work. Each region also has an administrative department responsible for financial administration in the region. The regions may be said to function as internal enterprises.



Mandamus' decentralised organisation contributes to the company's local presence and closeness to the tenants in the submarkets where the company operates.

Task forces

To take advantage and make use of staff skills in the best possible way, there are seven task forces in Mandamus. These are staffed by employees from the regions concerned who possess knowledge of, and interest in, a particular category of activities. Each task force is headed by a regional manager or one of the managers of the central departments, and covers the following areas:

- Environment
- Energy
- Property management
- Purchasing
- Marketing
- Finances
- Staff

The task forces pursue development work and matters pertaining to the whole company. The purpose of the task forces is to increase the flow of knowledge and facilitate the exchange of know-how and experience within the company in a cost-effective way.

Workforce

Mandamus' focus on the tenants calls for highly experienced, skilled and well-motivated employees who enable the company to meet its customers' demands and expectations concerning property management.

To Mandamus, being an attractive employer is important. Well-motivated, skilled staff who feel valuable and involved in the company's activities help to make the company profitable. To create a good work climate with opportunities for working close to the tenants, Mandamus ensures that it has staff working on the spot wherever the tenants are.

Dialogue

Engaging in an open dialogue with employees concerning the company and its development is a key means of ensuring their job satisfaction and sense of participation. Mandamus therefore conducts comprehensive annual surveys in which every employee answers questions about the physical and psychosocial work environment, leadership, participation in activities and skills development. This survey is carried out on a unit basis and summarised in a 'Staff Satisfaction Index'. The results are analysed carefully, and used as the basis for improvement efforts.

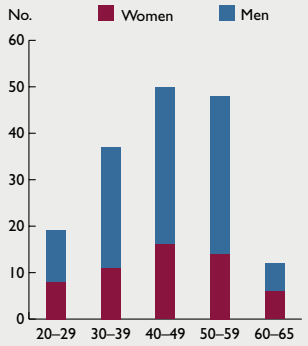
To satisfy every employee's individual development needs, annual performance and salary reviews are carried out. During these reviews, the employee's work inputs during the year, opportunities to develop skills and attainment of personal goals are discussed. The setting of pay rates is individual for each employee and the aim is that the rate for each employee should conform to the market in terms of duties, skills and work inputs.

Bonus system

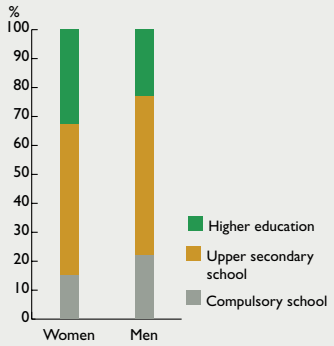
For the past four years, Mandamus has had a bonus system that has given every employee a bonus when

business has exceeded expectations. The system comprises three or four bonus parameters, which may vary from one year to the next depending on what business objectives are in focus. In 2002, the bonus system comprised the following parameters: reduced energy consumption, performance and service targets, and targets for the share-price trend. For 2002, the average bonus paid to each employee, excluding the company management, was SEK 11,000 (13,000). For the company management, bonus averaged SEK 52,000 (142,000) a head. See also Note 6, Staff, on page 48.

AGE DISTRIBUTION IN 2002



EDUCATIONAL LEVEL IN 2002



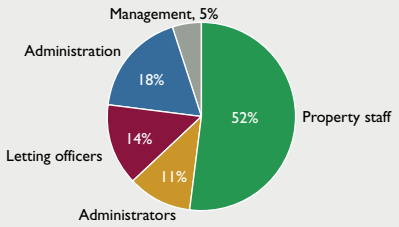
In-house training

In Mandamus, training is a crucial part of both the employees' and the company's development. The accelerating pace of change in society constantly calls for new skills and adaptability. A changed view of leadership and employment in which everyone is expected to assume greater personal responsibility for business development also affects skills requirements. Mandamus continuously runs various development programmes for people in supervisory positions. During the year, 24 people received their diplomas from Mandamus' 'School of Management', a compulsory training programme for all those in supervisory positions. The training comprises in-depth studies of labour law, the work environment, pay formation, conduct in the role of leader, and performance management.

To ensure greater safety, reliability and efficiency in the role of caretaker, training is provided for all caretaking staff. Mandamus' caretaker courses include training in environmental management, work environment and safety, IT and financial administration, law, communication and social skills.

Besides the training specific to the company, Mandamus' employees attend various training programmes and courses that are required to boost and develop their skills in their respective occupational areas.

DISTRIBUTION BY STAFF CATEGORY 2002



Health and self-care

The work environment and keeping fit are high priorities in Mandamus. Having healthy employees who think positively is among the preconditions of Mandamus' business success. Mandamus offers all its employees health-profile assessments. Based on the results, they receive individual action plans containing advice and specific recommendations for changes that will result in better living habits.

Mandamus encourages and supports physical training and keep-fit activities in leisure hours. Employees whose work involves a risk of overload injuries can engage in keep-fit training during working hours.

Information

The internal flow of information in the company should be rapid and efficient. Since there are offices in many locations nationwide, a high-speed and simple information channel is essential. Mandamus is therefore engaged in constant efforts to improve the web-based intranet. Staff information, manuals and work routines, press cuttings and the monthly staff magazine (*Mandometern*) are posted on the intranet.

KEY FIGURES

	2002	2001
Sickness absence, days per employee	13	10
Staff turnover, per cent	14	11
Cost of training per employee, SEK	12,600	8,500
Average number of employees	166	167
– women	55	60

Environment and energy

Mandamus is actively engaged in environmental and energy issues. The Environmental Policy adopted in 1997 permeates everyday environmental efforts. Under this policy, Mandamus aims to:

• minimise consumption of energy, water and materials
• be responsive to the tenants' expectations concerning their immediate surroundings and indoor environment
• as far as possible, reduce the incidence and use of products and substances with a harmful impact on health and the environment
• in co-operation with tenants, suppliers and other partners, through information, development and active measures, strive continuously to make operations more ecofriendly
• seek constant environmental improvements
• comply with or go beyond current environmental laws and regulations.

Mandamus' environmental management system

To support its everyday environmental work, Mandamus applies an environmental management system (EMS). At year-end 2001, ISO 14001 certification was obtained for the EMS. One implication of ISO 14001 is a commitment to carry out constant environmental improvements.

Within the framework of Mandamus' EMS, development work continued during the year, especially in the Environmental Task Force. This group comprises representatives of all the regions and Mandamus' partners in environmental issues, Miljöledarna Ciconia and WSP.

Previously non-certified parts of Mandamus and the company's management in Haninge were certified in their entirety during 2002. Accordingly, all the residential properties except three in the municipality of Lysekil are now included in the EMS.

Energy use

Heating of premises and homes accounts for a very high proportion of our society's total energy use. In the EU, the housing and service sectors account for an estimated 40 per cent of energy use. Current discussions in the EU concerning improved energy efficiency in buildings have included a number of proposals and demands in line with Mandamus' environmental objective of conducting energy surveys in all the company's residential properties. Environmental impact analyses (EIAs) of Mandamus' housing properties show ample scope for saving in many of them. Sharply rising taxes on energy combined with the monopoly status of district-heating works mean that Mandamus will be making further efforts in this area.

Heating and electricity make up nearly a third of total costs in Mandamus' operating budget. It is therefore particularly urgent that Mandamus' management staff exert effective control of energy consumption in the properties. Optimised, cost-effective energy installations coupled with a committed, energy-conscious workforce make it possible for the company to reduce its energy costs and environmental impact.

Regular measurements of energy consumption permit continuous monitoring of energy use. Abnormal deviations in consumption can be rapidly checked and remedied, often with simple adjustments. The measurement statistics also provide a basis for more advanced energy analyses, with programmes of measures to optimise energy economy. As a bonus, domestic comfort is usually improved for Mandamus' tenants.

To attain good results in various technical areas, Mandamus works through task forces. The Energy Task Force's function is to reduce energy use in the properties while retaining or improving the tenants' comfort.

Through interchange of experience and evaluations in the group, aggregate skills are put to use and knowledge disseminated in the company. This, in turn, brings about optimal methods of energy reduction.

During the year, Mandamus launched many interesting energy projects in the various regions.

Snow clearance in the Salem housing area.

Energy projects in the East Region

'It will be interesting to monitor energy consumption and see the positive effects of our energy drives,' thinks Gunnar Ekman, a service engineer in the East Region. He cites the following examples of energy-saving projects in the region.

In Tyresö, in southern Greater Stockholm, the heating and ventilation units in the Nyboda 1:17 property have been comprehensively modernised. In an initial phase, substations were converted and new heat-recovery equipment installed. Modern technology with computerised substations is now helping technical service staff to monitor and control energy use efficiently. In Solna and Salem, the substations have also been connected to a central operations computer. The same technology was simultaneously installed for regulation of laundry rooms, outside-door locks and lighting.

Throughout the property stock in Husby, in northern Stockholm, projects to provide electricity on an individual household basis are under way. Tenants with an individual household power supply have greater scope for affecting their own consumption of household electricity. This normally results in lower electricity consumption and costs, which benefit property-owners and tenants alike. Moreover, reduced energy use entails a smaller load on the environment.

In one property in Visättra in south Greater Stockholm, work on a new heat culvert is currently undergoing completion. Here, there is great saving potential thanks to reduced heat losses, since a new high-value insulated heat culvert directly connected to the primary side of the district-heating network is being built. This will boost efficiency and, combined with the other measures, reduce energy requirements by some 20 per cent.

Energy-saving in Kristineberg, West Region

A major project was commenced during the year in the residential area of Kristineberg in Borås, where Mandamus owns and manages 888 flats.

'An outdated ventilation system and an unbalanced heating system were causing high energy costs and also

an unnecessarily heavy workload for the technical service staff. With new speed-regulated fans, new ventilation ducts and adjustment of airflows, we're now consuming 10 per cent less energy while the tenants' comfort is improved and technical service staff can work more efficiently. At the same time, we invested in direct rent-boosting measures, such as new and more convenient kitchen fans,' says Christer Dahlgren, the administrative manager in Borås.

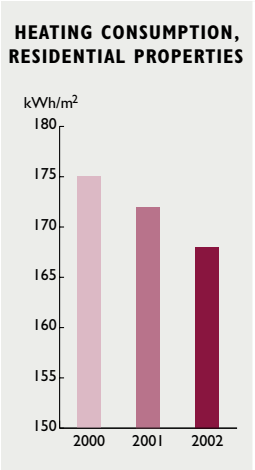
An additional 10 per cent in reduced energy consumption is expected from balancing hot-water flows in the building's heating-pipe system.

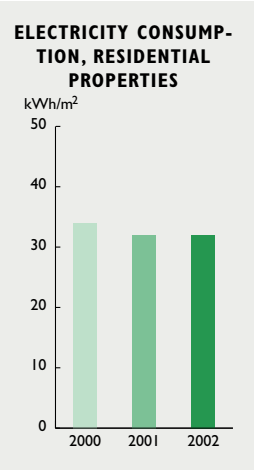
'Using a specially developed nipple, we've succeeded in adjusting the flows in our single-pipe system in the property. An even temperature in the system is a precondition for reducing the water temperature, affording even and pleasant heating comfort at a considerably lower cost. All in all, the Kristineberg energy-saving project is an investment that benefits Mandamus, the tenants and the environment alike,' concludes Christer.

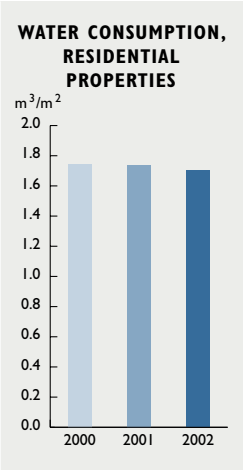
Comprehensive approach in the Mossen block, Småland/Halland Region

In Ljungby, Mandamus owns the Mossen block — a housing area built in the early 1970s, comprising 134 flats. During 2002, a comprehensive approach was adopted to reduce energy consumption in the area. One measure was the building of a new internal heat culvert, with improved heat insulation, which considerably reduces heat losses.

'Besides the new heat culvert, we've equipped the buildings with modern substations that give us better scope for controlling both heating and hot-water temperatures more efficiently. This, combined with a new pressure-regulated ventilation system, should give us savings of up to around 10 per cent,' says Anders Nilsson, the administrative manager in Ljungby.







Safety issues are close to Mandamus' heart.

A flat, a home, must be secure and safe.

Lower energy consumption — reduced environmental impact

With the focus on reducing energy consumption in Mandamus' properties, costs are being reduced while the tenants' comfort is usually improved.

By minimising the company's energy use, Mandamus is also contributing to better and, in the long term, more sustainable environmental trends.

The carbon-dioxide estimate for 2002 was carried out according to the current rules for Folksam's climate index. This index has, since 1998, shown Mandamus' and a number of other major companies' trends from an environmental point of view. Reporting is standardised and the investigation is carried out by an independent consultancy, Green Index AB, which publishes an annual assessment of major Swedish companies' environmental performance. During 2002, Mandamus received a prize — for the 'Best Climate Package'— from the Folksam Climate Index, in recognition of the company's successful environmental efforts. Since 2001, Mandamus has met the investment criteria for Banco's Swedish Environmental Fund, in which companies are evaluated according to economic, social and ecological sustainability criteria.

The figure for carbon-dioxide emissions in 2002 is 14.7 tonnes, corresponding to 12.2 (12.4) kg of carbon dioxide per m^2.

For its property stock, Mandamus buys 'green electricity' — that is, electricity produced by means of hydropower in Sweden, according to the 'Good Environmental Choice' ecolabel of the Swedish Society for Nature Conservation.

Safety

Safety issues are close to Mandamus' heart. A flat, a home, must be secure and safe. During 2002, Mandamus installed fire alarms in all the residential flats. In at least one case, during Christmas 2002, the fire alarm played a crucial part in the firefighting, with a successful outcome and no personal injuries.

During 2002, the outstanding issues relating to radon were tackled. In one of the properties acquired in 2001 there are persistent radon problems that the vendor should, under the purchase agreement, have remedied. The assessment is that these problems should be solved and control measurements carried out during 2003 at the latest.

Environmentally aware investment calculations

During 2002, Mandamus sought an investment calculation that would also take environmental aspects into consideration. There are various solutions, but Mandamus has not decided on a particular model since the options available are generally based on a cost perspective. Summing up, Mandamus expects the volume of investment in energy-saving investments to grow in the years ahead. The focus must be on giving priority to the technical solution that affords the highest degree of recovery. The best kilowatt-hour is the one that is never consumed, and the second-best is the one that is already paid for, but is recovered!

MANDAMUS' ENVIRONMENTAL MANAGEMENT SYSTEM

Certified according to ISO 14001 by Semko-Dekra at year-end 2001. Environmental impact analysis performed in 1999. Register of environmental aspects updated in 2002.

The system controls:

- **monitoring of heating, electricity and water consumption**
- **refuse management and disposal of hazardous waste**
- **purchase of chemicals, property-related services, etc**
- **disposal of freon (CFC), radon and PCBs**
- **purchase of new properties.**

It also assists other functions relevant to environmental standards, concerning

- **organisation, statutory compliance, environmental targets, internal and external provision of information**

and work on deviations and improvements.

MANDAMUS' ENVIRONMENTAL TARGETS FOR 2003

Mandamus' environmental targets are modified and made more stringent as previous targets are fulfilled and new areas come into focus. Generally, Mandamus' environmental targets mean that environmental impact is always taken into account in day-to-day work and in property-stock development. The environmental targets for 2002 have been met in all essentials.

For 2003, the following targets have been set:

- **Development of systems for refrigerator inventories in terms of freon (CFC) content throughout the group.**
- **Maximum allowable emissions of CO_2 are 13 kg/m^2 a year during a normal year.**
- **Introduction of a reference library for environmental measures carried out in Mandamus.**
- **Implementation of an environmental information campaign addressed to our tenants.**

Bernt From, a caretaker in Brandbergen, fine-tunes the control equipment.

Financial overview

Organisation

Responsibility for managing the Mandamus group's financial services and risks is centralised in the parent company. The parent company's financial department is responsible for group borrowing, cash management and management of interest and borrowing risks. Financial responsibility and powers are regulated in a financial policy adopted by the Board, which is reviewed and followed up annually.

Overall objectives of financial activities

The main aims are to:

- safeguard the group's long-term capital supply
- strive for the lowest possible financial expense in the long term, while controlling and managing financial risks in accordance with this policy
- maintain good liquidity
- establish long-term, well-functioning banking relationships
- engage in good financial planning and effective control.

Mandamus' financial strategy aims to balance financial risks at a reasonable level for its business operations. The visible equity-ratio level, a minimum of 20 per cent, is also set with reference to the low business risk of owning residential properties in growth areas.

Interest risk and interest-date structure

Interest risk, i.e. the risk of interest-rate fluctuations affecting group profit through changed financial expense, should be reduced. How much and how fast an interest-rate change affects profit depends on the fixed-rate term chosen. Mandamus' financial policy stipulates that the average fixed-rate term for group loans must be at least two years. In addition, a maximum of 40 per cent of group loans may have fixed-rate terms of less than a year.

Various interest derivates, such as interest swaps, interest-rate 'swaptions' (swap options) and interest ceilings are used continuously in financial operations to attain optimal management of interest risks. At year-end, besides interest swaps of SEK 400m, there were also interest-rate swaption contracts of SEK 600m and SEK 400m in interest-cap agreements. The interest-rate swaption contracts entered into represent agreements on future fixed swap interest for terms of four to seven years. These contracts have been linked to loans due for rescheduling during 2003. Including these interest-swaption contracts in a calculation of the average fixed-rate term of loans raises the figure from the current 2.3 (2.2) years to just over 3 years. Correspondingly, interest risk for SEK 400m of group loans is reduced by variable interest rates through the interest-cap agreement entered into, which will run until June 2004.

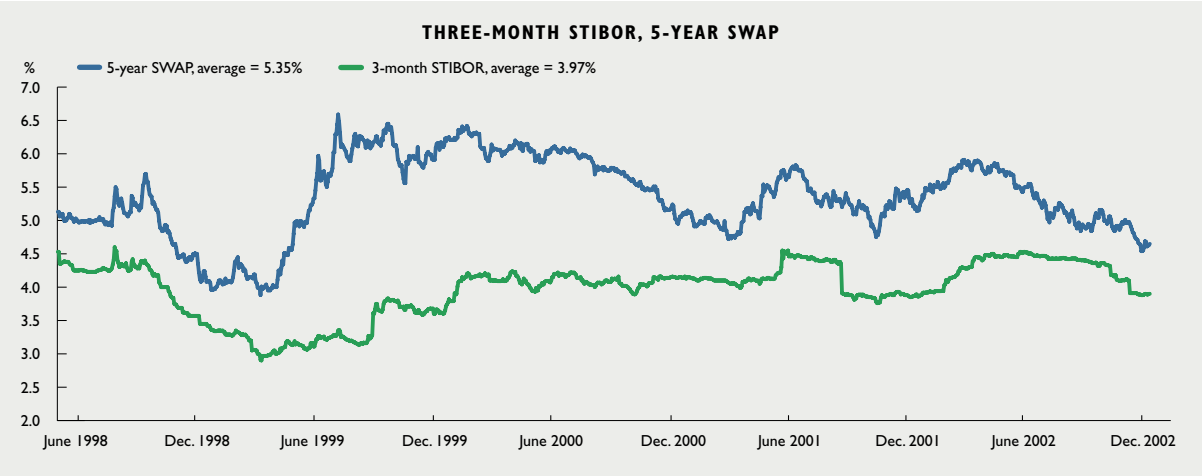
The interest diagram below shows the trends of short-term (3-month Stockholm Interbank Offered Rate, stibor) and long-term interest (5-year interest swap) rates during the period in which Mandamus has been listed on the stock exchange. Short-term interest rates during this period have, as a rule, fallen below long-term rates. To reduce the group's future interest expense, Mandamus is therefore endeavouring to keep a high proportion of loans at variable interest rates, within the scope of the current financial policy.

The proportion of loans due for rescheduling within a year was 43 per cent (SEK 1,796m) at year-end. These figures are, however, somewhat misleading, since interest rates and fixed-rate terms had already been set for loans totalling SEK 600m under existing interest-swaption contracts.

The proportion of loans due to be rescheduled during 2003, at interest rates unknown as yet, is therefore only 28.4 per cent (SEK 1,196m). Average interest on all loans, 5.66 per cent, at year-end represented an unchanged level in comparison with the previous year.

Borrowing risk

Borrowing risk is to be limited through several well-functioning banking relationships (see the table 'Loans, by creditor') and by means of access to binding credit pledges. Mandamus stays in close touch with several creditors, and new borrowing for property acquisitions always takes place in competition. During the year, Mandamus entered into new credit agreements for a



LOANS BY CREDITOR

CREDITOR	31 DEC. 2002 SEK m	31 DEC. 2002 %	31 DEC. 2001 SEK m	31 DEC. 2001 %
SBAB	1,569	37.3	1,570	37.4
Spintab	882	20.9	1,106	26.3
Svenska Handelsbanken	448	10.6	448	10.6
FöreningsSparbanken	420	10.0	541	12.9
Danske Bank	359	8.5	–	–
SEB	287	6.8	290	6.9
Deutsche Hypotekenbank	190	4.5	190	4.5
Postgirot Bank	58	1.4	58	1.4
Total	**4,213**	**100.0**	**4,203**	**100.0**

LOAN STRUCTURE AT 31 DECEMBER 2002

FIXED-RATE TERM YEAR	TOTAL LOANS SEK m	AVERAGE 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**

total of SEK 1,660m, of which it has utilised SEK 1,207m. The weighted term for these new credit agreements is 4.3 years. The agreements guarantee Mandamus that it can take out loans at a defined margin during the terms concerned. At year-end, Mandamus' agreed credit pledges amounted to SEK 4,771m, including SEK 558m in unutilised credit pledges.

Currency risk

The currency risk should be minimised. Mandamus owns only one property abroad, located in Germany. This property, which has a book value of some SEK 9m, is financed entirely in the local currency (euro). The group's currency risk is therefore virtually non-existent.

Loan structure

The average fixed-rate term of group loans was 2.8 (2.5) years at year-end.

Net debt rose by SEK 15m during the year to SEK 4,107m (4,092m) at year-end. Property gearing, i.e. interest-bearing liabilities in relation to the properties' book value of properties, was 73.9 (73.5) per cent at 31 December. The real rate of property gearing in terms of loans in relation to the properties' market value was 59.6 (64.7) per cent at the same date. The interest-coverage ratio deteriorated marginally in relation to the previous year, and amounted to 1.61 (1.64) times.

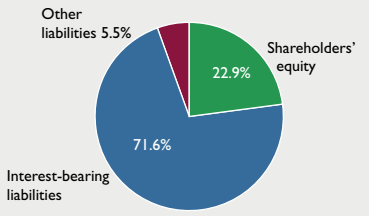
Financial opportunities and risks

Eighty-seven per cent of the property stock is composed of residential properties with a very high letting ratio and stable cash flows. This means that the equity ratio can, and should, be lower than if the proportion of commercial properties had been larger. At year-end 2002, visible equity amounted to 22.9 per cent.

Increased interest expense justifies raising rents for homes. A rise in the overall level of interest rates therefore has only a temporary adverse effect on group profit. A change of one percentage point in interest rates, in current circumstances, causes profit for the year to fluctuate by only ±SEK 5.4m. This is because only SEK 1,196m of existing loans is affected by a change in interest rates, and loan rescheduling takes place successively during the year. Existing interest-cap agreements for a total of SEK 400m at an interest rate of 6 per cent represent a further reduction in interest risk.

However, a rise in the overall level of interest rates affects investors' yield requirements, prompting demands for compensation, which normally entail falling property prices and resulting decreases in market values of property. Given that raised interest rates are grounds for rent increases for housing, residential-property prices are affected less than those for commercial properties, where rent-setting is unrestricted.

CAPITAL STRUCTURE AT 31 DECEMBER 2002



Business opportunities and risks

RENTAL INCOME

Opportunities for residential properties

Income from residential properties currently amounts to 85 per cent of total rental income. For housing in Sweden, setting of rents is regulated and based on rental trends in the municipal housing companies.

In the past few years, both private property-owners and municipal housing companies have pushed for situationally adjusted rents. The trend clearly indicates that we are moving towards adjustment of rents to market levels.

During 2002, the Swedish Federation for Rental Property Owners, the Swedish Association of Municipal Housing Companies (SABO) and the Tenants' Union in Sweden carried out a joint inquiry into the current rent-setting system. In their report to the Government, they make it clear that the requirements for stepping up construction of rental flats call for some amendments to both the Rent Act and the Rent Negotiation Act. One point made is that, in new production, property-owners should be able to cover their production costs by means of the rent that is set. Negotiated rent of this kind should also be regarded as binding. It is proposed that rents in existing buildings be given a new structure that permits increased differentiation. The rent set should be perceived as fair, and reflect the tenants' values. The Housing Minister has now received the report for comment, and the hope is that it will form the basis for an amendment of rental legislation in accordance with the inquiry's recommendations.

Mandamus has 71 per cent of its property stock in growth areas, which are all characterised by an overheated housing market without any vacant flats. A transition to market rents is one option for boosting construction of rental flats in these areas, and would also afford ample potential for future rent increases.

In the short term, however, scope for raising residential rental income depends entirely on rent negotiations regarding housing rents for 2002 that have already been implemented and are under way. The rent increases in the stock vary between 1 per cent, at lowest, and 3.5 per cent at the most. On average, residential rents are expected to rise by 2.75 per cent on an annual basis, or by SEK 19m, from 2003.

The vacancy ratio in the residential property stock was 0.6 per cent at year-end, corresponding to just under SEK 4m. In most of the stock, this consisted solely of vacancies due to tenants moving. In Mandamus' growth areas, the vacancy ratio at the same date amounted to only 0.15 per cent. Accordingly, there is no great potential for raising income by lowering the residential vacancy ratio.

Creating new capacity through rebuilding and conversion of low-value floor space is a means of boosting rental income in certain areas. Two rebuilding projects involving conversion of hard-to-let office, warehousing and attic premises have been completed in Trollhättan. Both these projects have provided new capacity and are generating a good yield on capital invested.

To date, it has not been profitable to invest in new production of rental flats. However, the proposal presented to the Government by the Swedish Federation for Rental Property Owners, the Swedish Association of Municipal Housing Companies (SABO) and the Tenants' Union in Sweden afford hopes of modified conditions for new production. This is one of the reasons why Mandamus has now entered into a consortium in Halmstad, aimed at developing a centrally located site by building new homes.

Opportunities for commercial properties

Only 15 per cent of Mandamus' rental income is derived from commercial premises. Scope for raising rental income during 2003 lies mainly in the customary upward index adjustment of current contracts. The economic vacancy ratio at year-end was 6.7 per cent, corresponding to an annual income shortfall of SEK 12m. A fall in the vacancy ratio of 1 percentage point thus corresponds to an improvement of SEK 1.8m in income on an annual basis. With the current slack market conditions and slack rental market for commercial premises, Mandamus' assessment is that it will be difficult to reduce vacancies over the year ahead.

Risk for residential properties

In the next three to five years, the risk of falling rental income in the residential property stock is deemed virtually non-existent. With a very high proportion of the company's stock of flats in growth areas and the majority in areas with a housing shortage, the risk of increasing vacancy is very low. In a regulated rental market, in practice, a decline in rents occurs only if costs have fallen sharply or if vacancies have become very high. If rents are reduced as a result of a cost reduction, the probable consequence is a rise in net operating income.

Remaining term of contract	Value of contract (annual rent), SEK m	Share of total contracted rental income, %	Assessed risk of rent shortfall
Residential tenancy contracts	724	80.4	Very low
Commercial contracts:			
More than 5 years	11	1.2	Low
3–5 years	50	5.6	Low
1–2 years	37	4.1	Some risk
0–1 years	78	8.7	Some risk
Total value of contracts	**900**	**100.0**	

Of the group's contracted rental income, which amounted to SEK 900m at year-end, commercial contracts corresponding to 7.7 per cent of total contracted rental income will be renegotiated during 2003. Mandamus' assessment is that an unchanged average level of rents is the most likely outcome.

The ten largest tenants account for 4.6 per cent of contracted rental income and the largest single tenant, Ericsson, accounts for 2.1 per cent. The average remaining term of contracts with Ericsson is 3.2 years, which entails a low risk of rent shortfall in the short term.

Risks for commercial properties

Slack market conditions coupled with a supply increment in the form of a relatively large market volume of newly built office premises generally involve increased risks both of vacancies and of squeezed rents in the short and medium term. The table at the opposite page shows the remaining contractual terms of Mandamus' tenancy agreements, with an estimate of the risk level for rent decreases, broken down by range of contractual terms.

PROPERTY COSTS

Opportunities for residential properties

Mandamus aims to have more efficient management and lower cost trends than the municipal housing companies.

Under the utility-value system, the cost trends of the municipal housing companies form the basis for future rent increases. Short-term increases in operating costs therefore exert only a temporary adverse effect on profits, and this effect is normally compensated for in the form of higher rents in forthcoming rent negotiations. With a lower trend of operating costs than that in the municipal housing companies' property stock, profitability in Mandamus' property stock can be successively raised.

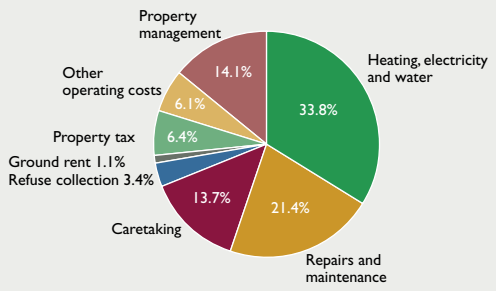
The largest single item of property expense is energy costs (heating, electricity and water), which correspond to just over a third of total property costs. Energy savings are a self-evident priority area. The company's whole workforce is motivated to save energy, and a portion of the company's bonus programme in 2002 was focused on energy-saving measures, both large and small.

Property tax totalled SEK 30m, which is just over 6 per cent of aggregate property costs. Mandamus' assessment is that property tax on housing will be phased out in the long term. Those who will gain most from its abolition will be the tenants, who will have lower rent increases to face. For Mandamus, too, the impact is likely to be favourable.

Opportunities for commercial properties

The biggest opportunity for lower property costs with respect to commercial buildings is that of reduced costs resulting from a lowered vacancy ratio. Normally, tenants defray all property-related costs connected with the premises, such as heating, electricity, water, property tax and internal maintenance. The property owner pays for all external maintenance, electricity for the property, insurance and all property costs associated with vacant premises. Scope for reducing property costs for these buildings is therefore largely a matter of reducing the vacancy ratio. Our expectation is that the prospects of doing so in 2003 are small.

PROPERTY COSTS IN 2002



Risks for residential properties

Continued rises in energy costs due to raised energy taxes and monopolistic pricing of district heating are not only a risk, but a fact in the short term. Mandamus cannot influence these costs, which are expected to be some 6 per cent higher in 2003 than in 2002. Full compensation for this increase in costs, in the form of raised rents, can be obtained from 2004 at the earliest. Of the other property expense, the costs of refuse collection are expected to follow a trend that diverges markedly from the overall trend of costs. Refuse-collection costs, which account for just over 3 per cent of property costs, are expected to rise by some 6 per cent as a result of raised municipal charges.

For 2003, the costs of repairs and maintenance are expected to rise, partly owing to the requisite measures for damp and mould remediation of one residential property. This emergency remediation will involve maintenance inputs for SEK 12m during the year. Otherwise, the general standard of maintenance is to be raised to enhance the quality of the accommodation and pave the way for future rent increases.

Risks for commercial properties

The largest element of the risk of rising property costs is that of higher costs due to a raised vacancy ratio. This also boosts Mandamus' costs in the form of additional property expense to be covered by the company. Other costs are letting expenses and the costs of adapting premises for new tenants. Mandamus expects there to be some risk of cost increases for vacant commercial premises during 2003, as previously.

Financial opportunities and risks are dealt with in the section on 'Financial policy' on page 21.

SUMMARY OF SENSITIVITY ANALYSIS FOR 2003

CHANGE +/–1 PERCENTAGE POINT	PROFIT EFFECT IN 2003, SEK m	SCOPE	RISK
Letting ratio, residential	+/– 8	None	Low
Letting ratio, commercial	+/– 1.8	Limited	Moderate
Rents, residential	+/– 8	Large	None
Rents, commercial	+/– 1.8	None	Moderate
Interest rates	–/+ 5.4	None	Moderate
Energy costs	–/+ 1.6	None	High
Other property costs	–/+ 3.1	None	High

The table shows the effect on profit of change by a single percentage point for various profit items. The comment on each item depends on whether it affords scope for profit, boosts profit or constitutes a risk with an adverse effect on profit.

Fluctuations in business activity have a relatively small impact on housing requirements. Accordingly, well-located residential properties are a secure investment, with a stable development trend.

The Swedish property market

The section on the property market, pp. 25–27, was written by NewSec Analys AB

Market conditions

The upswing expected to take place at year-end 2002 was delayed, mainly owing to the persistent sluggishness of the US economy. Several European countries, including Germany, are also showing slack economic trends.

The current expectation is that the upturn in the Swedish economy will be delayed until the middle or end of 2003. Not until 2005–06 can we expect a new boom. In the property market to date, the market slowdown has been most evident on the commercial side, in the form of rising vacancy rates and falling rents for business premises, especially in areas heavily dependent on the IT and telecoms sectors. This, in turn, has also brought several office construction projects to a standstill.

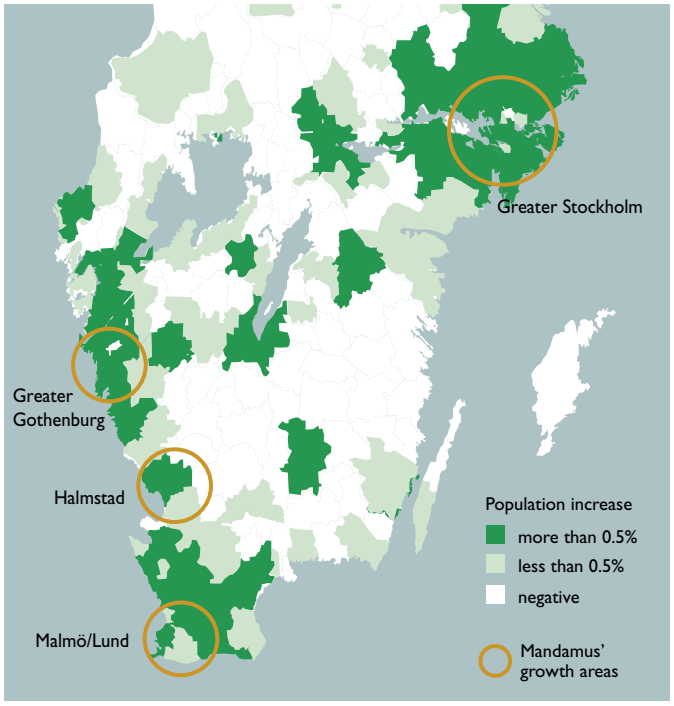
On the housing side, the slowdown has been reflected primarily in difficulties in selling newly produced, more exclusive tenant-owned flats and a slight fall in price levels for the most expensive tenant-owned flats. The economic slowdown has not affected rental flats to date. For well-located flats in growth regions, we expect persistent and, in many cases, increasing housing shortages. Accordingly, a recession will not entail any adverse effect. Regarding investment in rental flats, genuine risk exists only in locations where no growth is taking place and, moreover, companies are closing down or moving, which may result in a rise in vacancies.

Purchasing power squeezed by higher taxes

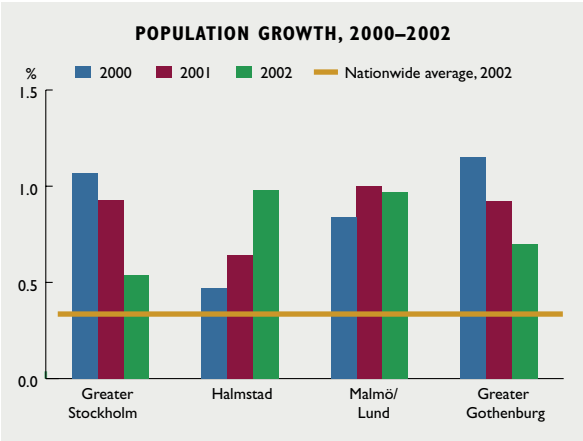
Many municipalities and county councils, especially in the Greater Stockholm area, have announced tax hikes. These will curb economic growth and private consumption. Nonetheless, turnover in the retail trade is expected to go on rising. Well-located shops are therefore expected to show a continued stable trend of rents and persistently low vacancy rates.

Growth areas, population increase

The trends and yield of a property stock that includes residential properties depend largely on development and growth in the areas concerned, and the market demand for housing in any area is governed by its population growth. Disparities in population growth from one town and region to another in Sweden are very large. By far the most rapid demographic expansion has taken place in the Stockholm region to date, while large-scale emigration out of the sparsely populated municipalities has been under way. During 2001–02, while rapid expansion continued in the Gothenburg, Malmö and Lund regions, there was a slowdown of growth in Greater Stockholm, but the population increase still substantially exceeded the nationwide average. The following map and diagram show Mandamus' growth areas and population trends in Sweden.



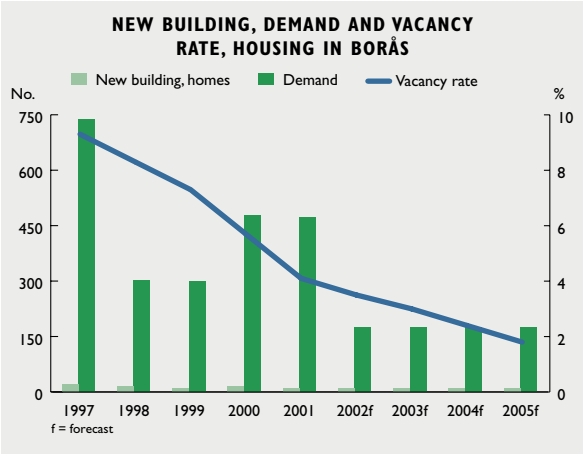
In Mandamus' growth areas, residential vacancy rates are low, and in good locations vacancies are almost non-existent. New production is too low to meet the rise in demand, and moreover relates almost solely to tenant-owned flats and single-family homes. Well-located rental flats are therefore increasingly attractive. Demographic and housebuilding forecasts indicate continued imbalances and a growing housing shortage in many growth areas.



The housing shortage in our growth regions continues to become more severe. According to the housing-market questionnaire survey carried out by the National Board of Housing, Building and Planning there are, this year, up to 80 municipalities where housing is scarce throughout the area concerned, and more than half Sweden's population live in municipalities where there are housing shortages. Besides these municipalities, there are also some 40 where supply and demand are balanced in the areas as a whole but there is a shortage in built-up areas.

Rose-Marie Karlsson, a letting officer in Malmö.

The following diagram shows examples of trends in an ordinary regional town, in this case Borås near Gothenburg, and of the interrelated effects of vacancy rates, demand and housebuilding.



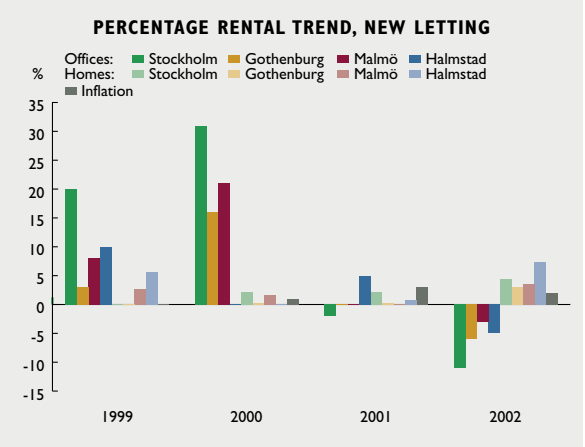
A corresponding diagram for the majority of large towns in Sweden would be similar in appearance. The conclusion is that vacancies will continue to decline and that, in many towns, we shall experience an increasingly adverse housing situation with a shortage of homes unless housebuilding picks up. The Government has now put forward new proposals to stimulate housebuilding. The implications of these proposals include reduced building VAT on flats and a reform of current forms of support. Our assessment is that this is not sufficient to boost housebuilding more than marginally. For a property company with good and well-located residential units, this means that the vacancy risk is minimal and the yield will remain secure in the future, as it has been to date.

Fluctuations in business activity have a relatively small impact on housing requirements, and do not affect rental levels. These are, instead, governed by the 'utility-value system', which is based on cost trends in the municipal housing companies. Accordingly, well-located residential properties are a secure investment, with a stable development trend. The scope for major rises in value is small; but so, too, is the risk of major falls in value. This is reflected in the yield requirements, which are even and relatively low, and which guarantee a secure yield.

Yield requirements for residential property are stable or declining slightly, and currently range from approximately 5.5 to 7 per cent in regional towns and 7 to 9 per cent in small towns. Central Stockholm, which is heavily influenced by pressure from continued conversion of rental rights into tenant-ownership rights, currently has direct-yield requirements of some 2.5–4 per cent, while housing units in suburban locations are in the 5–8 per cent range, depending on location and attractiveness. In Gothenburg, too, a large number of rental rights were converted into tenant-ownership rights during the year, and this means a continued rise in price levels for residential blocks.

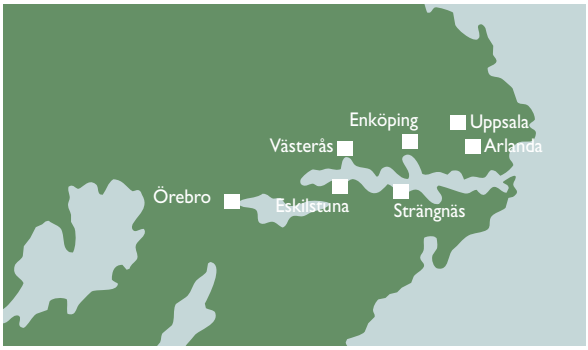
Residential rental market

Housing rents continue to rise, despite the economic downturn. The basis is the utility-value system and, accordingly, the connection with cost trends in municipal housing companies in the various towns concerned. Housing rents in growth areas may therefore be regarded as entirely independent of overall economic trends. Instead, rents have largely come to follow cost trends, i.e. inflation. The contrast to office premises, for example, therefore emerges mainly during recessions, when housing rents continue to rise while office rents fall. As the diagram below shows, office rents fluctuate greatly from year to year, while housing rents show a highly stable trend.



Regional expansion

The housing shortage, with resulting rises in prices of single-family homes and tenant-owned flats, has prompted people seeking homes to look ever further from the main towns in their quest for a good residential environ-



EXPANSION OF REGIONS – RISE IN COMMUTING

Time gained, %

		1990	2000	2005
53	Strängnäs	92	47	43
50	Arlanda	40	20	20
43	Eskilstuna	102	62	58
37	Västerås	79	67	50
19	Enköping	43	39	35
21	Uppsala	47	40	37
18	Örebro	134	120	110

Travel time from Stockholm Central station, min.

ment. Through extension of infrastructure, such as the Mälar Valley railway line and the extension of X2000 high-speed rail services, commuting times have decreased sharply for many routes, further enhancing the scope for commuting. This expansion of the regions has begun mainly in the Mälar Valley and the Öresund area, and entails a rise in demand in peripheral municipalities, but also the emergence of attractive new markets.

The Danes have shown growing interest in settling on the the Swedish side of the Öresund bridge, the main reasons being lower costs and better housing. Commuting is on the rise elsewhere on the West Coast: many residents of Kungsbacka, Borås, Alingsås and Trollhättan now commute to and from Gothenburg. Again, the housing situation and infrastructure are key factors. Long-term results may be less pressure on metropolitan areas and stronger regions.

Market players

Newcomers

One major change in Sweden's property market in recent years, especially 2002, has been the rise of foreign investors. Last year they accounted for more than half (2001: 21%; 2000: 14%) of total acquisition volume, based on purchases at prices over SEK 300m. German property funds (driven abroad by low investment yields at home) were among the keenest players on the Swedish market in 2002. These funds also received a major inflow from wary savers unwilling to risk further share-price falls. Overall, foreign players have also flocked into Swedish property because this market has several key advantages compared with the rest of Europe, including openness, transparency and high liquidity.

To date, foreign players have shown no great interest in residential properties. One reason for this is that rental properties in many countries represent mainly 'social housing' and are, accordingly, associated with social problems. There is therefore no habit of investing in housing among professional international investors. The situation in Sweden, with large and well-run stocks of rental homes with private landlords and conscientious tenants, is therefore unknown to these foreign investors. Some Norwegian, Danish, American and other players, recognising housing as an attractive investment option, have acquired major residential stocks in South and Central Sweden. In the long term, we expect more foreign players to perceive the attractiveness and security of housing as an investment option.

Housing investments call for highly committed owners, who are usually in for a much longer term than owners of commercial properties. Active property management, too, is crucial. The growing share of foreign investors has fostered the emergence of large-scale property managers used to looking after big stocks for foreign owners. Eventually, this may also ease international investors' ownership of housing property.

Tenant-owners' associations

In recent years, the metropolitan trend — notably in Stockholm, but also in Gothenburg — has been for tenants, through tenant-owner associations, to buy their own flats. Both private property-owners and public housing companies have been affected. In 2002, substantially fewer municipalities and public housing companies announced such forthcoming sales, and a slowdown in the conversion is therefore likely. Private companies, however, continue to sell off flats to tenants in the metropolitan regions.

Is there a future for rental rights?

Is renting good for residents? The answer is an unequivocal 'yes'. Rental rights permit flexible, relatively low-cost housing. Tenants' moves are not impeded by the need to sell their homes. Scarcity of housing is a drawback: in many areas, finding a flat to rent may be hard or even impossible. Tenant-occupiers are not primarily responsible for operation and maintenance, and services are on offer.

Is letting good for property-owners as well? The answer to this question is less clear-cut. When it comes to long-term holdings of older homes, rental rights benefit the owners too. The present-day 'utility-value' system of setting rents makes yield reasonable, and in practice income conforms to cost trends. In growth areas where the vacancy risk is minimal, rental rights are considered a sound option for long-term property-owners. On the other hand, given the need for new housing production, the current system is inadequate in profit terms. This is one reason why too few rental flats are built, and a key reason for the existing imbalance, with the majority of new flats built being tenant-owned. If this trend persists, there is a major risk of rental rights disappearing altogether, first in Central Stockholm and then subsequently in inner urban locations in growth areas.

Mandamus' property stock

Mandamus' main markets are the four growth areas of Greater Stockholm, Greater Gothenburg, Malmö/Lund and Halmstad. Seventy-one per cent of the property stock is located in these areas. The great bulk of properties, 87 per cent, consists of housing properties. During the five years since Mandamus' admission to the stock exchange in spring 1998, the property stock has undergone radical geographical concentration. In June 1998, Mandamus was represented in some 80 municipalities; the corresponding figure today is 30. During the year, the company left another five municipalities. At year-end 2002, Mandamus owned 261 properties with a rentable area of just over a million square metres.

During 2002, six properties — four in Malmö and two in Värnamo — were acquired. A total of 22 properties, with an aggregate rentable area of just over 36,000 m², were sold. The book value of the properties sold amounted to SEK 131m.

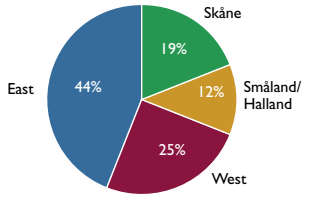
Rental income, yield and letting ratio per region and property type

Mandamus' pro forma rental income for 2002 amounted to SEK 900m. This pro forma figure relates to properties owned at 31 December 2002. For properties acquired in 2002, income and expense have been recalculated as whole-year figures. Properties sold are entirely excluded. Direct yield is based on pro forma net operating income for 2002 in relation to book value.

FACTS BY REGION

	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA, '000 M²	BOOK VALUE, SEK m
Skåne	59	2,644	236	1,094
Småland/Halland	80	1,646	156	669
West	73	2,960	301	1,403
East	48	6,019	505	2,523
Total, Sweden	260	13,269	1,198	5,689
Outside Sweden	1	0	5	9
Total	**261**	**13,269**	**1,203**	**5,698**

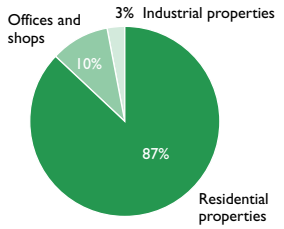
BOOK VALUE BY REGION



FACTS BY PROPERTY TYPE

	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA, '000 M²	BOOK VALUE, SEK m
Residential properties	186	13,156	985	4,971
Office and shop properties	24	113	148	587
Industrial properties	44	0	70	137
Land areas	7	0	0	3
Total	**261**	**13,269**	**1,203**	**5,698**

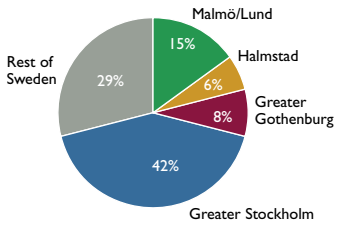
BOOK VALUE BY PROPERTY TYPE



FACTS BY GROWTH AREA

	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA, '000 M²	BOOK VALUE, SEK m
Malmö/Lund	41	2,042	166	830
Halmstad	30	742	58	320
Greater Gothenburg	18	1,079	89	436
Greater Stockholm	40	6,019	472	2,447
Total, growth areas	129	9,882	785	4,033
Other towns	132	3,387	418	1,665
Total	**261**	**13,269**	**1,203**	**5,698**

BOOK VALUE BY GROWTH AREA



ECONOMIC FACTS BY REGION, PRO FORMA, 2002

	RENTAL INCOME, SEK m	NET OPERATING INCOME, SEK m	SURPLUS RATIO, %	DIRECT YIELD, %	ECON. LETTING RATIO, %
Skåne	174	81	46.5	7.4	97.6
Småland/Halland	112	52	46.9	7.8	98.4
West	224	118	52.6	8.4	97.3
East	388	188	48.6	7.5	99.2
Total, Sweden	**898**	**439**	**49.0**	**7.7**	**98.3**
Outside Sweden	2	0	0.0	0.0	71.0
Total	**900**	**439**	**48.8**	**7.7**	**98.2**

ECONOMIC FACTS BY PROPERTY TYPE, PRO FORMA, 2002

	RENTAL INCOME, SEK m	NET OPERATING INCOME, SEK m	SURPLUS RATIO, %	DIRECT YIELD, %	ECON. LETTING RATIO, %
Residential properties	769	365	47.5	7.3	99.0
Office and shop properties	104	59	57.0	10.1	94.9
Industrial properties	27	15	56.2	10.9	88.7
Land areas	0	0	0.0	0.0	0.0
Total	**900**	**439**	**48.8**	**7.7**	**98.2**

ECONOMIC FACTS BY GROWTH AREA, PRO FORMA, 2002

	RENTAL INCOME. SEK m	NET OPERATING INCOME. SEK m	SURPLUS RATIO, %	DIRECT YIELD, %	ECON. LETTING RATIO, %
Malmö/Lund	128	60	47.0	7.3	98.6
Halmstad	48	29	59.5	9.0	99.3
Greater Gothenburg	66	30	45.4	6.9	99.0
Greater Stockholm	374	180	48.3	7.4	99.5
Total, growth areas	616	299	48.6	7.4	99.2
Outside Sweden	284	140	49.3	8.4	96.1
Total	**900**	**439**	**48.8**	**7.7**	**98.2**

PROPERTIES ACQUIRED DURING 2002

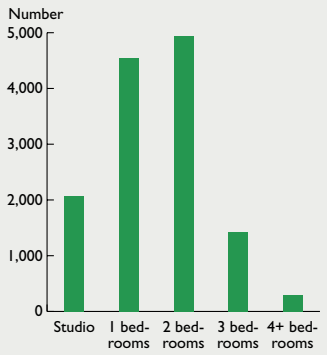
	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA, M²	BOOK VALUE, SEK m	NET OPERATING INCOME, SEK m	PRO FORMA NET OPERATING INCOME, SEK m
Malmö	4	164	15,250	109	3.7	6.9
Värnamo	2	52	3,953	27	1.5	1.9
Solna (site leasehold)	–	–	–	11	–	–
Total	**6**	**216**	**19,203**	**147**	**5.2**	**8.8**

PROPERTIES SOLD DURING 2002

	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA. M²	BOOK VALUE, SEK m	NET OPERATING INCOME[1], SEK m
Enköping	1	0	1,593	2.8	0.0
Falkenberg	1	28	3,289	16.3	0.0
Gävle	1	0	692	5.8	0.6
Huddinge	1	0	5,174	32.7	1.7
Landskrona	1	0	2,857	1.9	0.0
Ljungby	1	0	745	3.2	0.1
Malmö	2	40	1,742	8.6	0.5
Norrköping	1	0	814	6.9	0.1
Valdemarsvik	11	259	18,772	50.9	0.9
Värnamo	2	12	717	2.1	0.0
Total	**22**	**339**	**36,395**	**131.2**	**3.9**

1) Net operating income relates to the period of ownership during the year.

DISTRIBUTION OF FLAT SIZES



Market valuation

On behalf of Mandamus Fastigheter AB, Svefa AB carried out a market valuation of all the company's properties in Sweden, numbering 226 altogether. The purpose of the valuation is to assess separately the market value at 31 December 2002 of each property included. 'Market value' is defined as the most likely price in the event of sale on a free and open market.

As a basis for the value assessment from Mandamus, Svefa obtained data on outgoing rents, actual operating and maintenance costs, vacant homes and commercial premises, and major planned maintenance or investment measures.

All the properties included in the valuation were inspected during October and November 2002. The inspection included interiors and exteriors, and a selection of residential and commercial buildings.

The principal method used in assessing value was cash-flow calculation, i.e. estimation of the current value both of expected future NOI and of a residual value at the end of the calculation period. Normally, a five-year calculation period was used.

Valuation assumptions

The following basic assumptions were made for the value assessments:

- Inflation of 2 per cent a year was assumed.
- The change in rents was assumed mainly to follow inflation or, for commercial premises, the index of local rental contracts. Where applicable, rents were adjusted to market rents at the end of the contract period.
- Operating and maintenance costs were normally forecast to rise in line with inflation.
- The letting ratio was estimated individually for each property and type of premises according to the local market situation.
- Calculation interest and yield requirements were estimated on the basis of market perceptions of real interest and risk premiums. The risk premium varies according to the location, use and condition of the property.

Mandamus also owns a property in Germany. The market value of this property was based on a valuation performed by a valuation company in Germany.

The aggregate market value of Mandamus' property stock amounted to some SEK 7,070m at year-end 2002.

Value change

The assessed rise in the value of Mandamus' property stock during 2002 was 7 per cent, taking acquisitions, sales and investments into account.

The largest increase in value took place in Mandamus' property stock in Skåne, which rose by nearly 12 per cent during the year. As previously, the trend in areas near growth areas, such as Borås and Trelleborg, was gratifying. The commercial properties showed only a slight increase in value, and the value of Mandamus' commercial properties in Karlstad even decreased by 10 per cent during the year. Surplus value in the property stock rose by 458m, and total surplus value amounted to 24 per cent of book value, or SEK 1,372m.

DISTRIBUTION OF MARKET VALUE

SEK m	ASSESSED MARKET VALUE	BOOK VALUE	SURPLUS VALUE
Residential properties	6,100	4,971	1,129
Office and shop properties	792	587	205
Industrial properties and land areas	178	140	38
Total	**7,070**	**5,698**	**1,372**

CHANGE IN VALUE

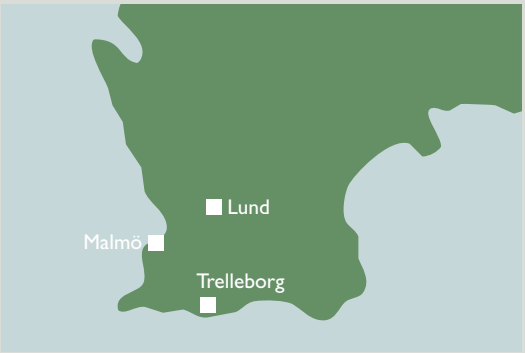
SEK m	
Market value at 31 Dec. 2001	6,535
Disposals during the year	–149
Investments/acquisition	226
Total	6,612
Value change	458
Market value, 31 Dec. 2002	**7,070**

YIELD REQUIREMENTS AND AVERAGE RENT, AT YEAR-END 2002

REGION	AREA	YIELD REQUIREMENTS FOR RESIDENTIAL PROPERITES. %	AVERAGE RENT FOR FLATS. SEK/m²	YIELD REQUIREMENTS FOR COMMERCIAL PROPERTIES. %
Skåne	Lund	6.0–6.5	810	7.0–8.5
	Malmö	5.5–7.0	830	7.5–10.0
	Trelleborg	6.75–7.5	745	8.0–9.0
Småland/Halland	Halmstad	6.5–7.5	855	8.5–10.0
	Ljungby	7.5–9.0	675	9.0–10.0
	Värnamo	7.0–7.75	775	8.0–9.0
West	Borås	6.75–9.9	735	9.0–11.0
	Greater Gothenburg	6.75–8.5	790	8.0–11.75
	Trollhättan/Vänersborg	7.0–8.5	810	8.0–11.0
East	North Greater Stockholm	7.75	895	8.5–10.0
	West Greater Stockholm	5.0–7.0	820	7.5–10.0
	South Greater Stockholm	7.5–8.25	780	8.5–10.0

Mandamus' properties in the growth areas – Greater Stockholm, Greater Gothenburg, Malmö/Lund and Halmstad – rose in value between year-end 2001 and year-end 2002 by nearly 8 per cent.

Skåne Region



NO. OF FLATS: **2,644**

SHARE OF BOOK VALUE: **19%**

Property stock

Mandamus' property stock in the Skåne Region is located mainly in Malmö, Lund and Trelleborg. The property stock in Malmö is characterised by older residential properties in the city centres with good development potential. The Lund property stock consists partly of buildings erected in the 1960s, Klostergården, and partly of newer residential properties build since the mid-1980s. In Trelleborg, the properties are centrally located and were built at the end of the 1980s. The stocks in Lund and Trelleborg are of high quality. The strong demand for housing in Malmö and Lund also has an effect in Trelleborg, where vacancy rates have fallen sharply in the past few years. During 2002, four properties were acquired in Malmö, including three residential blocks containing 164 flats. Two smaller housing properties in Malmö and one commercial property in Landskrona were sold in 2002.

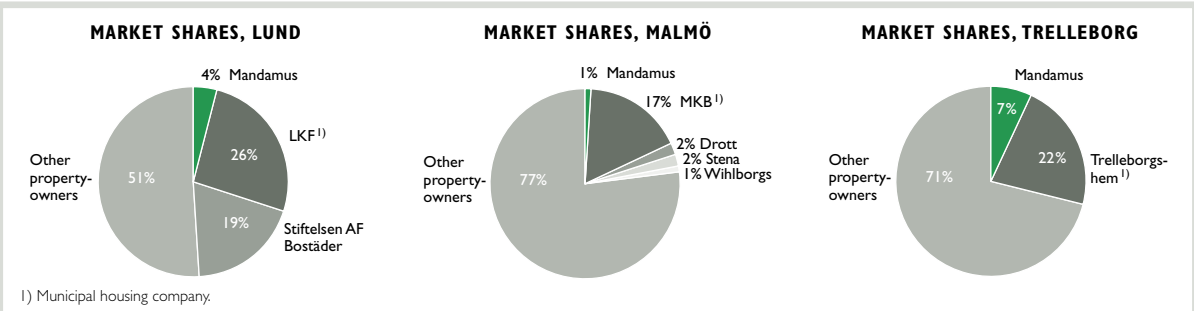
MARKET	VACANCIES	POPULATION TREND	HOUSING SITUATION
Lund	non-existent	rising	shortage
Malmö	non-existent	rising	shortage
Trelleborg	low, stable	stable	shortage

Business sector

Today, Skåne is one of Sweden's most interesting regions, thanks to the integration that is taking place in the Öresund region, the major infrastructural investments and the strength of the biotechnology and medical sector in Lund. Long one of the country's foremost university towns, Lund has a vibrant economy with the emphasis on biotechnology and medicine, but with major companies in the food sector also established there. Malmö has, thanks to its concentration on the university and the structural transformation that has taken place recently, strengthened its position as a growth region. The major infrastructural investments in the region, with the Öresund bridge and the forthcoming Malmö city tunnel, and also the joint ventures begun by the municipalities of Malmö and Lund, are substantially strengthening the region. The port of Trelleborg, one of the biggest in Scandinavia today, continues to expand.

Property market

Among the major players on the property market, interest in the Öresund region is keen. During the year, Wihlborgs sold a large number of residential properties in Malmö to private buyers and tenant-owners' associations. Drott also sold Lindängen, a major housing stock in Malmö, to a Danish company. In the 'Bo 01' area in Västra Hamnen, Malmö, most rental flats are now let, but sales of tenant-owned flats have been very sluggish. The Tenants' Union (HSB) embarked on building its 'Turning Torso' estate during the year. The booming property market in Lund is characterised by few transactions: there are buyers, but not sellers.



1) Municipal housing company.

PROPERTY STOCK IN THE SKÅNE REGION

	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA, '000 M²	BOOK VALUE, SEK m	RENTAL INCOME, SEK m	NET OPERATING INCOME, SEK m	SURPLUS RATIO, %	DIRECT YIELD, %	ECON. LETTING RATIO, %
Lund	9	1,204	81	433	66	35	51.8	7.9	99.5
Malmö	32	838	86	398	62	26	42.0	6.6	97.5
Trelleborg	15	602	52	221	38	18	47.8	8.1	97.0
Other areas	3	0	17	42	8	2	29.7	5.5	86.2
Total	**59**	**2,644**	**236**	**1,094**	**174**	**81**	**46.5**	**7.4**	**97.6**

Småland/Halland Region

NO. OF FLATS: **1,646**

SHARE OF BOOK VALUE: **12%**

Property stock

In the Småland/Halland Region, Mandamus is represented in Halmstad, Ljungby and Värnamo. In Halmstad, Mandamus owns some 30 residential properties that are all centrally located. The properties are in good condition and make up a smoothly functioning management stock. The property stock in Ljungby is slightly older but most of this stock, too, is in excellent condition. In Värnamo, Mandamus owns 19 centrally located properties of high quality.

In this region, Mandamus has invested a great deal in energy-saving measures, with the result that this is where the company's energy consumption per square metre is lowest. During 2002, two centrally located residential properties in Värnamo comprising 52 flats were acquired. One housing property in Falkenberg, one commercial property in Ljungby and two properties in Värnamo were sold during 2002.

MARKET	VACANCIES	POPULATION TREND	HOUSING SITUATION
Halmstad	non-existent	rising	shortage
Ljungby	low, stable	stable	balance
Värnamo	low, stable	stable	shortage[1)]

[1)] In the town centre; other locations in equilibrium.

Business sector

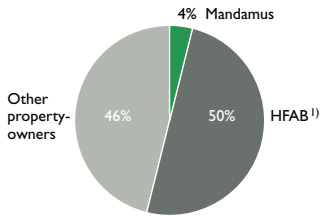
Småland — especially the south-western part of the county — has long been characterised by the typical enterprising spirit for which the area is renowned, with a strong economy dominated by small and medium-sized enterprises (SMEs) and entrepreneurship. Värnamo is part of the Gnosjö region, which is one of the most rapidly growing areas in the country. The local business sector is dominated by small manufacturing companies. Ljungby, too, has a vibrant economy but has shown slow population growth. Halmstad has long exhibited a favourable demographic trend, and the main attraction of the area has been its amenities for residents and holiday-makers. This, combined with a strategic position half-way between the Öresund and Gothenburg regions, has further enhanced Halmstad's position as a residential area. The business sector is also thriving, with good growth. SMEs in retailing, services and the tourist industry predominate. The University College of Halmstad currently has around 6,500 students.

Property market

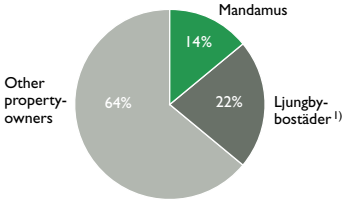
On the housing side, the municipal housing company Halmstads Fastighets AB (HFAB) predominates, with about half the total stock of flats. Of Halmstad's property stock, flats in multi-family blocks make up half and houses the other half.

In Ljungby, Mandamus is the largest private housing property-owner. Besides the municipal housing company, Ljungbybostäder, there are also a number of minor landlords. In Värnamo, the rental market for housing consists of Mandamus, the municipal housing company Finnvedsbostäder, and various minor private players.

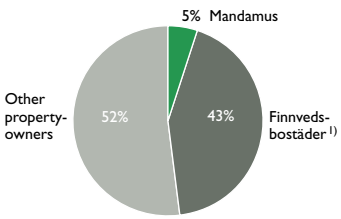
MARKET SHARES, HALMSTAD



MARKET SHARES, LJUNGBY



MARKET SHARES, VÄRNAMO



1) Municipal housing company.

PROPERTY STOCK IN THE SMÅLAND/HALLAND REGION

	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA, '000 M²	BOOK VALUE, SEK m	RENTAL INCOME, SEK m	NET OPERATING INCOME, SEK m	SURPLUS RATIO, %	DIRECT YIELD, %	ECON. LETTING RATIO, %
Halmstad	30	742	58	320	49	29	59.5	9.0	99.3
Ljungby	28	637	63	174	36	9	23.3	4.9	97.6
Värnamo	19	267	28	161	23	13	58.8	8.4	98.5
Other areas	3	0	7	14	4	1	39.8	10.2	92.4
Total	**80**	**1,646**	**156**	**669**	**112**	**52**	**46.9**	**7.8**	**98.4**

West Region

NO. OF FLATS: **2,960**

SHARE OF BOOK VALUE: **25%**

Property stock

Mandamus' stock in the West Region is located mainly in Greater Gothenburg, Borås, Trollhättan and Vänersborg. In Greater Gothenburg, Mandamus is represented in the municipalities of Partille, Mölndal and Kungsbacka. The Partille stock comprises one property with 800 flats built in the early 1960s. In Kungsbacka, Mandamus' property stock consists not only of housing, but also of commercial properties located mainly in the Varla area. The Borås property stock consists both of an area dating from the 1960s and of some urban buildings. In Trollhättan, Vänersborg and Lysekil — which, with Uddevalla, make up the 'four-city region' — Mandamus owns a small property stock. In Karlstad, Mandamus owns a stock of commercial properties.

MARKET	VACANCIES	POPULATION TREND	HOUSING SITUATION
Borås	low, falling	rising	shortage[1)]
Greater Gothenburg	non-existent	rising	shortage
Trollhättan/Vänersborg	low, stable	rising	shortage[1)]

1) In the town centre; other locations in equilibrium.

Business sector

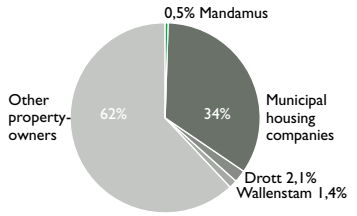
West Sweden, especially the Gothenburg region, is characterised by a large industrial sector, with the emphasis on vehicle manufacture and engineering. A certain structural shift towards the service sector has taken place in the past few years. Göteborg (Gothenburg) University and Chalmers University of Technology have long been pioneers of collaboration with the business community, and this has further promoted growth in the region. Population growth has been strong in the region, with a growth rate exceeding the nationwide average. Trollhättan and also, to some extent, Vänersborg are industrial towns. The principal employer in Trollhättan is SAAB. The University College of Trollhättan/Uddevalla had more than 8,500 students in 2002.

Borås was long entirely dominated by the textile industry. Today, however, Borås is regarded as Scandinavia's mail-order business hub. The University College of Borås has some 10,000 students. Borås is increasingly regarded as a suburb of Gothenburg, partly owing to its good communications.

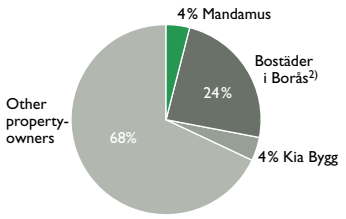
Property market

In this region, the municipal housing companies are the largest individual property-owners when it comes to rental housing. Examples are Partillebostäder, Mölndalsbostäder, Bostadsbolaget Eidar (in Trollhättan) and Bostäder i Borås. In the municipality of Gothenburg, there was an increase in selling of flats to the tenants (tenant-owners' associations), which amounted in 2002 to 46 per cent of all residential properties sold. The largest single housing-property deal was Drott's purchase of the Smyckeparken estate, with 900 flats. With this purchase, Drott is now the largest private owner of residential property in Gothenburg. Other major players on the housing side, besides the dominant Framtiden group (municipal housing in the Gothenburg area), are Wallenstam and Niam Fastighetsfonder.

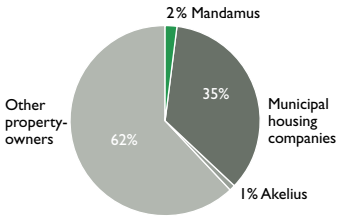
MARKET SHARES, GREATER GOTHENBURG[1)]



MARKET SHARES, BORÅS



MARKET SHARES, TROLLHÄTTAN/VÄNERSBORG



1) Municipalities in which Mandamus owns properties. 2) Municipal housing company.

PROPERTY STOCK IN THE WEST REGION

	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA, '000 M²	BOOK VALUE, SEK m	RENTAL INCOME, SEK m	NET OPERATING INCOME, SEK m	SURPLUS RATIO, %	DIRECT YIELD, %	ECON. LETTING RATIO, %
Borås	21	1,215	95	332	64	29	45.7	8.8	97.0
Greater Gothenburg	18	1,079	89	436	66	30	45.4	6.9	99.0
Trollhättan/Vänersborg	20	489	51	258	38	19	50.2	7.4	95.2
Other areas	14	177	66	377	56	40	70.6	10.5	97.0
Total	**73**	**2,960**	**301**	**1,403**	**224**	**118**	**52.6**	**8.4**	**97.3**

East Region

NO. OF FLATS: **6,019**

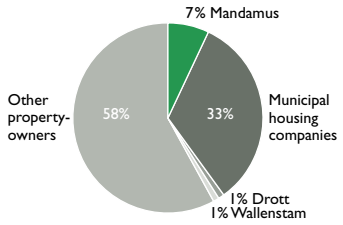
SHARE OF BOOK VALUE: **44%**

Property stock

The East Region's property stock is largely composed of residential properties in Greater Stockholm and a few commercial properties in Östergötland. In the northern and western parts of the Stockholm area, Mandamus owns properties in Solna, Sundbyberg, Husby and Åkersberga. To the south, there are the property stocks in Salem, Skogås and Visättra (Huddinge), and also in Tyresö. These property stocks were predominantly built in the 1960s. Most of the stock in Åkersberga underwent full renovation in the mid-1990s, and meets high standards. The other stocks are also in good condition. In this region, each property stock is composed of 500–1,300 flats and forms a rational management unit. In Mandamus' Greater Stockholm stock, there are now only a few properties left that are currently suitable for sale to tenant-owners' associations. The site leasehold for a property in Solna was acquired during 2002. The property stock in Valdemarsvik, with 259 flats, and four commercial properties were sold during the year.

MARKET	VACANCIES	POPULATION TREND	HOUSING SITUATION
Northern Greater Stockholm	non-existent	rising	shortage
Western Greater Stockholm	non-existent	rising	shortage
Southern Greater Stockholm	non-existent	rising	shortage

MARKET SHARES, GREATER STOCKHOLM[1)]



1) Municipalities in which Mandamus owns properties.

Business sector

The economic slowdown has mainly affected such sectors as IT, telecoms and finance, hitting the Stockholm and Mälar Valley region hard. As a result, both West Sweden and Skåne overtook the Stockholm region in terms of regional growth during 2002. The rapid population growth slowed and the migrant inflow decreased during the year. Demographically, however, the Stockholm region remains largest and, despite the economic downturn, has a vibrant and diversified business sector that is still growing strongly.

Property market

In the housing market, there is a marked shortage of flats. In practice, no vacant rental flats are available. The situation today is roughly the same in every municipality in the Stockholm region: even municipalities that were wrestling with high vacancy rates a few years ago are now suffering from a housing shortage. It is hoped that the slowdown in population growth, coupled with increased housing production, will relieve the housing shortage to some extent. The property market in Stockholm is very buoyant when it comes to residential property, and sale of rental housing blocks to the tenants (tenant-owners' associations) has been under way for several years. Today, many sales are taking place on the outskirts of Stockholm, such as Solna and the inner suburbs. On the other hand, this trend has not yet reached the outer municipalities. Selling-out of municipal housing companies' homes to tenants was stopped, basically, after the election, while private property-owners continue to sell homes to tenant-owners' associations. The rising vacancy rates and falling rents for commercial properties have no counterpart in the market for residential property, which are characterised by low vacancy rates and a sound total yield.

PROPERTY STOCK IN THE EAST REGION

	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA, '000 M²	BOOK VALUE, SEK m	RENTAL INCOME, SEK m	NET OPERATING INCOME, SEK m	SURPLUS RATIO, %	DIRECT YIELD, %	ECON. LETTING RATIO, %
Huddinge	13	1,357	104	475	77	32	41.4	6.8	99.3
Salem	8	1,302	111	595	88	48	54.7	8.1	99.7
Solna/Sundbyberg	5	543	36	258	29	15	53.0	6.0	99.6
Husby	3	959	64	266	53	19	36.0	7.3	99.8
Tyresö	2	1,268	106	540	84	44	52.6	8.2	99.7
Åkersberga	2	590	44	295	39	20	50.9	6.8	99.3
Other areas	15	0	40	94	18	10	54.3	10.2	91.9
Total	**48**	**6,019**	**505**	**2,523**	**388**	**188**	**48.6**	**7.5**	**99.2**

Bostadsinvest i Haninge AB – a company associated with Mandamus

NO. OF FLATS: **4,239**

HANINGE: BRANDBERGEN VÄSTERHANINGE

In the spring of 2001 Mandamus, with the Federation of Swedish Farmers (LRF) and Länsförsäkringar, founded a consortium named Bostadsinvest i Haninge AB. The purpose was to acquire one property stock in Brandbergen and one in Västerhaninge, in the municipality of Haninge. The acquisition was completed in June 2001. Mandamus was engaged under a contract as manager of these two property stocks, which comprise 4,239 flats altogether. This management responsibility means that letting and caretaking of these properties take place in accordance with Mandamus' management concept. The whole property stock is profiled in the same way as the rest of the Mandamus group's property stock.

Property stock

The property stock comprises two geographically and structurally separate stocks of residential property. One, located in Brandbergen, was built in the late 1960s and early '70s. The whole property stock and housing area were fully renovated in the early 1990s and offers a very high standard of accommodation. It should be possible to keep service and maintenance costs at the present relatively low level for the next few years.

The other property stock is located in Västerhaninge. This stock is relatively varied and contains both rental terrace houses built in the 1980s and typical narrow housing blocks from the mid-1950s. Some 55 per cent of the stock was erected during the period 1955–65, about 25 per cent in the late 1960s and around 20 per cent in the mid-1980s. For parts of the older property stock, an improvement and renovation programme was commenced during 2002.

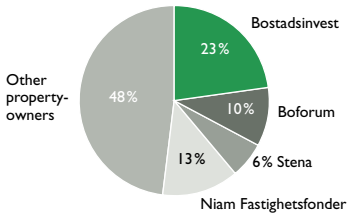
Business sector

The municipality of Haninge is situated some 25 km south-east of central Stockholm, and has good motorway and commuter-rail communications with the city. Haninge has undergone a strong development phase, evolving from a farming community to a metropolitan region, since the 1950s. The urban centre is Handen, and other major housing areas are Brandbergen, Väster-haninge and Vendelsö. At present, the municipality has 70,000 inhabitants. In the early 1990s, the municipality experienced a financial crisis, but it has now recovered and its current finances are sound. The municipality pursues an active economic policy, and Coca-Cola Drycker AB has set up the largest beverage factory in the Nordic area here. Other major employers, besides the municipality, are the East Coast naval base, Telia, Handen Community Hospital and Busslink. Campus Haninge contains two higher education institutions: the University College of South Stockholm and the Royal Institute of Technology. There are currently 1,600 students at Campus Haninge, and the long-term target is 5,000 study places.

Property market

The housing stock in the municipality comprises roughly a third each of rented flats, tenant-owned flats and houses. Major owners of residential property are Bostadsinvest i Haninge AB, Niam Fastighetsfonder, Boforum and Stena Fastigheter AB. At present, there is no municipal housing in Haninge.

MARKET SHARES, HANINGE



PROPERTY STOCK, BOSTADSINVEST I HANINGE AB

	NO. OF PROPERTIES	NO. OF FLATS	RENTABLE AREA, '000 M²	BOOK VALUE, SEK m	RENTAL INCOME, SEK m	NET OPERATING INCOME, SEK m	SURPLUS RATIO, %	DIRECT YIELD, %	ECON. LETTING RATIO, %
Brandbergen	8	2,430	195	910	158	90	57.2	9.9	99.6
Västerhaninge	12	1,809	135	538	102	46	45.3	8.5	99.7
Total	**20**	**4,239**	**330**	**1,448**	**260**	**136**	**52.6**	**9.4**	**99.6**

Mandamus' projects

Mandamus is primarily a residential-property management company that is developing its stock within the scope of day-to-day management. This means using opportunities for developing properties with potential in the existing property stock. It may, for example, entail conversion of attics and commercial premises into homes, to create more flats. If Mandamus owns land with building rights in attractive locations, new production is an interesting option. Projects involving upgrading of the existing stock to enhance the standard and service level are key means of offering attractive homes. Large-scale resources are devoted to energy projects to attain efficient energy use in the property stock, in order to reduce operating costs. Every project embarked on must be financially profitable.

Completed projects

During 2002, the Stormen project in Trollhättan was completed. This involved extension of the centrally located Stormen 4 and 5 properties by 13 flats through conversion of attic and office space.

In Trollhättan, an upgrading of kitchens and bathrooms to meet modern standards was carried out in 132 flats in the Mjölkvarnen 7–8 property.

Current projects

Klostergården, Lund

In Lund, Mandamus owns undeveloped land in the Nordanvinden property, in the Klostergården district. Lund is one of the most expansive cities in the Öresund region. The housing market in Lund is extremely good, with a major demand surplus. Work on adapting the detailed local plan according to views expressed by the parties consulted. The feasible construction comprises 350 flats, including 260 student flats, and also extended premises for the health centre and leisure activities.

Partille

In Partille, Mandamus owns a major stock of housing properties comprising 800 flats in 12 tower blocks. Rental demand for these properties, built in the mid-1960s, is steady. Their location, close to central Partille, the E20 motorway and Gothenburg, is excellent.

After careful analysis, Mandamus initiated an extensive project in these blocks. The project involves modernising kitchens and bathrooms to meet present-day standards. The water and sewerage systems in the buildings are also being replaced. Various measures are under way in the tenants' communal areas. A pass system to increase tenants' security is to be installed. Stairwells and entrances are being refurbished. Laundry rooms are undergoing modernisation, and all the lifts are being renovated.

Implementing a project of this size calls for extremely well-planned project organistion. Mandamus is therefore establishing a separate organisation alongside its regular management unit. The project will take three to four years.

Forthcoming projects

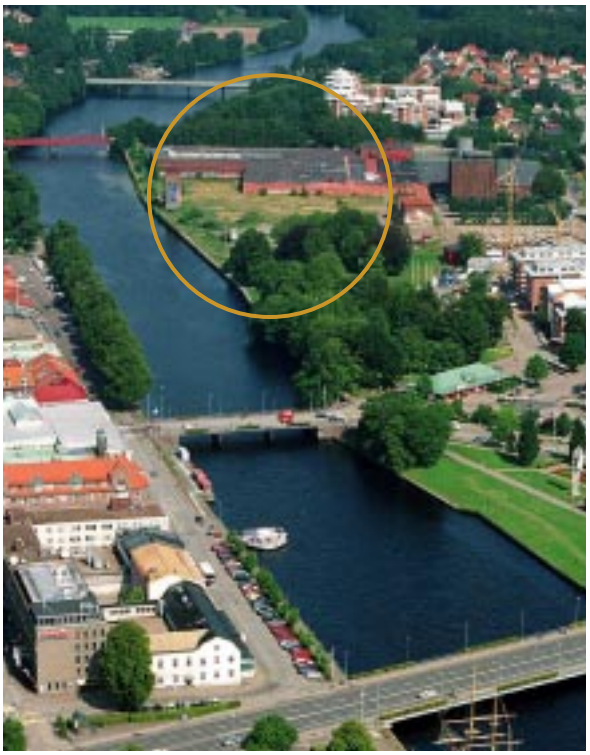
Gamletull, Halmstad

Gamletull is a 10-hectare (25-acre) area east of the Nissan river, in central Halmstad. Until the late 1980s it was dominated by industrial facilities, the largest being a blanket and a bicycle factory (Nordiska Filt and Rex Cykelfabrik respectively) and a brewery (Östra Bryggeriet).

Since 1996, KB Gamletull, a wholly owned subsidiary of Halmstads Fastighets AB, has been the sole owner of this attractive and very central site. A planning programme was drawn up for the site and adopted in October 1996. This programme reports that building permits exist for floor space of 140,000 m^2 above ground.

This district is now taking shape. Mandamus is one of the parties taking part in and influencing the planning work as a member of a newly formed consortium with the function of developing a detailed local plan for the future housing estate. The consortium partners will, as the planning work proceeds, be offered well-located undeveloped land that permits the erection of good housing with various forms of tenure at reasonable rent and charge levels. Mandamus is expected to be able to build some 150 rental flats.

It is imperative for Mandamus that the development of Halmstad is as successful as possible. An attractive urban environment with a wealth of attractive housing can promote this purpose. The Gamletull area in Halmstad has great potential and is a crucial resource for achieving this ambition.



The photograph shows the Nissan river, which flows through Halmstad. Gamletull is the area encircled. Planning is now under way for this area to be a new central urban district. Mandamus is one of several partners in the consortium responsible for building development in the area.

COMPANY MANAGEMENT

ANDERS SILVERBÅGE
Born in 1962
Managing Director
Head of Skåne Region
Head of environment task force
Employed since 1997
Education and training: MSc (Engineering)
Shareholding: 200

SIW WIBLOM
Born in 1953
Personnel manager
Head of staff task force
Employed since 1997
Education and training: higher banking diploma course and personnel administration course
Shareholding: 0

BENGT EVALDSSON
Born in 1948
Deputy MD, Financial Director, Head of Investor Relations
Head of finance task force
Employed since 1998
Education and training: BSc (Econ.)
Shareholding: 2,000

LARS LINDFORS
Born in 1959
Marketing manager and MD of the associated company Mandamus Förvaltning i Haninge AB
Head of marketing task force
Employed since 1997
Education and training: university studies in business administration
Shareholding: 200

ANDERS HAMMAR
Born in 1960
Head of West Region
Head of property management task force
Employed since 1998
Education and training: teaching degree and higher property diploma course
Shareholding: 0

THOMAS BENGTSSON
Born in 1946
Head of Småland/Halland Region
Head of energy task force
Employed since 1997
Education and training: Engineer
Shareholding: 0

CHRISTER CARLSSON
Born in 1946
Head of East Region
Head of purchasing task force
Employed since 1997
Education and training: higher banking diploma course and university studies in law
Shareholding: 400

The management group's work
The Mandamus management group comprises the MD and Deputy MD, Marketing and Personnel Managers, and the regional managers. The management group currently has seven members altogether, and they meet eight to ten times a year. The group discuss and decide on issues relating to Mandamus' day-to-day activities. They also deal with development issues common to the group, and organisational and staff issues of a general and joint nature. Information is provided and reporting-back take place regularly, with each task force head reporting on current activities in the task force concerned. The management group also deal with property acquisitions, sales and other investments.

BOARD

LEIF ZETTERBERG
Born in 1949
Chairman of the Board, member since 1997. Managing Director of the Federation of Swedish Farmers (LRF)
Other directorships: Chairman of Swede Agri AB, Swede Agri Invest AB, LRF Media, LRF Insurance, Spira, VLT AB. Deputy board chairman of Spintab. Member of TV 4 AB, JP Nordiska, International Chamber of Commerce Sweden, etc.
Education and training: Upper-secondary school
Shareholding: 3,000

SIEVERT LARSSON
Born in 1944
Member since 2002
Working board member of Akelius Insurance Ltd.
Other directorships: board member of Akelius Insurance Ltd.
Education and training: Upper-secondary school
Shareholding: 0

BJÖRN HALL
Born in 1942
Member since 1998
Former Executive Vice President of Skandia
Other directorships: board member of Capedal AB, Ecovision AB, Ekman & Co, Max Matthiesen AB, R M Rocade AB, etc
Education and training: MSc (political science)
Shareholding: 2,000, family members included

HANS SELLING
Born in 1948
Member since 2002
Managing Director of Mitthem AB
Other directorships: none
Education and training: Engineer
Shareholding: 200

ANDERS GLANSK
Born in 1969
Member since 2002
Head of Swedish Operations in Akelius Insurance Ltd
Other directorships: board member of Akelius Insurance Ltd
Education and training: Bachelor of Laws (LL.B.)
Shareholding: 0

AUDITORS

STEFAN HOLMSTRÖM
Born in 1949. Permanent auditor since 1999. Authorised public accountant since 1980 and KPMG partner since 1984.

PER GUSTAFSSON
Born in 1959. Permanent auditor since 1999. Authorised public accountant since 1994 and KPMG partner since 1997.

The Board's work during 2002

At Mandamus' Annual General Meeting in 2002, a partially new Board was elected. The new members appointed were Anders Glansk, Sievert Larsson and Hans Selling. Björn Hall and Leif Zetterberg were re-elected. The Board comprises five permanent members. The Managing Director is co-opted to the Board, as is the company's Financial Director, who is also the Board secretary.

At the Board meeting following election, Leif Zetterberg was re-elected Board Chairman and a resolution was adopted concerning distribution of the Board fees set by the AGM. The Board resolved that an annual fee of SEK 230,000 would be payable to the Chairman and that the annual fees payable to the other Board members would be SEK 155,000 each.

The Board adopted a formal work plan for 2002 to regulate the forms of the Board's work, the division of labour between the Board and Managing Director and the forms for monitoring of business operations.

The Board meetings are prepared by the MD and Financial Director, in consultation with the Chairman. The minutes of these meetings are checked by the Chairman and one other Board member.

During the year under review, the Board had 13 meetings. Most of these took place at Head Office, but in some cases they took the form of teleconferences.

At all Board meetings, the agenda includes company development, financial position, property acquisitions and sales, and investments in existing business operations. Before the quarterly and annual accounts are issued, the financial statements and draft reports to the stock market are dealt with. The company's auditors are invited to the Board meeting at which the Annual Report is discussed, to submit their report on their examination of the company's operations and internal administration.

Mandamus has no special remuneration committee. Instead, the Board resolve jointly, according to the MD's proposal, on salaries and other conditions of employment for the Managing Director, Deputy MD and other members of the management group. Bonus programmes for all the company's employees are also adopted by the Board according to the MD's proposal.

DIRECTORS' REPORT

The Board and Managing Director of Mandamus Fastigheter AB (publ) herewith present the Annual Report and group accounts for the 2002 financial year. The company's corporate identity number is 556549-6360, and the Board's registered office is in Stockholm.

Ownership and stock-exchange quotation

Mandamus Fastigheter AB is quoted on the 'O' (unofficial) list of the Stockholm Stock Exchange, under Attract 40 (the shares with the highest turnover). The company has 24,851 shareholders, the two largest being Akelius Insurance Funds and the LRF Group with, respectively, 39.8 and 26.9 per cent of the number of outstanding shares.

Mission statement and organisation

Mandamus seeks to own, develop and manage residential properties with a high yield, in growth areas in Southern and Central Sweden, on a long-term basis. At 31 December 2002, the group owned properties with a rentable area of 1,203,000 m^2 and a book value of SEK 5,698m. Also at year-end 2002, the residential proportion of the stock in terms of the book-value share was 87 per cent, and properties in Mandamus' defined growth areas made up 71 per cent. The head office is located in Solna and there are regional offices in Halmstad, Lund and Trollhättan.

Mandamus Fastigheter AB is the parent company in the group, and all group employees are employed in the parent company. The group's property stock is 99.5 per cent owned directly by the parent company.

Since 1 June 2001, Mandamus Fastigheter AB has owned a third of the shares in Bostadsinvest i Haninge AB, and has also been assigned to manage the property stock acquired by the company. In the group accounts, the company is reported as an associated company according to the equity method.

Turnover and profit

Group rental income for the year amounted to SEK 907m (867m), 4.6 per cent up on the previous year. The rise in rental income was due partly to additional rents of some SEK 11m from net acquisitions and partly to an increase in rental income of some SEK 29m due to rent rises and an improved letting ratio. Annual rental income for the property stock owned at the end of the financial year (pro forma for 2002) is estimated at SEK 900m.

The average economic letting ratio was 98.1 per cent, 0.2 percentage point higher than in the previous year. Vacancies in the property stock arise mainly in commercial premises, while the vacancy ratio for residential property is very low, and in most areas relates solely to relocation vacancies. The letting ratio for flats at year-end 2002 was 99.4 (99.3) per cent.

Property expense was just over 10 per cent higher than in the previous year, at SEK 467m (424m). The largest component of this increase was repair and maintenance costs, which rose by SEK 24m to SEK 100m. This was due, first, to a raised level of ambition concerning maintenance and improvement of the property stock and, second, to essential maintenance measures costing SEK 8m to remedy damp and mould problems in two residential properties. The remaining cost increases were SEK 8m in raised energy costs due to price rises, SEK 5m in raised property tax due to higher tax-assessment values and SEK 6m in other increases in operating costs.

Less property expense, a figure of SEK 440m (443m) remained for net operating income (NOI). NOI as a proportion of rental income (the surplus ratio) was 48.5 (51.1) per cent.

Depreciation of the 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 Mandamus Förvaltning i Haninge AB, which is a subsidiary of the associated company Bostadsinvest i Haninge AB.

Income from associated company

Mandamus' investment in the associated company Bostadsinvest i Haninge AB, the property consortium in Haninge, grew very well during 2002. Mandamus receives management remuneration from the associated company for its assignment of managing the associated company's property-owning subsidiary and its properties. Besides this remuneration, Mandamus also receives interest on the shareholder loan it has advanced to the associated company, and also one-third of the company's disclosed profit. Altogether, the company's contribution to Mandamus' profit in 2002 amounted to SEK 25.3m, of which management remuneration made up SEK 4m.

Items affecting comparability

With the year-end valuation of the property stock, a range of mainly commercial properties were written down. The resulting charge to profit was SEK 64m. Property sales for the year totalled SEK 125m, entailing an aggregate loss of SEK 6m. A further charge to profit was SEK 6m in costs of phasing out the company's previous managing director, who was dismissed from his post at 31 December 2002. The total effect of these items affecting comparability amounted to SEK –76m, representing a deterioration of SEK 114m compared with the previous year.

Net financial income/expense

Interest expense for the year amounted to SEK 246m (243m), interest income to SEK 2m (1m) and net interest expense to SEK –244m (–242m). The deterioration of SEK 2m in net interest income expense was due to increased borrowing and rescheduling of loans for longer fixed-interest terms. Interest contributions received continued to decrease, and totalled SEK 1m (2m).

Management profit

Management profit for the year, i.e. profit before items affecting comparability, such as write-downs, sale profit, non-repeating profit and interest contributions, totalled SEK 148m (148m).

Profit after tax

Pre-tax profit amounted to SEK 73m (188m). The decrease in profit was due to the effect of non-repeating items affecting comparability. Tax expense for the year amounted to SEK 23m (41m). Profit after tax totalled SEK 50m (147m), representing earnings per share (EPS) of SEK 2.44 (7.38).

Emphasis on growth areas, with a focus on residential properties

The past year was characterised by further consolidation and investments 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 took place, with residential properties being converted and existing residential space simultaneously undergoing virtually total refurbishment, in Trollhättan and Malmö. The plan is, in the years ahead, to continue investing on an increased scale in the existing property stock in the form of improvement, modernisation of existing flats and a raised maintenance standard. The decision has, for example, been taken to implement refurbishment and improvement of 800 flats in Partille, near Gothenburg, over the next three to four years.

During the year, six properties were acquired for SEK 147m. Four are located in Malmö and two in Värnamo. In addition, the site leasehold of a property in Solna was acquired. These acquisitions constitute a good supplement to the existing property stock in the areas concerned. Concentration of the property stock in housing properties in growth areas has continued, and during the year Mandamus sold 22 properties. The book value of the properties sold totalled SEK 131m. With these sales, Mandamus left another five towns: Enköping, Falkenberg, Gävle, Landskrona and Valdemarsvik.

At 31 December 2002, the property stock had a book value of SEK 5,698m (5,720m), of which 71 (69) per cent was in growth areas and 87 (85) per cent consisted of residential properties.

Market valuation of the property stock

Swefa AB carried out an assessment of the market value of the property stock at year-end 2002. Full valuations of all the Swedish properties were carried out. The assessed market value for the group's total property stock totalled SEK 7,070m (6,500m). Excluding the effects of acquisitions, investments and sales, this valuation represents a rise in value of around 7 per cent since the previous year-end. The valuation indicates a surplus value in the property stock of 24 per cent or SEK 1,372m.

Financial position

At 31 December 2002, Mandamus had interest-bearing liabilities of SEK 4,213m (4,203m), including SEK 9m (10m) in foreign currency. The average fixed-interest term on these loans was 2.3 (2.2) years, and the average interest rate 5.66 (5.66) per cent. Net debt at year-end amounted to SEK 4,107m (4,092m), and at the same date the group had SEK 558m (286m) in confirmed unutilised credit pledges.

Of the group's income of SEK 907m, only SEK 2m or 0.2 per cent was in foreign currency. Currency exposure is thus highly marginal.

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 property stock less deferred tax, amounted at year-end to 32.2 (28.6) per cent. During the year, the company's holdings of 624,400 Mandamus shares were sold for a total sale price of just over SEK 42m, and the company's shareholders' equity was thus raised by this amount.

Shareholders' equity per share amounted at 31 December 2002 to SEK 65.62 (67.43) and net worth per share to SEK 113.71 (95.62).

Workforce

The average number of full-time employees was 166 (167): 55 (60) women and 111 (107) men. Salaries and other remuneration, and also the staff's employment locations, are detailed in Note 6.

Operations requiring licence

Mandamus does not conduct any business operations requiring a special licence under the Swedish Environmental Code.

Board's work during the year

The Board's work during the year was characterised by fulfilment of the targets defined in the strategy and business plan adopted. Acquisitions and sales of properties were regular issues in Board decisions, as part of the endeavour to concentrate the company's property stock in growth areas. During the year, the Board had 13 meetings.

Dividend

The Board proposes that the Annual General Meeting resolve to set the regular dividend for 2002 at SEK 2.00 (4.25) per share.

Parent company

The parent company's rental income for 2002 amounted to SEK 903m (862m) and net profit to SEK 31m (116m). Total investments for the year, including property acquisitions, totalled SEK 226m (546m). At 31 December 2002, the company's liquid funds totalled SEK 14m (7m), and net debt amounted to SEK 4,106m (4,094m).

Replacement of MD

In December, the Board decided to dismiss the company's then Managing Director, Anders Johansson, with effect from 1 January 2003. The costs of phasing out the MD have been charged to profit for 2002. The Board also decided to appoint Regional Manager Anders Silverbåge as Acting MD, pending a permanent appointment of Mandamus' new MD.

Prospects for 2003

For 2003, a further rise in the maintenance standard is planned. This will affect the group's management profit adversely in the short run. Owing to the enhanced maintenance standard, management profit is expected to be lower than in 2002, at some SEK 130m.

PROFIT AND LOSS ACCOUNT

FIGURES IN SEK MILLION	NOTE	GROUP 2002	GROUP 2001	PARENT COMPANY 2002	PARENT COMPANY 2001
Rental income	1	907	867	903	862
Operating costs		–266	–251	–265	–250
Repairs and maintenance		–100	–76	–99	–75
Ground rent		–5	–6	–5	–6
Property tax		–30	–25	–30	–25
Property management		–66	–66	–66	–65
Total property expense		–467	–424	–465	–421
Net operating income		**440**	**443**	**438**	**441**
Depreciation on properties	3	–53	–52	–52	–52
Gross profit		**387**	**391**	**386**	**389**
Central administrative expense	5, 6, 7	–20	–17	–20	–17
Income from management profit		4	2	4	2
Items affecting comparability:					
Non-repeating income		–	5	–	5
Non-repeating expense		–6	–	–6	–
Write-down of properties		–64	–	–64	–
Profit from property sales	8	–6	33	–6	29
Operating profit		**295**	**414**	**294**	**408**
Profit from associated company		21	14	10	6
Dividend	4			4	14
Financial income		2	1	2	4
Interest contributions		1	2	1	2
Financial expense		–246	–243	–246	–243
Profit after financial income and expense		**73**	**188**	**65**	**191**
Appropriations					
Group contributions received	9			3	1
Other appropriations	10			–22	–34
Pre-tax profit		**73**	**188**	**46**	**158**
Tax expense	11	–23	–41	–15	–42
Minority share of profit		0	0		
PROFIT FOR THE YEAR		**50**	**147**	**31**	**116**
Earnings per share (SEK)		2.44	7.38	1.51	5.82
Average number of shares ('000)		20,471	19,918	20,471	19,918

CASH-FLOW STATEMENT

FIGURES IN SEK MILLION	NOTE	GROUP 2002	GROUP 2001	PARENT COMPANY 2002	PARENT COMPANY 2001
Current operations					
Profit after financial income and expense		73	188	65	191
Depreciation		56	54	56	54
Write-downs		64	–	64	–
Capital gain/loss		6	–33	6	–29
Tax paid	11	–26	–42	–23	–41
Cash flow before change in working capital		**173**	**167**	**168**	**175**
Change in working capital (excl. tax claim/liability)					
Change in working assets		–12	54	–13	45
Change in working liabilities		8	–8	11	–7
Change in working capital		**–4**	**46**	**–2**	**38**
Cash flow before investments		**169**	**213**	**166**	**213**
Investment operations					
Property acquisitions	3	–147	–486	–147	–486
Property sales (incl. sales costs)	8	125	240	125	225
Capitalised investments in properties	3	–79	–60	–79	–60
Investments in equipment	7	–3	–1	–3	–1
Investment in other financial fixed assets	14, 15	4	–89	6	–91
Share investments in associated company	13	–3	–16	0	–10
Implementation of (–)/ provision for (+) acquisition investment	18	–32	0	–32	0
Cash flow from investment operations		**–135**	**–412**	**–130**	**–423**
Financing operations					
Dividend paid	17	–87	–79	–87	–79
Group contributions from subsidiaries	9			3	1
Own shares sold	17	42	–	42	–
Loans taken out	19	360	409	363	421
Repayment of loans	19	–350	–132	–350	–132
Cash flow from financing operations		**–35**	**198**	**–29**	**211**
Cash flow for the year		**–1**	**–3**	**7**	**–1**
Opening liquid funds		16	19	7	8
Closing liquid funds		**15**	**16**	**14**	**7**
Change in net debt					
Opening net debt		–4,092	–3,900	–4,094	–3,894
Change for the year		–15	–192	–12	–200
Closing net debt		**–4,107**	**–4,092**	**–4,106**	**–4,094**
Specification of net debt					
Interest-bearing liabilities	19	–4,213	–4,203	–4,228	–4,215
Long-term claims		91	95	108	114
Liquid funds		15	16	14	7
Closing net debt		**–4,107**	**–4,092**	**–4,106**	**–4,094**

BALANCE SHEET

FIGURES IN SEK MILLION	NOTE	GROUP 31 DEC. 2002	GROUP 31 DEC. 2001	PARENT COMPANY 31 DEC. 2002	PARENT COMPANY 31 DEC. 2001
ASSETS	2				
Properties	3, 22	5,698	5,720	5,681	5,702
Other fixed assets					
Equipment	7	8	8	8	8
Participations in group companies	12			1	1
Participations in associated companies	13	19	16	10	10
Long-term receivables from group companies	14			17	19
Other long-term receivables	15	91	95	91	95
Total other fixed assets		118	119	127	133
Current assets					
Rental and trade receivables		5	7	3	4
Short-term claims on group companies				20	22
Other short-term receivables		16	6	16	5
Tax claim		7	4	7	5
Prepaid expenses and accrued income	16	21	17	22	17
Total current assets		49	34	68	53
Cash and bank balances		15	16	14	7
TOTAL ASSETS		5,880	5,889	5,890	5,895

BALANCE SHEET

FIGURES IN SEK MILLION	NOTE	GROUP 31 DEC. 2002	GROUP 31 DEC. 2001	PARENT COMPANY 31 DEC. 2002	PARENT COMPANY 31 DEC. 2001
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES					
Shareholders' equity	17				
Share capital		411	411	411	411
Restricted reserves and statutory reserve		214	202	20	20
Share-premium reserve				69	69
Total restricted shareholders' equity		625	613	500	500
Non-restricted reserves and profit brought forward		673	588	696	625
Profit for the year		50	147	31	116
Total non-restricted equity		723	730	727	741
Total shareholders' equity		**1,348**	**1,343**	**1,227**	**1,241**
Untaxed reserves	10			**159**	**137**
Minority shareholding		**0**	**0**		
Provisions					
Provision for deferred tax	11	128	128	86	91
Other provisions	18	14	46	14	46
Total provisions		**142**	**174**	**100**	**137**
Interest-bearing liabilities					
Liabilities to credit institutions	19	4,213	4,203	4,210	4,200
Liabilities to group companies				18	15
Total interest-bearing liabilities		**4,213**	**4,203**	**4,228**	**4,215**
Non-interest-bearing liabilities					
Trade creditors		57	63	57	62
Other non-interest-bearing liabilities		8	8	7	7
Accrued expenses and deferred income	20	112	98	112	96
Total non-interest-bearing liabilities		**177**	**169**	**176**	**165**
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		**5,880**	**5,889**	**5,890**	**5,895**
MEMORANDUM ITEMS					
Pledged assets and contingent liabilities					
Property mortgages	21	4,793	4,767	4,793	4,767
Contingent liabilities		0	0	0	0

The subsidiary Mandamus Invest AB has issued a call option on a property and participations in property subsidiaries regarding properties with a book value of SEK 10 million. The option total exceeds the book value of the property.

ACCOUNTING PRINCIPLES

The annual accounts are drawn up in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's Recommendations.

Consolidated accounts

The consolidated accounts are drawn up according to the Swedish Financial Accounting Standards Council Recommendation (No. 1), i.e. the acquisition accounting method is applied. The accounts include the parent company and the companies that were more than 50% owned at year-end.

Goodwill on consolidation at the time of acquisition is reported under 'Buildings'. Companies acquired during the year are included in the consolidated profit and loss account with effect from the day of acquisition. Companies sold are included up to and including the date of sale. Figures for foreign subsidiaries are translated to Swedish currency according to the current method, whereby the profit and loss account is translated at the average of the respective currency's buying and selling rate noted on the closing day and the balance sheet at the closing-day rate. The exchange-rate difference thus arising is posted direct to shareholders' equity.

Associated companies

Profit from associated companies is disclosed according to the equity method, in accordance with Swedish Financial Accounting Standards Council Recommendation No. 13. The profit contribution from associated companies includes interest on shareholder loans at SEK 10.2m and a profit share of SEK 10.9m in associated companies. Full tax on the disclosed profit share in associated companies is charged to group tax expense for the year. Management renumeration received from the associated company, which amounted to SEK 4.2m, is based on a proportion of the company's annual turnover.

Profit and loss account

The functional form of classification has been chosen for the profit and loss account. As 'central administrative expense', costs of central company management and general central staff units are disclosed. Costs of accounting and technical administration, management at regional level and redistribution of central administration are debited to net operating income (NOI). Property tax and ground rent are also debited to NOI. Interest contributions are reported among financial items.

Cash-flow statement

With effect from 2002, a new model for the cash-flow statement is being applied. It has been drawn up according to the indirect method and conforms to Swedish Financial Accounting Standards Council Recommendation No. 7. The cash flow reported comprises only transactions involving incoming or outgoing payments. Figures for previous years have been adapted to the new cash-flow statement model that is now applied.

Depreciation

Depreciation according to plan is charged to profits. Depreciation rates for the various types of asset are as follows:

Machinery and equipment	20%
Building fixtures and fittings	10–20%
Buildings	1%
Land	0%
Land improvements	5%
Adaptation to tenants' specifications	acc. to duration of contract

Tax

The company and the group apply Swedish Financial Accounting Standards Council Recommendation No. 9, Income Taxes. Total tax comprises current tax and deferred tax. Deferred tax is calculated according to the balance-sheet method, based on temporary differences between reported and fiscal values of assets and liabilities. These amounts are calculated on the basis of anticipated equalisation of the temporary differences, and with application of the tax rates and regulations decided upon or announced at the closing day. In a legal entity, untaxed reserves are disclosed with deferred tax liability included. In the consolidated accounts, on the other hand, untaxed reserves are divided between deferred tax liability and shareholders' equity. Deferred tax claims in tax-deductible temporary differences and deficit deductions are reported only to the extent that these are likely to entail lower tax payments in the future.

Untaxed reserves

In fiscal terms, Mandamus uses the highest possible depreciation rates. Mandamus also makes the maximum transfers to the tax-allocation reserve. In the consolidated accounts these untaxed reserves are cancelled, with 28 per cent reported as deferred tax liability and 72 per cent as restricted shareholders' equity.

Properties

Unless otherwise stated, properties are disclosed at acquisition value less accumulated depreciation. Acquisition value consists of the purchase price, land-registration costs, activated improvement measures and provisions made at the time of acquisition with respect to planned improvement measures. At the end of the accounting year, the book values of the properties are compared with estimated market values in accordance with RR 17. If book value exceeds estimated market value (net sales value), write-down to market value takes place.

Capitalisation principles

The only repairs and conversions capitalised, i.e. treated as assets, are those that both entail an improvement in standard and provide a lasting boost to profit through raised rent or reduced costs. In property acquisitions, any further investment and renovation requirements are evaluated. A provision is made for this assessed investment requirement at the time of the property acquisition, and this provision is dissolved as the improvement measures are implemented.

Other claims, liabilities and provisions

Other claims are reported in the amounts estimated as due to be paid in. Other liabilities are entered at nominal values. Provisions, i.e. commitments that are uncertain in terms of timing and/or amounts, are valued according to the prudence concept.

NOTES

Figures in SEK million.

Note 1 Profit and loss account

Internal group sales

The parent company received an income of SEK 120k (120k) from subsidiaries, and was charged subsidiaries' costs totalling SEK 171k (131k).

Note 2 Balance sheet

Other contractual commitments

The group has a tenancy contract relating to the office in Solna, with an annual rent of SEK 1.5m (1.4m) and a term extending until year-end 2003.

Note 3 Properties

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
Book value, properties	**5,698**	**5,720**	**5,681**	**5,702**
Of which Swedish properties	5,689	5,711	5,681	5,702
Assessed value, Swedish properties	5,435	4,977	5,422	4,964
Written-down residual value, Swedish properties	5,402	5,407	5,373	5,376

	Buildings	Provision for improvements	Land, land improvements	Building equipment	31 Dec. 2002	31 Dec. 2001
Group						
Opening acquisition value	5,132	40	720	2	5,894	5,559
Properties acquired	113	3	31	–	147	486
Investments	109	–33	2	1	79	60
Translation difference	0	–	–		0	1
Sales	–123	0	–13	–	–136	–212
Closing acquisition value	5,231	10	740	3	5,984	5,894
Opening depreciation/write-downs	–172		–1	–1	–174	–127
Depreciation for the year	–52		0	–1	–53	–51
Appreciation/write-down for the year	–64	–	–	–	–64	–
Translation difference			0	–	0	–1
Sales	5		–	0	5	5
Closing depreciation/write-downs	–283		–1	–2	–286	–174
Total book value, properties	4,948	10	739	1	5,698	5,720
Parent Company						
Opening acquisition value	5,109	40	712	2	5,863	5,518
Properties acquired	113	3	31	0	147	486
Investments	109	–33	2	1	79	60
Sales	–123		–13	0	–136	–201
Closing acquisition value	5,208	10	732	3	5,953	5,863
Opening depreciation	–160		0	–1	–161	–115
Depreciation for the year	–52		–	0	–52	–51
Appreciation/write-down for the year	–64	0	–	–	–64	–
Sales	5		–	0	5	5
Closing depreciation/write-downs	–271		0	–1	–272	–161
Total book value, properties	4,937	10	732	2	5,681	5,702

Note 4 Dividend

During the year, Mandamus Fastigheter AB (publ) received a dividend of SEK 4m from the associated company Bostadsinvest i Haninge AB.

Note 5 Administrative expense

	GROUP		PARENT COMPANY	
	2002	2001	2002	2001
Staff costs (see Note 6)	–81	–79	–81	–79
Other administrative expense	–33	–29	–33	–29
Depreciation, equipment (see Note 7)	–3	–2	–3	–2
Less administrative expense charged to NOI	96	93	96	93
Income from external management assignments	1	0	1	0
Total administrative expense	**–20**	**–17**	**–20**	**–17**

All administrative expense at regional level, for both technical and financial management, is charged to NOI. During 2002, a reallocation of central administration at SEK 13m (13m) took place. Remuneration of SEK 4m (2m) received for management of associated companies is disclosed on a special line in the profit and loss account, rather than entered as a minus item under central administration.

The item 'other administrative expense' includes audit fees, which are specified in SEK thousand according to the summary below.

	GROUP		PARENT COMPANY	
AUDIT COMPANY	2002	2001	2002	2001
KPMG, audit	300	252	300	252
KPMG, other assignments	58	147	58	147
Total	**358**	**399**	**358**	**399**

Note 6 Staff

SALARIES, OTHER REMUNERATION AND SOCIAL-SECURITY CONTRIBUTIONS	GROUP 2002	GROUP 2001	PARENT COMPANY 2002	PARENT COMPANY 2001
Salaries and other remuneration, excluding bonus, for Board, MD of parent company and subsidiary, and Deputy MD	–7	–4	–7	–4
Salaries and remuneration for other employees	–45	–45	–45	–45
Total salaries and remuneration	**–52**	**–49**	**–52**	**–49**
Pension expense for Board, MD of parent company and subsidiary, and Deputy MD	–3	–2	–3	–2
Pension expense for other employees	–4	–4	–4	–4
Social-security contributions	–19	–17	–19	–17
Other staff costs	–9	–7	–9	–7
Total staff costs	–87	–79	–87	–79

Of the staff costs disclosed, SEK 6m relates to phasing out the company's Managing Director. These costs are reported on a special line under 'items affecting comparability' in the profit and loss account.

AVERAGE WORKFORCE	GROUP 2002	GROUP 2001	PARENT COMPANY 2002	PARENT COMPANY 2001
Solna and Stockholm suburbs	94	91	94	91
Gothenburg and suburbs	5	3	5	3
Lund	14	15	14	15
Malmö	7	5	7	5
Halmstad	8	4	8	4
Trollhättan	10	9	10	9
Borås	10	11	10	11
Other towns	18	29	18	29
No. of employees	166	167	166	167
– men	67%	64%	67%	64%

SALARIES AND REMUNERATION

Board Chairman and other members
For 2002, the Board members received fees totalling SEK 850k (1,000k), of which the Board Chairman received SEK 230k (225k).

Managing Director
Salaries and other benefits of SEK 2,154k (2,058k), including bonus of SEK 336k (245k), were paid to the Managing Director. At 1 January 2003 a new MD was appointed in the company on an annual salary of SEK 1,380k. The MD may receive a bonus of up to twice his monthly salary. The bonus is based on total share yield, group management profit and a personal target set by the Board Chairman. In the event of dismissal by the company, the period of notice is 12 months. Pension for the MD is payable according to the customary ITP (supplementary pension for salaried employees in industry and commerce) scheme.

Senior staff
For the other six members of the management group, contracts of employment with special rules concerning notice have been agreed.

For the Deputy MD and the two members of the group who have reached the age of 55, the period of notice is six months. In the event of dismissal of these employees by the company, severance pay corresponding to 18 months' salary, to be deducted from salary or remuneration received, is payable. For the other three members of the group, bonus is payable at up to twice the monthly salary. This bonus is based on total share yield, group management profit and personal targets set by the MD. The personal target for the Deputy MD is set by the Board Chairman..

Other staff
The company's bonus system covers all permanent employees, and for all staff who do not belong to the management group, bonus may amount to between once and two monthly salaries. For 2003, two of the bonus targets are common to all the employees. These are total share yield and group management profit. Other bonus targets vary from one staff category to another. Staff in a position to exert a direct impact on profit from a property stock have a bonus target linked to this profit figure. For some members of staff, personal targets are set.

Note 7 Equipment

	GROUP 31 DEC. 2002	GROUP 31 DEC. 2001	PARENT COMPANY 31 DEC. 2002	PARENT COMPANY 31 DEC. 2001
Opening acquisition value	15	14	15	14
Equipment acquired	3	1	3	1
Sales and scrapped assets	0	0	0	0
Closing acquisition value	18	15	18	15
Opening depreciation	–7	–5	–7	–5
Depreciation for the year	–3	–2	–3	–2
Sales and scrapped assets	0	0	0	0
Closing depreciation	–10	–7	–10	–7
Total equipment	8	8	8	8

Note 8 Profit from property sales

	GROUP 31 DEC. 2002	GROUP 31 DEC. 2001	PARENT COMPANY 31 DEC. 2002	PARENT COMPANY 31 DEC. 2001
Purchase sum received, less costs of sale	125	240	125	225
Book value of properties sold	–131	–207	–131	–196
Profit from property sales	–6	33	–6	29

Note 9 Group contributions provided and received

In 2002, Mandamus Fastigheter AB (publ) received group contributions of SEK 2.6m from Mandamus Invest AB, corporate ID No. 556495-4112, and of SEK 0.1m from Mandamus Mosslegatan AB, corporate ID No. 556549-9216.

Note 10 Other appropriations and untaxed reserves

	PARENT COMPANY 2002	PARENT COMPANY 2001
a) Other appropriations		
Provision to tax-allocation reserve	–23	–34
Dissolution of tax-allocation reserve	1	–
Accelerated depreciation	0	0
Total appropriations	–22	–34
b) Untaxed reserves		
Tax-allocation reserve, 1998 fiscal year		1
Tax-allocation reserve, 1999 fiscal year	22	22
Tax-allocation reserve, 2000 fiscal year	40	40
Tax-allocation reserve, 2001 fiscal year	38	38
Tax-allocation reserve, 2002 fiscal year	34	34
Tax-allocation reserve, 2003 fiscal year	23	–
Accelerated depreciation	2	2
Total untaxed reserves	159	137

Note 11 Taxes

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
Disclosed pre-tax profit				
Tax acc. to current rate (28%)	20	53	13	44
Dissolution of tax reserve in Denmark	–	–12	–	–
Tax effect of non-deductible costs/non-taxable income	6	–13	7	–15
Tax effect of transfer to tax-allocation reserve	–6	–10	–	–
Adjustment of previous years' assessment	0	–2	0	–1
Tax on participation in associated company's profit	3	2	–	–
Deferred tax	0	23	–5	14
Tax expense for the year	**23**	**41**	**15**	**42**
Current tax	23	16	21	26
Change in deferred tax	3	26	2	15
Tax reported	**26**	**42**	**23**	**41**

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
Non-deductible temporary differences				
Write-downs	64	–	64	–
Deferred tax claims				
Properties	18	–	18	–
Taxable temporary differences				
Goodwill on consolidation, properties	142	150	150	150
Aggregate accelerated depreciation	219	171	222	175
	361	**321**	**372**	**325**
Deferred tax liability				
Properties	101	90	104	91
Untaxed reserves	45	38	–	–
	146	**128**	**104**	**91**
Specification of deferred tax liability				
Deferred tax claims	18	–	18	–
Deferred tax liability	–146	–128	–104	–91
	–128	**–128**	**–86**	**–91**

Note 12 Participations in group companies

	PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001
Opening value	1	1
Closing value at year-end	**1**	**1**

Name of company	Reg. office	Corporate ID No.	Shares/ participations	Stake[1]	Nominal value	Book value
Subsidiaries of Mandamus Fastigheter AB (publ):						
Dacke cooperative association	Ljungby	716403-8411	–	69.0%	–	0
Mandamus Invest AB[2]	Stockholm	556495-4112	5,000	100.0%	0.5	1
Mandamus Mosslegatan AB	Stockholm	556549-9216	1,000	100.0%	0.1	0
Mansolna AB	Stockholm	556609-8397	1,000	100.0%	0.1	0
Manaskim AB	Stockholm	556593-0517	1,000	100.0%	0.1	0
Maninsjön AB	Stockholm	556603-9490	1,000	100.0%	0.1	0
Subsidiaries of Mandamus Invest AB:						
Creo Höken HB	Stockholm	916634-8921	999	99.9%	–	
Mandamus Holding B.V.[2]	Amsterdam	33210285	40	100.0%	EUR 0.0	
Subsidiary of Mandamus Holding B.V.:						
Idaho Properties B.V.	Amsterdam	33231005	40	100.0%	EUR 0.0	
Total book value						**1**

1) The stake is the same as the share of votes unless otherwise specified.
2) This company, in turn, owns subsidiaries.

Note 13 Participations in associated company

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
Opening value	16	0	10	0
Purchases	–	10	–	10
Participation in associated company's profit for the year	7	6	–	–
Dividend for the year	–4	–	–	–
Closing value at year-end	**19**	**16**	**10**	**10**

Name of company, reg. office, corporate ID No.	Shares/ participations	Stake[1]	Nominal value	Book value[2]
Bostadsinvest i Haninge AB, Stockholm, 556609-0063	30,000	33.3%	0.1	10

1) The stake is the same as the share of votes unless otherwise specified.
2) In the group, participations in the associated company are disclosed at SEK 19m. This figure is affected by Mandamus Fastigheter AB's participation in the associated company's profit for 2002, taking full tax into account.

Note 14 Long-term receivables, group companies

	PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001
Loan to foreign subsidiary	17	19

Note 15 Other long-term receivables

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
Loan to associated company	85	85	85	85
Other long-term receivables	6	10	6	10
Total long-term receivables	**91**	**95**	**91**	**95**

Note 16 Prepaid expenses and accrued income

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
Prepaid interest expense and accrued interest income	1	2	3	2
Fuel stocks	1	1	0	1
Insurance	3	3	3	3
Modifications	6	4	6	4
Other prepaid expenses and accrued income	10	7	10	7
Total prepaid expenses and accrued income	**21**	**17**	**22**	**17**

Note 17 Shareholders' equity

	Share capital	Statutory reserve/restricted reserves	Share-premium reserve	Profit/non-restricted reserves brought forward	Profit for the year	Total shareholders' equity
Group						
Opening balance	411	202		583	147	1,343
Appropriation of previous year's profit				147	–147	0
Dividend paid				–87		–87
Shift between restricted and non-restricted equity		12		–12		0
Translation difference						0
Own shares sold				42		42
Profit for the year					50	50
Closing balance	**411**	**214**		**673**	**50**	**1,348**
Parent Company						
Opening balance	411	20	69	625	116	1,241
Appropriation of previous year's profit				116	–116	0
Dividend paid				–87		–87
Own shares sold				42		42
Profit for the year					31	31
Closing balance	**411**	**20**	**69**	**696**	**31**	**1,227**

The parent company's share capital is composed of 20,541,962 shares with a nominal value of SEK 20 each.

Note 18 Other provisions

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
Provision for property improvements	14	46	14	46

In conjunction with property acquisitions, any requirements of additional investments and renovations are evaluated. Provision is made for the estimated investment requirement at the time of acquisition, and the provision is dissolved as the improvement measures identified are implemented.

Note 19 Interest-bearing liabilities

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
a) Change in interest-bearing liabilities				
Opening balance, interest-bearing liabilities	4,203	3,925	4,215	3,925
Amortisation	–350	–132	–350	–132
New loans	360	409	363	421
Exchange-rate adjustment	0	1	0	1
Closing balance, interest-bearing liabilities	**4,213**	**4,203**	**4,228**	**4,215**
b) Capital tied up				
Liabilities to credit institutions				
Loans with terms of less than one year	1,261	1,245	1,260	1,245
Loans with terms of 1–5 years	2,464	2,696	2,462	2,693
Loans with terms of more than 5 years	488	262	488	262
Total, liabilities to credit institutions	**4,213**	**4,203**	**4,210**	**4,200**
Liabilities to group companies			**18**	**15**
Total interest-bearing liabilities	**4,213**	**4,203**	**4,228**	**4,215**

c) Fixed-interest term, interest-bearing liabilities. Group at 31 December 2002

	TOTAL LOANS, SEK M	AVERAGE INTEREST	STAKE, %
2003 [1]	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 and later	281	6.45	7
Total interest-bearing liabilities	**4,213**	**5.66**	**100**

1) Loans in foreign currency (EUR) are included at SEK 9m and the interest rate payable is 3.65%. Group loans had an average fixed-interest term of 2.3 years at year-end 2002.

Note 20 Accrued expenses and deferred income

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
Deferred rental income	50	38	50	38
Accrued interest payments	26	26	26	24
Accrued staff costs	14	10	14	10
Other accrued expenses and deferred income	22	24	22	24
Total accrued expenses and deferred income	**112**	**98**	**112**	**96**

Note 21 Pledged assets

	GROUP		PARENT COMPANY	
	31 DEC. 2002	31 DEC. 2001	31 DEC. 2002	31 DEC. 2001
Property mortgages taken out with credit institutions	4,793	4,767	4,793	4,767
Total pledged assets	**4,793**	**4,767**	**4,793**	**4,767**

Note 22 Translation difference

	GROUP	
	31 DEC. 2002	31 DEC. 2001
Translation difference in properties (+/–)	0	1
Translation difference in shareholders' equity	0	0
Translation difference in net debt	0	1

PROPOSED APPROPRIATION OF PROFITS

Group

Non-restricted shareholders' equity in the group amounted at 31 December 2002 to SEK 723,460k, including profit for the year of SEK 49,639k.

Parent Company

Profits brought forward of SEK 696,007,008 and profit for the year of SEK 30,691,109, totalling SEK 726,698,117, are at the disposal of the Annual General Meeting.

The Board and Managing Director propose that the profits at the disposal of the Annual General Meeting be appropriated as follows:

Dividend of SEK 2.00 per share to be paid to shareholders	SEK	41,083,924
To be carried forward	SEK	685,614,193
Total	SEK	726,698,117

There are 20,541,962 shares entitled to dividend in the company.

Stockholm, 14 March 2003

Leif Zetterberg
Chairman

Anders Glansk

Björn Hall

Sievert Larsson

Hans Selling

Anders Silverbåge
Managing Director

Our Audit Report was issued on 27 March 2003.
We entered the qualification that the Board had settled a matter without having satisfactory documentation, and we advised against the general meeting of shareholders discharging the Board members Anders Glansk, Sievert Larsson and Hans Selling from liability for the financial year.

Stefan Holmström
Authorised public accountant

Per Gustafsson
Authorised public accountant

AUDIT REPORT

To the Annual General Meeting of Mandamus Fastigheter AB (publ)
Corporate ID No. 556549-6360

We have examined the annual report, consolidated accounts and financial statements, and also the administration by the Board of Directors and Managing Director of Mandamus Fastigheter AB (publ) for the 2002 financial year. It is the Board and Managing Director who bear responsibility for the accounting documents and administration. Our responsibility is to state our opinion of the annual report, consolidated accounts and administration on the basis of our audit.

The audit was carried out in accordance with generally accepted auditing standards in Sweden. Accordingly, we have planned and implemented the audit in such a way as to assure ourselves, to a reasonable degree, that the annual report and consolidated report contain no significant errors. An audit entails examining a selection of the figures for monetary amounts and other information in the accounting documents. An audit also includes reviewing the accounting principles and their application by the Board and Managing Director, and assessing the overall information in the annual report and consolidated accounts. As the basis for our statement on discharge from liability, we have examined essential decisions, measures and circumstances in the Company, in order to be able to assess whether any Board member or the Managing Director is liable to pay compensation to the Company. We have also examined the question of whether any Board member or the Managing Director has otherwise acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association. We consider that our audit provides reasonable grounds for our statements below.

The annual report and consolidated accounts have been drawn up in accordance with the Annual Accounts Act, and thus provide a fair picture of the Company's and Group's profit and position in accordance with generally accepted accounting principles in Sweden.

We recommend that the general meeting of shareholders adopt the profit and loss account and balance sheet for the Parent Company and the Group, and appropriate the profit in the Parent Company in accordance with the proposal in the Directors' Report.

At its meeting on 12 December 2002, the Board resolved to dismiss the Managing Director with effect from 1 January 2003. According to the notice convening this meeting, the matter was not an item on the agenda sent to members. The Board did not implement the evaluation of the Managing Director prescribed in the formal work plan or evaluate the financial implications of the resolution for the company. The resolution was thus adopted without the Board members having satisfactory documentation to settle the matter, and it therefore contravenes Chapter 8, Section 18, paragraph two of the Swedish Companies Act. Two Board members, Leif Zetterberg and Björn Hall, entered reservations against the resolution with reference to the aforesaid legislative text. The resolution may also have caused the company a loss corresponding, at least, to the additional costs it entailed, which may mean that the Board members who adopted the resolution may be liable to pay compensation. We advise against the general meeting of shareholders discharging Anders Glansk, Sievert Larsson and Hans Selling from liability for the financial year.

We recommend that the general meeting of shareholders discharge the Board members Leif Zetterberg and Björn Hall and the Managing Director from liability for the financial year.

Stockholm, 27 March 2003

Stefan Holmström
Authorised public accountant

Per Gustafsson
Authorised public accountant

Roger Malmquist, one of Mandamus' caretakers in Västerhaninge.

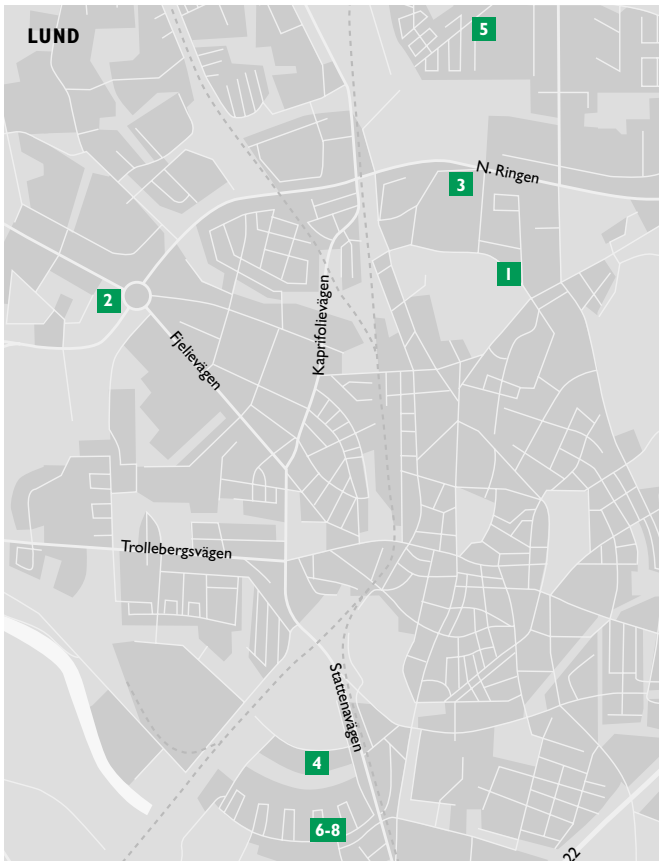
PROPERTY LIST

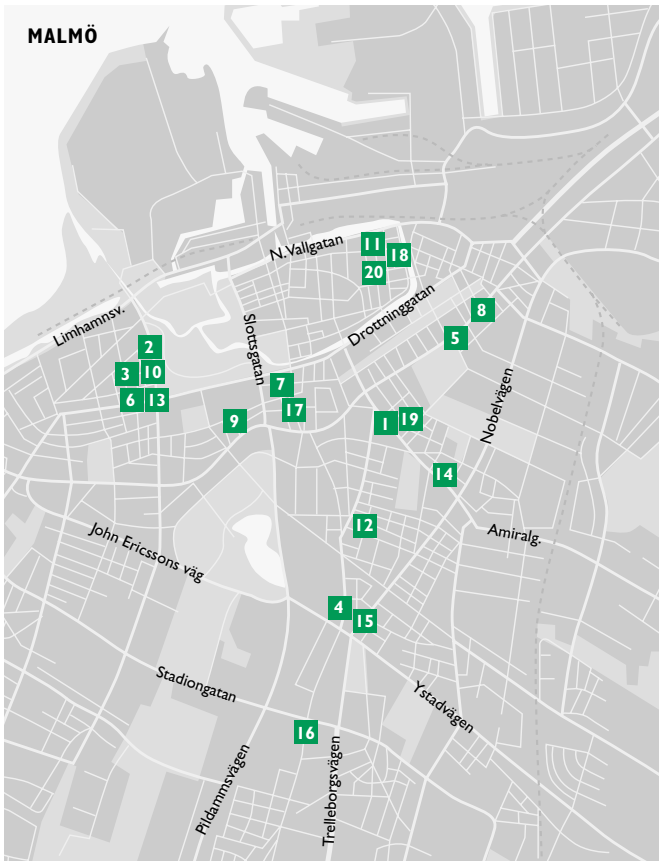
SKÅNE REGION

	Name	Municipality	Street address	Assessment year	No. of flats	Area, residential	Area, shops	Area, offices	Area, ind/ other	Area, total	Assessed value, SEK m	Rental value, SEK m	Incl. housing, SEK m
	LUND												
1	Drottning Filippa 3	Lund	Filippavägen 6, Sofiavägen 1	1988	37	2,827	0	55	68	2,950	21.2	2.6	2.4
2	Företaget 10	Lund	Företagsvägen 20	1990	0	0	0	930	0	930	6.1	0.8	0.0
3	Landsdomaren 9, 10, Tinghöraren 1, Lagboken 1	Lund	Margaretavägen 7, Möllevångsvägen 6–16	1932/91	331	16,567	0	1,245	82	17,894	127.6	15.4	13.9
4	Nordanvinden 3	Lund	Nordanväg 3–9, Östanväg 2	1966	0	0	1,796	1,955	0	3,751	20.4	3.3	0.0
5	Skyttegillet 1–3	Lund	Kulgränden 3–15 B	1986	288	14,540	0	409	0	14,949	79.6	14.7	14.0
6	Solglittret 2	Lund	Sunnanväg 6 A–P	1967	249	16,080	0	0	193	16,273	98.0	12.5	12.4
7	Solskenet 2	Lund	Blidvädersvägen 6, Sunnanväg 10	1965	227	17,655	0	202	0	17,857	103.6	13.1	13.0
8	Vindilen 3	Lund	Sunnanväg 12	1966	0	0	0	0	0	0	3.4	0.5	0.0
	Nevishög 13:36	Staffanstorp	Knutsborg 2–24	1992	72	6,056	0	0	0	6,056	29.0	4.8	4.8
	Total, Lund				**1,204**	**73,725**	**1,796**	**4,796**	**343**	**80,660**	**488.9**	**67.7**	**60.6**
	MALMÖ												
1	Andreelund 3	Malmö	Amiralsgatan 28, Henrik Smithsgatan 5	1929	23	1,970	373	0	0	2,343	8.2	1.8	1.5
2	Asker 4	Malmö	Per Wickenbergsgatan 3	1936	16	972	0	0	0	972	5.4	0.8	0.8
3	Askim 9	Malmö	Nils Forsbergsgatan 7 A–B	1944	14	885	0	40	0	925	5.1	0.8	0.8
4	Assessorn 2–3	Malmö	Flensburgsgatan 6 A–B, Södra Förstadsgatan 117–119, Värmlandsgatan 4 A–B	1939/65	59	3,190	77	243	0	3,510	15.6	3.2	2.9
	Bredskär 1 (SL)	Malmö	Fårögatan 6	1976	0	0	0	0	2,020	2,020	4.2	1.0	0.0
	Båtyxan 1 (SL)	Malmö	Järnyxegatan 13	1989	0	0	0	841	1,739	2,580	6.6	1.3	0.0
5	Dadeln 24 (SL)	Malmö	Föreningsgatan 48–52, Industrigatan 2, Bertrandsgatan 1	1979	42	3,658	323	244	0	4,225	20.7	3.5	3.0
6	Erikstorp 10	Malmö	Regementsgatan 13	1930	15	1,160	202	0	0	1,362	7.1	1.1	0.9
7	Gnagaren 1	Malmö	Storgatan 26	1933	13	155,367	294	64	0	1,725	9.0	1.3	1.0
8	Granen 10–11	Malmö	Föreningsgatan 68–70	1935	49	2,690	301	37	12	3,040	12.6	2.7	2.4
9	Hertigen 4	Malmö	Thottsgatan 16, Erik Dahlbergsgatan 26, Helmfeltsgatan 11	1930	50	3,084	72	113	60	3,329	16.0	2.8	2.6
10	Hising 2	Malmö	Nils Forsbergsgatan 12, Gustaf Rydbergsgatan 14 A–B	1944	32	1,676	0	0	0	1,676	9.6	1.6	1.6
11	Husaren 6	Malmö	Östra Tullgatan 7, Drottningtorget 6	1985	15	1,453	173	238	0	1,864	13.2	1.7	1.2
12	Idet 11	Malmö	Ystadgatan 9 A–B, Claesgatan 2, 4 A–B, Sofielundsgatan 10	1976	52	2,617	817	0	24	3,458	15.9	2.9	2.2
13	Inland 3	Malmö	Regementsgatan 21, Roslinsvägen 2	1950	29	2,078	0	0	0	2,078	11.2	1.7	1.7
14	Insjön 2	Malmö	Karlskronaplan 6–8	1936	35	1,990	75	0	0	2,065	7.9	1.5	1.4
	Krukskärvan 8	Malmö	Stenyxegatan 34	1978	0	0	640	4,301	134	5,075	11.5	2.3	0.0
15	Myntet 2	Malmö	Nobelvägen 54 A, Ronnebygatan 24	1937	28	1,598	117	0	0	1,715	6.3	1.3	1.2
	Nackremmen 1 (SL)	Malmö	Tränsgatan 2–4	1977	0	0	670	340	760	1,770	3.9	1.3	0.0
	Nackremmen 2	Malmö	Jägersrovägen 213, Sporregatan 16	1979	0	0	0	534	1,895	2,429	4.5	1.1	0.0
	Nosgrimman 1 (SL)	Malmö	Jägersrovägen 215, Sporregatan 18	1982	0	0	0	200	1,687	1,887	3.9	0.8	0.0
16	Ritaren 6	Malmö	Per Albin Hanssons Väg 49–59	1968/73	136	11,279	0	246	270	11,795	46.3	10.2	9.7
17	Rådjuret 1	Malmö	Davidhallstorg 10, Kärleksgatan 6	1930	18	1,529	228	0	0	1,757	8.8	1.3	1.2
	Sadelknappen 3 (SL)	Malmö	Ridspögatan 12, Betselgatan 2	1982	0	0	0	686	826	1,512	4.0	0.8	0.0
	Stiglädret 3 (SL)	Malmö	Sadelgatan 6	1982	0	0	0	527	1 263	1,790	3.7	0.9	0.0
	Trädgårdshallen 1	Malmö	Lockarps Kyrkoväg 110	1969	0	0	0	2,518	493	3,011	6.0	1.2	0.0
18	Utanverket 3	Malmö	Österportsgatan 4	1970	14	937	0	134	100	1,171	6.5	0.9	0.7
19	Valnöten 3–4	Malmö	Mäster Danielsgatan 2, S:t Knuts väg 7–9	1932/75	36	2,380	454	0	0	2,834	12.0	2.1	1.8
20	Österport 8	Malmö	Grönegatan 11, Norregatan 4–10, Stora Trädgårdsgatan 3	1971	162	10,230	352	1,251	0	11,833	76.5	11.2	9.4
	Total, Malmö				**838**	**56,743**	**5,168**	**12,557**	**11,283**	**85,751**	**362.2**	**65.1**	**47.9**

Name	Municipality	Street address	Assessment year	No. of flats	Area, residential	Area, shops	Area, offices	Area, ind/ other	Area, total	Assessed value, SEK m	Rental value, SEK m	Incl. housing, SEK m
TRELLEBORG												
Bocken 5	Trelleborg	Johan Kocksgatan 3	1975	12	928	0	0	0	928	2.7	0.6	0.6
Katten 29, 33, 48, 50	Trelleborg	Västergatan 14 A–C – 26	1987/90	99	7,663	0	1,582	0	9,245	34.8	7.1	5.6
Kloster 25	Trelleborg	Klostergränden 10	1986	7	505	0	280	0	785	2.7	0.5	0.4
Kvadraten 71	Trelleborg	Flockergatan 3–7, Evas Gränd 1–3	1989/90	45	3,381	420	508	0	4,309	16.1	3.3	2.5
Merkurius 7	Trelleborg	Klostergränd 3–9, Gamla Torget 1	1980/91	31	2,442	0	536	0	2,978	11.9	2.3	1.9
Myran 28	Trelleborg	Österbrogatan 4, Nygatan 56–60	1980/90	30	2,426	225	230	420	3,301	10.9	2.1	1.6
Silverskatten 18	Trelleborg	Västergatan 52	1990	20	1,534	0	0	0	1,534	5.5	1.2	1.1
Spoven 26	Trelleborg	Sankta Gertruds väg 10–12, Wemmenhögsgatan 27	1990	33	2,454	0	127	10	2,591	10.6	2.0	1.9
Svanen 11	Trelleborg	Järnvägsgatan 23–25	1989	24	1,981	0	0	0	1,981	6.9	1.4	1.4
Triangeln 48	Trelleborg	Ehrenbuschsgatan 7	1990	20	1,520	0	0	0	1,520	6.0	1.2	1.2
Valfisken Mindre 17	Trelleborg	Nygatan 24, Flockergatan 6	1992	27	2,078	0	569	108	2,755	12.1	2.4	1.6
Valfisken Större 46	Trelleborg	Nygatan 32–34	1992	29	2,174	0	260	0	2,434	11.2	2.0	1.7
Vipan 13	Trelleborg	Vemmenhögsgatan 19	1986	9	613	0	0	0	613	2.3	0.5	0.5
Västrebro 3	Trelleborg	Västergatan 43–45, Östersjögatan 2–4, Strandgatan 64, Västerbrogränd 3–5	1992	93	6,941	69	782	0	7,792	31.9	6.2	5.3
Östrebro 25	Trelleborg	Järnvägsgatan 13–17, Östergatan 16 B–D, Hantverkaregatan 1 A–C	1993	123	9,195	141	278	0	9,614	35.7	7.6	7.0
Total, Trelleborg				**602**	**45,835**	**855**	**5,152**	**538**	**52,380**	**201.3**	**40.4**	**34.2**
OTHER LOCALITIES												
Kroksabeln 6 (SL)	Helsingborg	Muskötgatan 13	–	0	0	0	0	8,017	8,017	0.0	4.1	0.0
Olympiaden 7	Helsingborg	Kapplöpningsgatan 7	1970	0	0	0	0	3,665	3,665	5.9	1.4	0.0
Poppeln 13	Perstorp	Torget	1965	0	0	1,894	3,447	0	5,341	12.8	3.6	0.0
Total, other localities				**0**	**0**	**1,894**	**3,447**	**11,682**	**17,023**	**18.7**	**9.1**	**0.0**
Total, Skåne Region				**2,644**	**176,303**	**9,713**	**25,952**	**23,846**	**235,814**	**1 071.1**	**182.3**	**142.7**

(SL) Site leasehold.



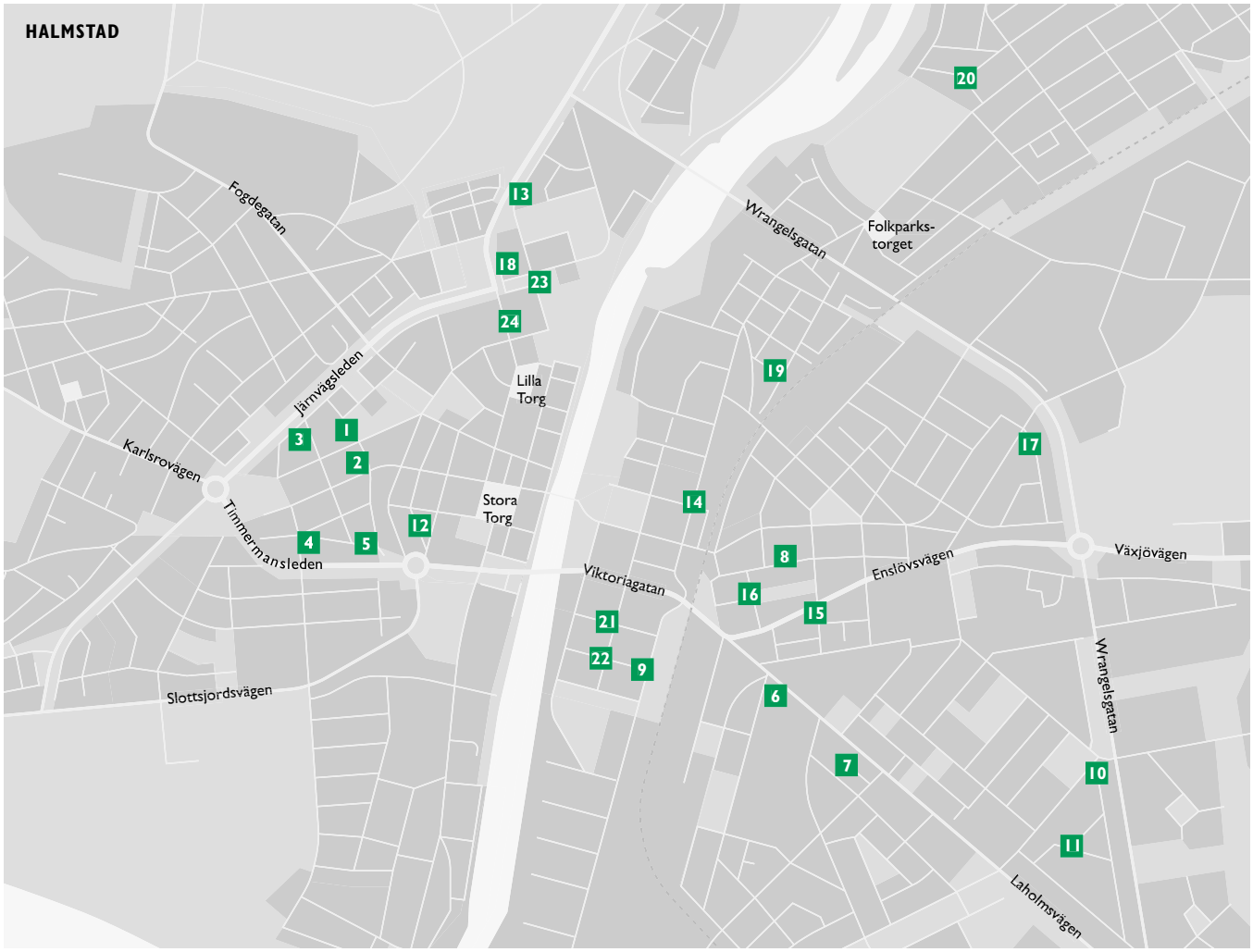


SMÅLAND / HALLAND REGION

	Name	Municipality	Street address	Assessment year	No. of flats	Area, residential	Area, shops	Area, offices	Area, ind/ other	Area, total	Assessed value, SEK m	Rental value, SEK m	Incl. housing, SEK m
	HALMSTAD												
1	Backsippan 3	Halmstad	Stenvinkelsgatan 9	1983	15	1,160	104	90	0	1,354	7.0	1.0	0.9
2	Batteriet 13	Halmstad	Stenvinkelsgatan 6	1984	20	1,660	109	0	0	1,769	9.3	1.4	1.3
3	Batteriet 18	Halmstad	Hvitfeldtsgatan 19	1992	60	4,420	0	0	0	4,420	29.0	4.1	4.1
4	Björnen 12	Halmstad	Torsgatan 9 A, Skepparegatan 5, 5 A	1987	31	1,858	0	0	0	1,858	11.1	1.6	1.6
5	Björnen 18	Halmstad	Torsgatan 3 A–C, 5 A–D, 9 B–D	1990	115	8,372	0	2,485	0	10,857	74.3	10.7	7.8
6	Domherren 36	Halmstad	Laholmsvägen 14–30	1985	26	1,862	0	0	115	1,977	10.4	1.5	1.5
7	Domherren 6–7	Halmstad	Domherregatan 4–6	1986	6	396	0	0	0	396	2.2	0.3	0.3
8	Fasanen 28	Halmstad	Snöstorpsvägen 23	1990	37	2,815	0	0	0	2,815	16.0	2.4	2.4
9	Flundran 8	Halmstad	Kaptensgatan 11	1980	36	3,065	0	0	180	3,245	16.9	2.5	2.5
10	Gripen 7–11	Halmstad	Odalvägen 1–9	1950	106	5,700	0	0	237	5,937	27.9	5.1	5.0
11	Gullriset 8	Halmstad	Skördevägen 1–5, Östra Lyckan 6–12	1961	102	6,561	84	0	0	6,645	32.0	5.5	5.4
12	Hästmöllan 19 (SL)	Halmstad	Hantverksgatan 11, Kyrkogatan 13	1992	4	373	56	0	0	429	2.6	0.4	0.3
13	Inlagan 18	Halmstad	Norra vägen 22	1949	0	0	0	655	0	655	1.9	0.4	0.0
14	Jungmannen 1	Halmstad	Skansgatan 14	1982	19	1,232	174	0	0	1,406	7.3	1.1	1.0
15	Klockan 2	Halmstad	Enslövsvägen 12	1988	20	1,504	32	0	44	1,580	8.7	1.3	1.2
16	Krigaren 3	Halmstad	Hammars gata 11	1992	10	629	0	0	0	629	3.6	0.6	0.6
17	Kronofogden 3 (SL)	Halmstad	Frögatan 4	1986	4	300	0	0	0	300	1.6	0.3	0.2
18	Linden 6	Halmstad	Badhusgatan 12–14	1960	38	2,420	0	0	0	2,420	11.4	1.8	1.8
19	Löjan 7	Halmstad	Nissabogatan 2	1990	14	955	0	0	0	955	5.8	0.8	0.8
20	Lövsmygen 8	Halmstad	Grangatan 9, Tallgatan 1	1986	8	497	0	0	0	497	2.5	0.4	0.4
21	Makrillen 6	Halmstad	Kungsgatan 9	1986	19	1,529	67	108	0	1,704	9.6	1.4	1.3
22	Makrillen 8	Halmstad	Kungsgatan 5	1960	0	0	0	2,145	0	2,145	9.1	2.0	0.0
	Spånstad 4:17, 4:31, 4:32	Halmstad	Spånstadsvägen 2–6	–	0	0	0	0	0	0	0.5	0.0	0.0
23	Vindbryggan 13	Halmstad	Badhusgatan 3	1985	26	1,851	0	0	0	1,851	10.6	1.5	1.5
24	Vindbryggan 4	Halmstad	Skolgatan 10	1992	26	1,864	0	15	0	1,879	12.2	1.7	1.6
	Total, Halmstad				**742**	**51,023**	**626**	**5,498**	**576**	**57,723**	**323.5**	**49.8**	**43.6**
	LJUNGBY												
	Apotekaren 11	Ljungby	Skomakargränd 1 & 2	1988	20	1,440	0	0	0	1,440	6.2	1.1	1.1
	Björklunden 6	Ljungby	Drottninggatan 13	1970/80	27	2,249	0	0	0	2,249	9.0	1.6	1.6
	Björklunden 9	Ljungby	Olofsgatan 15, Kungsgatan 15	1965	20	1,430	296	194	0	1,920	5.6	1.1	0.9
	Dacke 1–2	Ljungby	Drottninggatan 41–47	1991/90	68	4,524	0	0	0	4,524	22.5	3.7	3.7
	Dacke 12–13	Ljungby	Bergagatan 21–23	1980/88	22	1,447	0	0	80	1,527	6.5	1.1	1.1
	Dacke samfällighet	Ljungby	–	–	0	0	0	0	0	0	0.0	0.2	0.0
	Drako 25	Ljungby	Norra Järnvägsgatan 12	1991	5	751	0	0	0	751	3.0	0.7	0.2
	Gjutaren 1,12–13	Ljungby	Bolmstadsvägen 8–14	1957/67	38	2,427	59	0	0	2,486	7.9	1.6	1.5
	Kvadraten 15–16	Ljungby	Fogdegatan 13, Strömgatan 9	1953/68	25	1,754	0	20	10	1,784	5.4	1.1	1.1
	Mossen 1	Ljungby	Rönnäsvägen 18–72	1972	134	10,216	149	160	0	10,525	27.7	6.8	6.5
	Månen 6	Ljungby	Eskilsgatan 1	1966	0	0	2,616	605	0	3,221	13.8	2.4	0.0
	Näcken 1	Ljungby	Kungsgatan 17–19	1970/94	29	1,874	0	0	56	1,930	7.6	1.4	1.4
	Odlaren 19	Ljungby	Gängesvägen 12, Gjuterigatan 7	1955	0	0	2,844	1,422	7,043	11,309	14.2	3.5	0.0
	Sländan 1	Ljungby	Hantverkaregatan 12	1988	19	1,100	193	250	0	1,543	6.6	1.1	0.8
	Solon 2	Ljungby	Norra Järnvägsgatan 7	1972	15	874	0	0	0	874	3.0	0.6	0.6
	Solon 21	Ljungby	Fogdegatan 20	1980	8	510	0	0	0	510	2.0	0.4	0.4
	Solon 9	Ljungby	Ågårdsvägen 14 A	1967	15	1,109	0	0	0	1,109	3.6	0.7	0.7
	Södra Ljungkullen 3	Ljungby	Storgatan 1–3	1947/87	44	3,141	546	1,013	56	4,756	18.0	3.1	2.3
	Trekanten 5–6	Ljungby	Strömgatan 2, 6	1961/62	48	2,707	0	0	0	2,707	8.8	1.8	1.7
	Vinkelhaken 2, 12	Ljungby	Drottninggatan 10 A–B, 12	1966/74	28	1,989	55	48	0	2,092	6.5	1.3	1.2
	Vråken 1	Ljungby	Strömgatan 18, 20, 28	1971	72	5,940	0	0	0	5,940	16.3	3.7	3.7
	Total, Ljungby				**637**	**45,482**	**6,758**	**3,712**	**7,245**	**63,197**	**194.2**	**39.0**	**30.5**

Name	Municipality	Street address	Assessment year	No. of flats	Area, residential	Area, shops	Area, offices	Area, ind/ other	Area, total	Assessed value, SEK m	Rental value, SEK m	Incl. housing, SEK m
VÄRNAMO												
Almen 23	Värnamo	Pilagårdsgatan 23–25	1985/92	15	1,031	0	0	0	1,031	4.5	0.8	0.8
Bor 3:25	Värnamo	–	–	0	0	0	0	0	0	0.0	0.0	0.0
Broholmen 1	Värnamo	Storgatsbacken 9	1991	22	1,764	1,465	0	0	3,229	14.3	2.6	1.3
Finnveden 7	Värnamo	Nygatan 5, Finngatan 6	1959/86	7	522	0	0	0	522	1.9	0.4	0.4
Finnveden 9	Värnamo	Finngatan 2 A–C	1992	22	1,322	0	0	0	1,322	6.6	1.2	1.2
Forsheda 3:167	Värnamo	Storgatan 33–35	1994	0	0	0	1,610	0	1,610	6.1	2.0	0.0
Forsheda 3:92	Värnamo	Fänestadsvägen 6, Parkvägen 15 A–R	1953/91	22	1,548	0	0	0	1,548	3.7	1.1	1.1
Granen 4	Värnamo	Växjövägen 14	1965	9	573	0	0	156	729	2.6	0.5	0.5
Gärdet 6	Värnamo	Lasarettsgatan 15	1986	5	384	0	0	0	384	1.6	0.3	0.3
Gästis 2, 5–6	Värnamo	Storgatan 57–59	1960/70	8	698	781	179	16	1,674	5.7	1.1	0.5
Håven 1	Värnamo	Flintgatan 2, 4 A–D	1988	13	892	0	0	0	892	4.3	0.7	0.7
Lejonet 16	Värnamo	Brogatan 2, Storgatsbacken 11	1957	15	901	589	0	0	1,490	6.2	1.3	0.7
Pelikanen 2, 6–8	Värnamo	Ouchterlonygatan 2–24	1992	68	5,101	2,149	1,173	0	8,423	43.1	7.8	4.7
Storken 14	Värnamo	Växjövägen 2 B	1954	8	651	351	65	25	1,092	3.1	0.6	0.4
Träsket 2–4	Värnamo	Parkgatan 7–9	1984	14	1,058	0	108	0	1,166	1.7	0.9	0.8
Värnet 11	Värnamo	Jönköpingsvägen 3–9, Postgatan 4–6	1990	39	2,864	0	177	20	3,061	13.8	2.5	2.3
Total, Värnamo				**267**	**19,309**	**5,335**	**3,312**	**217**	**28,173**	**119.2**	**23.8**	**15.7**
OTHER LOCALITIES												
Björnen 8	Markaryd	Kvarngatan 20	1960	0	0	1,506	271	346	2,123	3.3	0.9	0.0
Lönnen 7	Markaryd	Kungsgatan 32–36	1979	0	0	958	2,273	0	3,231	8.2	1.9	0.0
Sälgen 9	Markaryd	Drottninggatan 30	1970	0	0	1,444	414	0	1,858	4.3	1.1	0.0
Total, other localities				**0**	**0**	**3,908**	**2,958**	**346**	**7,212**	**15.8**	**3.9**	**0.0**
Total, Småland/Halland Region				**1,646**	**115,814**	**16,627**	**15,480**	**8,384**	**156,305**	**652.7**	**116.5**	**89.8**

(SL) Site leasehold.

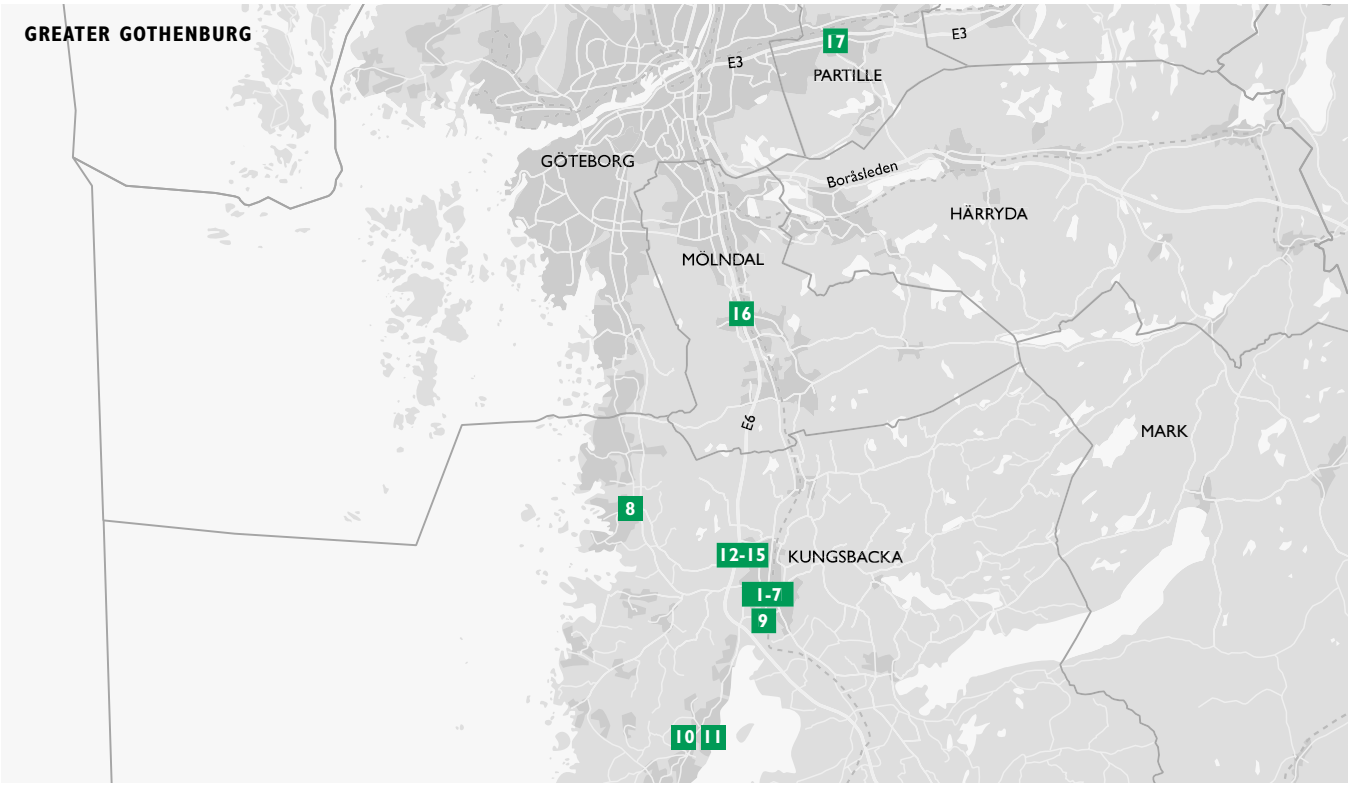


WEST REGION

	Name	Municipality	Street address	Assessment year	No. of flats	Area, residential	Area, shops	Area, offices	Area, ind/ other	Area, total	Assessed value, SEK m	Rental value, SEK m	Incl. housing, SEK m
	GREATER GOTHENBURG												
1	Alania 7	Kungsbacka	Storgatan 23	1970	6	415	306	0	0	721	7.1	0.7	0.4
2	Alania 8–10	Kungsbacka	Storgatan 25	1940	9	915	755	0	0	1,670	12.6	1.9	0.8
3	Kungsbacka 4:4	Kungsbacka	Sommarlustvägen 1 A–D	1993	4	280	0	0	0	280	2.3	0.3	0.3
4	Kungsbacka 6:28	Kungsbacka	Smörhålevägen 1	–	0	0	876	0	1,799	2,675	0.0	1.3	0.0
5	Kungsbacka 6:29	Kungsbacka	Smörhålevägen 3–5	1991	0	0	1 160	3,379	448	4,987	23.5	3.6	0.0
6	Lagerbäret 10–11	Kungsbacka	Sommarlustvägen 4, 6 A–M	1991	12	824	0	335	0	1,159	6.6	1.1	0.8
7	Melonen 2	Kungsbacka	Sommarlustvägen 3 A–D	1993	4	280	0	0	0	280	2.3	0.3	0.3
8	Nötegång 1:122	Kungsbacka	Furubergsvägen 3	1988	0	0	898	1,119	0	2,017	8.3	1.8	0.0
9	Rättvisan 3	Kungsbacka	Nygatan 6, Storgatan 2	1986	24	1,504	70	304	0	1,878	12.4	1.7	1.4
10	Spekedal 1:104	Kungsbacka	Kopparvägen 4–36	1988	25	2,224	340	0	0	2,564	11.8	1.7	1.6
11	Spekedal 1:92	Kungsbacka	Gottskärsvägen 28	1987	4	435	245	0	0	680	3.3	0.6	0.3
12	Varla 2:385	Kungsbacka	Energigatan 12	1988	0	0	0	1,522	0	1,522	8.5	1.3	0.0
13	Varla 2:387	Kungsbacka	Energigatan 13	1989	0	0	456	387	365	1,208	6.4	0.8	0.0
14	Varla 2:389	Kungsbacka	Energigatan 17	1990	0	0	316	2,656	580	3,552	19.5	2.2	0.0
15	Varla 2:394	Kungsbacka	Energigatan 5	1987	0	0	0	657	93	750	1.9	0.4	0.0
16	Vårmmedal 3:18, 3:121–123	Mölndal	Hagabäcksleden 6–12, Vårmmedalsvägen 2–14, 18–32	1968	191	13,010	78	45	20	13,153	54.5	10.6	10.3
17	Partille 105:6	Partille	Oluff Nilssons väg 3–7, 4–20 Nedre Furuskogsv 2–4 6 A–B	1961/72	800	46,278	943	2,416	100	49,737	247.2	39.5	36.4
	Total, Greater Gothenburg				**1,079**	**66,165**	**6,443**	**12,820**	**3,405**	**88,833**	**428.2**	**69.8**	**52.5**
	BORÅS												
	Bifrost 4	Borås	Järnvägsgatan 20	0	50	1,332	0	36	0	1,368	14.1	2.0	1.9
	Bifrost 2	Borås	Järnvägsgatan 18	1929	6	469	0	0	0	469	1.6	0.4	0.4
	Budkaveln 2–4	Borås	Allmänningsgstigen 3, Söderforsgatan 13–15, Tandaredsgatan 20, 24–28, Södermalmsgatan 11–23	1980/70	103	6,957	280	86	264	7,587	29.0	5.9	5.5
	Carolus 5–6	Borås	Lilla Brännerigatan 3, Yxhammarsgatan 4	1980	14	1,216	500	0	0	1,716	8.0	1.5	0.9
	Djäknen 8	Borås	Döbelnsgatan 68–72	1984	24	1,489	0	0	0	1,489	6.7	1.2	1.2
	Fjädern 3–4	Borås	Industrigatan 29–31	1972/50	0	0	0	1,680	4,852	6,532	7.2	2.5	0.0
	Gisseberget 1	Borås	Kristinegränd 1–3	–	0	0	1 464	1,957	0	3,421	0.0	2.0	0.0
	Halleberg 13	Borås	Lars Kaggsgatan 19–173	1969/74	888	59,791	210	1,270	111	61,382	216.4	43.6	42.0
	Hultahörn 1	Borås	Högagärdsgatan 27–29	1968	12	870	0	0	0	870	2.6	0.6	0.6
	Kamelen 1	Borås	Vegagatan 10 A–B	1980	12	742	0	0	0	742	3.2	0.6	0.6
	Kantarellen 2	Borås	Tomtegatan 11	1980	9	573	51	0	0	624	2.4	0.5	0.4
	Lejonet 11–12	Borås	Döbelnsgatan 20–22	1980	12	898	0	32	0	930	4.3	0.8	0.7
	Lärkan 14	Borås	Åsbogatan 33–35, Tredje Villagatan 15 A–D	1980/93	37	3,225	66	789	0	4,080	20.3	3.3	2.8
	Porsen 4	Borås	Majorsgatan 14	1985	9	507	0	0	0	507	2.2	0.4	0.4
	Porsen 8	Borås	Kaptensgatan 5	1985	9	507	0	0	45	552	2.3	0.4	0.4
	Skonaren 4	Borås	Hedvigsborgsgatan 8	1987	9	602	0	0	0	602	2.5	0.5	0.5
	Staren 3	Borås	Första Villagatan 21	1980	9	879	0	0	117	996	4.1	0.7	0.7
	Vaxskivlingen 2	Borås	Huldregatan 24 A–B	1944	12	696	58	0	0	754	2.4	0.6	0.5
	Total, Borås				**1,215**	**80,753**	**2,629**	**5,850**	**5,389**	**94,621**	**329.3**	**67.5**	**59.6**
	TROLLHÄTTAN/VÄNERSBORG												
	Batteriet 2	Trollhättan	Magnetvägen 3	1982/91	0	0	375	477	600	1,452	3.3	0.8	0.0
	Högaffeln 1	Trollhättan	Slåttervägen 88–90	1966	12	740	0	0	0	740	2.5	0.6	0.6
	Höskrindan 1	Trollhättan	Slåttervägen 95–107	1968	42	2,814	0	0	0	2,814	8.9	2.1	2.1
	Mjölkvarnen 7–8 (SL)	Trollhättan	Hjortmossegatan 101–111, 121–133	1961/63	132	8,188	1,080	0	0	9,268	40.2	8.3	7.2
	Oxen 5	Trollhättan	Kungsgatan 70	1986	23	1,467	97	0	0	1,564	8.1	1.3	1.2
	Plankan 12	Trollhättan	Bilprovarevägen 4	1984	0	0	0	0	479	479	0.9	0.4	0.0
	Sjöfrun 1	Trollhättan	Spannmålsgatan 3, Storgatan 31	1940	32	1,287	600	61	0	1,948	6.9	1.8	1.4
	Skördetröskan 2, 5	Trollhättan	Slåttervägen 46–60, 72–86	1966	80	5,800	0	0	0	5,800	17.9	4.4	4.4
	Stormen 4–5	Trollhättan	Kungsgatan 24, Drottninggatan 23, Olof Palmes gata 18–20	1930/50	39	3,149	830	252	98	4,329	14.3	3.4	2.5
	Trollet 9	Trollhättan	Kungsgatan 53–57, Torggatan 5, Trollgatan 4–6	1981	0	0	1,935	4,196	0	6,131	33.8	6.7	0.0

Name	Municipality	Street address	Assessment year	No. of flats	Area, residential	Area, shops	Area, offices	Area, ind/ other	Area, total	Assessed value, SEK m	Rental value, SEK m	Incl. housing, SEK m
Trucken 4	Trollhättan	Bilprovarevägen 13, Montörvägen 2	1983	0	0	0	2,144	1,649	3,793	6.5	2.3	0.0
Trucken 6–7	Trollhättan	Bilprovarvägen 3–5, Montörvägen 4–6	1989	0	0	0	2,649	1,217	3,866	8.4	2.4	0.0
Äppelträdet 1	Trollhättan	Kroppedammsgatan 8–20, Kvarnvägen 25–27	1990	36	2,764	0	0	0	2,764	14.1	2.4	2.4
Kastanjen 14	Vänersborg	Drottninggatan 22 A–F	1992	10	724	0	0	0	724	3.4	0.6	0.6
Konvaljen 14	Vänersborg	Sundsgatan 30 A–B	1935	16	1,224	0	0	15	1,239	2.8	0.9	0.9
Konvaljen 7	Vänersborg	Östergatan 18	1930	19	816	0	0	0	816	2.1	0.5	0.5
Tranan 1	Vänersborg	Sandmarksgatan 7, Torpavägen 13–17	1992	48	3,607	0	0	0	3,607	14.9	3.4	3.3
Total, Trollhättan/Vänersborg				**489**	**32,580**	**4,917**	**9,779**	**4,058**	**51,334**	**189.0**	**42.3**	**27.1**
OTHER LOCALITIES												
Barkassen 7	Karlstad	Lagergrens gata 4	1990	0	0	425	4,501	0	4,926	31.6	5.4	0.0
Barkassen 8	Karlstad	Lagergrens gata 2	1990	0	0	0	7,711	0	7,711	55.2	9.0	0.0
Hammaren 21	Karlstad	Gjuterigatan 27–29	1990	0	0	0	774	1,172	1,946	4.4	1.1	0.0
Herrhagen 1:10 (SL)	Karlstad	Hamnpirsgatan 4	1986	0	0	0	1,524	0	1,524	4.8	1.2	0.0
Kanoten 6, 9	Karlstad	Kanikenäsbanken 12	1990	0	0	0	8,894	0	8,894	58.7	8.1	0.0
Passadvinden 3	Karlstad	Regnvindsgatan 17	1990	0	0	0	333	3,378	3,711	7.2	1.9	0.0
Stolpen 1	Karlstad	Ventilgatan 5	1964	0	0	0	4,329	0	4,329	6.2	3.7	0.0
Sågen 1 (SL)	Karlstad	Industrigatan 1	1986	0	0	0	3,283	0	3,283	14.4	2.9	0.0
Sågen 2	Karlstad	Faktorigatan 2	1988	0	0	0	1,735	0	1,735	7.4	1.5	0.0
Sälgen 6	Karlstad	Rönngatan 7	1949	0	0	0	1,574	0	1,574	6.0	1.2	0.0
Ugnen 1	Karlstad	Sågverksgatan 32	1989	0	0	0	650	1,064	1,714	2.7	0.9	0.0
Södra Hamnen 1:56	Lysekil	Landsvägsgatan 9–17, Södra Kvarngatan 21	1990	72	5,336	2,400	0	0	7,736	37.7	8.7	5.1
Södra Hamnen 13:4–5	Lysekil	Södra Hamngatan 6 A–E, Kungstorget 2–9, Fiskaregatan 4–6	1968	68	4,693	2,205	3,338	1,354	11,590	45.6	8.5	3.7
Södra Hamnen 4:7	Lysekil	Södra Hamngatan 2, 4 A–B, Kungsgatan 50, Fiskaregatan 5–7	1991	37	2,794	952	1,733	110	5,589	25.6	4.7	2.5
Total, other localities				**177**	**12,823**	**5,982**	**40,379**	**7,078**	**66,262**	**307.5**	**58.8**	**11.3**
Total, West Region				**2 960**	**192,321**	**19,971**	**68,828**	**19,930**	**301,050**	**1,254.0**	**238.4**	**150.3**

(SL) Site leasehold.

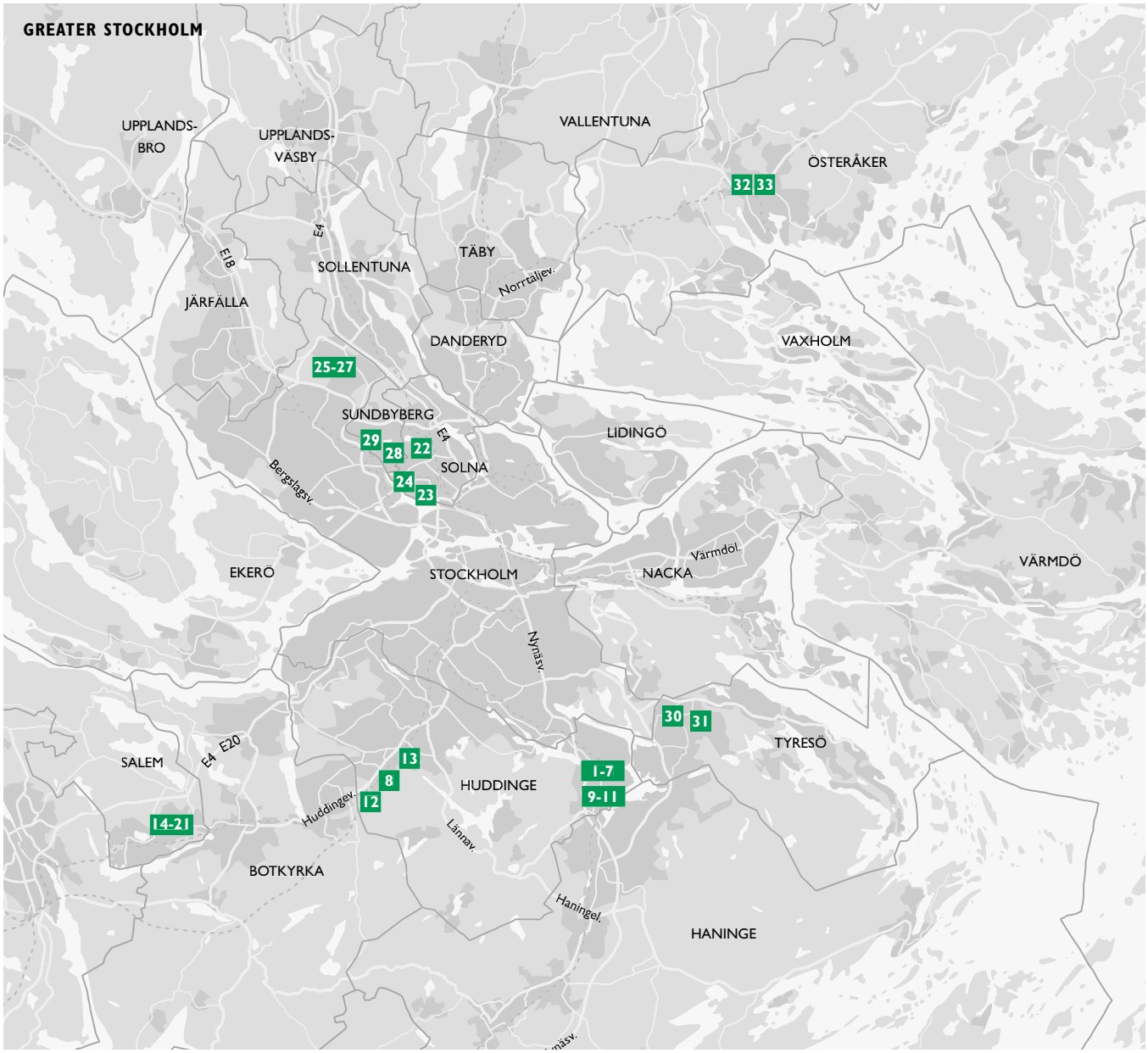


EAST REGION

	Name	Municipality	Street address	Assessment year	No. of flats	Area, residential	Area, shops	Area, offices	Area, ind/ other	Area, total	Assessed value, SEK m	Rental value, SEK m	Incl. housing, SEK m
	GREATER STOCKHOLM												
1	Bromsen 3	Huddinge	Säterbacken 1	–	0	0	0	0	0	0	0.0	0.1	0.0
2	Cylindern 1	Huddinge	Storvretsvägen 96	–	0	0	0	0	0	0	0.0	0.1	0.0
3	Hallen 2	Huddinge	Storvretsvägen 92	1966	36	3,127	0	0	3	3,130	15.8	2.3	2.3
4	Konan 1	Huddinge	Säterbacken 4–16, 10 A	1968	208	16,083	0	92	49	16,224	81.9	12.6	11.8
5	Lamellen 1	Huddinge	Vallhornsvägen 1–9, 16 A	1969	162	12,388	0	0	79	12,467	62.8	9.7	9.1
6	Lamellen 2	Huddinge	Vallhornsvägen 2–16	1968	228	18,968	50	500	93	19,611	99.5	15.3	13.7
7	Låset 1	Huddinge	Storvretsvägen 94	0	0	0	0	0	0	0	0.0	0.3	0.0
8	Magasinet 4	Huddinge	Visättravägen 2–26	1970	231	16,044	0	1,928	11	17,983	97.5	15.4	12.1
9	Porten 12	Huddinge	Storvretsvägen 17, 17 C	1976	0	0	0	0	588	588	1.5	0.3	0.0
10	Porten 13	Huddinge	Storvretsvägen 15	–	0	0	0	0	0	0	0.0	0.0	0.0
11	Porten 14	Huddinge	Storvretsvägen 17 A, 19–29	1966	154	12,004	0	0	27	12,031	60.1	9.3	8.7
12	Stallet 3	Huddinge	Visättravägen 65–77	1969	170	10,416	0	0	49	10,465	56.1	7.8	7.5
13	Vedboden 1	Huddinge	Sågstuvägen 1 A–P	1971	168	11,348	0	336	7	11,691	63.7	8.9	8.6
14	Berget 1	Salem	Bergsvägen 33–38	1968	36	3,282	0	0	98	3,380	16.6	2.7	2.4
15	Berget 2 (SL)	Salem	Bergsvägen 2–32	1968	191	15,763	0	0	160	15,923	78.3	11.7	11.6
16	Fredriksberg 2 (SL)	Salem	Fredriksbergsvägen 1–45	1968	180	15,009	0	0	0	15,009	75.0	11.5	11.0
17	Mosshagen 1	Salem	Mosshagestigen 1–220	1990	359	28,407	0	1,134	21	29,562	168.3	28.7	26.5
18	Panncentralen 2 (SL)	Salem	Bergsvägen 45–47	1968	0	0	0	879	133	1,012	3.1	0.8	0.0
19	Panncentralen 3 (SL)	Salem	Bergsvägen 53	1971	0	0	190	120	550	860	1.2	0.5	0.0
20	Storskogen 5	Salem	Storskogsvägen 1–71	1969	491	40,792	0	0	570	41,362	205.1	30.9	29.9
21	Årstiden 1	Salem	Söderbyvägen 14–18	1972	45	3,588	0	0	24	3,612	19.2	2.9	2.8
	Märsta 1:218	Sigtuna	Rondellen	1993	0	0	1,562	724	118	2,404	13.3	1.8	0.0
	Rosersberg 11:45	Sigtuna	Tallbacksgatan 11	–	0	0	0	0	0	0	0.0	0.0	0.0
	Rosersberg 11:46	Sigtuna	Tallbacksgatan 11	1990	0	0	0	0	1,048	1,048	2.0	0.3	0.0
	Rosersberg 11:47	Sigtuna	Tallbacksgatan 11	1990	0	0	0	0	1,048	1,048	2.0	0.3	0.0
	Rosersberg 11:48	Sigtuna	Tallbacksgatan 11	1990	0	0	0	0	1,048	1,048	2.0	0.3	0.0
	Rosersberg 11:50	Sigtuna	Tallbacksgatan 11	1990	0	0	0	0	1,048	1,048	2.0	0.4	0.0
	Rosersberg 11:52	Sigtuna	Tallbacksgatan 11	1990	0	0	0	0	1,048	1,048	1.9	0.3	0.0
22	Lövdalen 4	Solna	Backvägen 3–5	1954	72	4,362	0	0	0	4,362	30.3	3.4	3.2
23	Palsternackan 1	Solna	Jungfrudansen 1–15	1973	233	13,166	0	23	134	13,323	102.8	11.2	11.1
24	Vitkålen 1 (SL)	Solna	Jonstorpsvägen 2–16	1968	96	7,657	0	50	67	7,774	57.2	6.1	6.1
25	Bergen 1 (SL)	Stockholm	Bergengatan 4–12	1976	428	20,731	246	2,057	47	23,081	139.5	20.4	18.4
26	Holmenkollen 1 (SL)	Stockholm	Nidarosgatan 2–10	1976	130	10,010	0	300	12	10,322	60.4	8.3	7.9
27	Telemark 1 (SL)	Stockholm	Nidarosgatan 3–11, 22–40	1974/76	401	30,246	0	329	138	30,713	181.6	25.0	23.7
28	Snickaren 1	Sundbyberg	Fredsgatan 12 A–B	1942	32	1,528	0	215	25	1,768	16.6	1.8	1.6
29	Stataren 12	Sundbyberg	Vegagatan 21–27, Ursviksvägen 8	1970	110	6,890	0	720	550	8,160	63.2	7.5	6.2
30	Bollmora Berg 1	Tyresö	Granitvägen 1–42	1964/66	490	37,540	0	1,373	360	39,273	194.6	30.8	29.2
31	Nyboda 1:17	Tyresö	Granbacksvägen 1–9, 2–8, Granängsvägen 1–17, Mellanbergsvägen 19–37	1968/70	778	66,309	0	199	559	67,067	351.1	55.9	54.5
32	Berga 10:5	Österåker	Skolvägen 4–25	1966	250	16,268	0	0	128	16,396	94.7	14.5	14.1
33	Hacksta 1:27	Österåker	Norrgårdsvägen 69–131	1994	340	26,368	0	886	203	27,457	192.8	25.9	24.1
	Total, Greater Stockholm				**6,019**	**448,294**	**2,048**	**11,865**	**10,043**	**472,250**	**2,613.7**	**386.0**	**358.1**
	OTHER LOCALITIES												
	Hede Kyrkby 59:116, 59:185, 59:186	Härjedalen	–	–	0	0	0	0	0	0	0.1	0.0	0.0
	Vemdalen Kyrkby 44:16, 44:17	Härjedalen	–	–	0	0	0	0	0	0	0.0	0.0	0.0
	Lasarettet 7	Norrköping	Gamla Lasarettsgatan 18–20	–	0	0	0	4,700	247	4 947	0.0	4.7	0.0
	Nybyn 31:1	Robertsfors	–	–	0	0	0	0	0	0	0.1	0.0	0.0
	Höken 2	Skellefteå	Stationsgatan 5, Storgatan 38–40	1960	0	0	0	0	3,965	3,965	12.7	1.3	0.0
	Mejeristen 1	Söderköping	Ringvägen 44	1950/75	0	0	8,628	3,230	3,532	15,390	24.0	7.6	0.0
	Stenbocken 8	Söderköping	Harsbygatan 9	1988	0	0	0	455	2,495	2,950	3.6	1.1	0.0
	Näckrosen 1	Vadstena	Kronängsgatan 1	1977	0	0	0	185	4,809	4,994	4.8	1.6	0.0
	Total, other localities				**0**	**0**	**8,628**	**8,570**	**15,048**	**32,246**	**45.3**	**16.3**	**0.0**
	Total, East Region				**6,019**	**448,294**	**10,676**	**20,435**	**25,091**	**504,496**	**2,659.0**	**402.3**	**358.1**

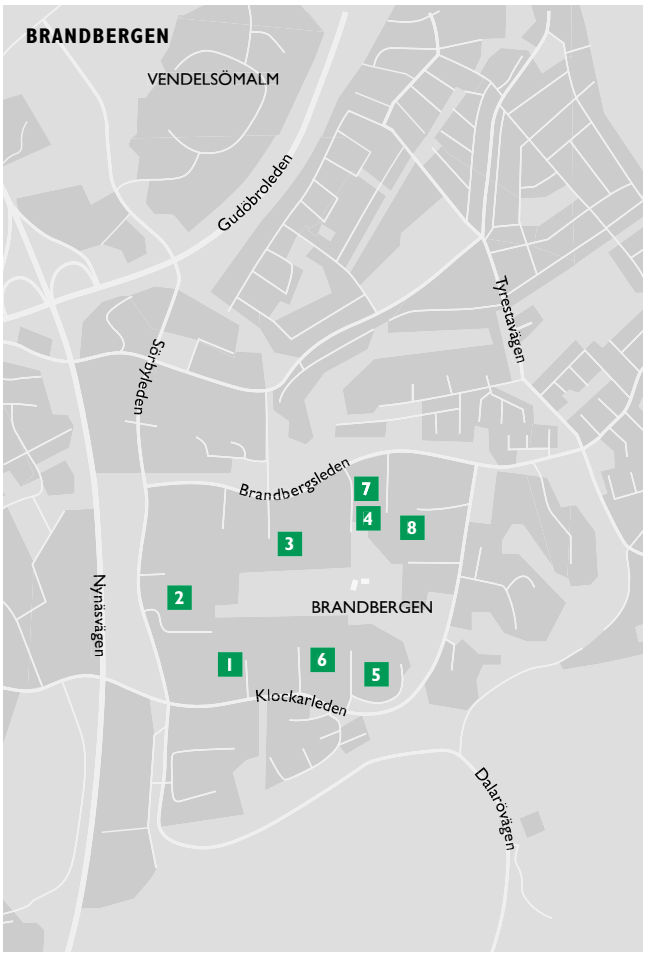
Name	Municipality	Street address	Assessment year	No. of flats	Area, residential	Area, shops	Area, offices	Area, ind/ other	Area, total	Assessed value, SEK m	Rental value, SEK m	Incl. housing, SEK m
ABROAD												
Frankfurt an der Oder	Germany	Birnbaumsmühle 65	–	0	0	0	3,029	2,403	5,432	–	3.2	0.0
Total, Abroad				**0**	**0**	**0**	**3,029**	**2,403**	**5,432**	**0.0**	**3.2**	**0.0**
Total, Mandamus Fastigheter AB				**13,269**	**932,732**	**56,987**	**133,724**	**79,654**	**1,203,097**	**5,636.8**	**942.7**	**741.0**

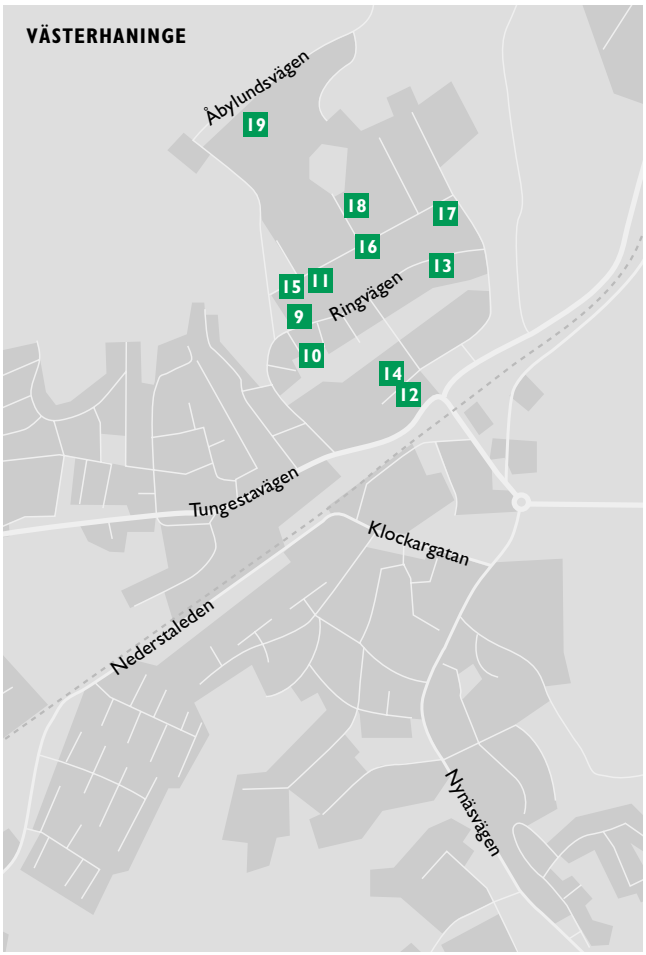
(SL) Site leasehold.



PROPERTIES MANAGED

	Name	Municipality	Street address	Assessment year	No. of flats	Area, residential	Area, shops	Area, offices	Area, ind/ other	Area, total	Assessed value, SEK m	Rental value, SEK m	Incl. housing, SEK m
	BRANDBERGEN												
1	Söderby 2:2	Brandbergen	Vädurens gata 235 Tvillingarnas gata 323–339	–	–	–	–	–	–	–	0.4	0.5	–
2	Söderby 2:14	Brandbergen	Oxens gata 236–245, 255–256	1991/92	274	18,339	0	0	2,324	20,663	115.1	17.5	15.8
3	Söderby 2:23	Brandbergen	Lejonets gata 344–354, Jungfruns gata 401–415, N Kronans gata 421–428	1987–91	588	48,077	486	1,058	5,258	54,879	294.6	45.2	38.6
4	Söderby 2:27	Brandbergen	Norra Kronans gata 434	1991	44	2,200	0	0	0	2,200	2.1	1.5	–
5	Söderby 2:43	Brandbergen	Vattumannens gata 144–147, Stenbockens gata 114–117	1991	168	10,780	0	0	200	10,980	63.6	9.1	9.1
6	Söderby 2:51	Brandbergen	Fiskarnas gata 161–169, 173–175, Vattumannens gata 137–142	1991/92	260	19,453	0	0	713	20,166	116.2	16.5	16.2
7	Söderby 2:68	Brandbergen	Norra Kronans gata 420	–	–	–	–	–	–	–	–	–	–
8	Söderby 2:394	Brandbergen	Vågens gata 437–472, Skorpionens gata 501–504, 507–536, Skyttens gata 538–551, 557–585, Norra Kronans gata 430–433	1987–91	1,096	84,953	0	0	1,535	86,488	467.2	73.5	70.3
	Total, Brandbergen				**2,430**	**183,802**	**486**	**1,058**	**10,030**	**195,376**	**1,059.2**	**163.9**	**150.0**
	VÄSTERHANINGE												
9	Åby 1:36	Västerhaninge	Ringvägen 19–27	1957	42	2,478	78	0	0	2,556	11.1	1.9	1.7
10	Åby 1:37	Västerhaninge	Ringvägen 6–46, Ekstigen 2–8, Tallstigen 1–7, 2–4, Granstigen 1–7, 2–6, Björkstigen 1–7, 2–6, Åbyvägen 19–21	1995	381	22,018	617	487	547	23,669	102.1	17.6	16.5
11	Åby 1:39	Västerhaninge	Björnvägen 10, Ringvägen 29	–	0	0	711	498	323	1,532	5.2	1.0	–
12	Åby 1:40	Västerhaninge	Bokstigen 1–7	1959	50	3,205	1,470	828	190	5,693	20.7	3.9	2.3
13	Åby 1:42	Västerhaninge	Ringvägen 72–118	1961/62	301	18,260	109	166	14	18,549	85.3	14.1	13.2
14	Åby 1:48	Västerhaninge	Bokstigen 2–8	1966	19	1,595	570	0	104	2,269	9.1	1.6	1.2
15	Åby 1:53	Västerhaninge	Ringvägen 31–73, Björnvägen 2–10	1963	30	2,226	0		55	2,281	10.4	1.7	1.6
	Åby 1:54	Västerhaninge	–	–	–	–	–	–	–	–	–	–	–
16	Åby 1:55	Västerhaninge	Björnvägen 12–26	1970	42	3,210	0	0	0	3,210	16.4	2.6	2.4
17	Åby 1:56	Västerhaninge	Björnvägen 28–32	1991	215	16,620	0	0	83	16,703	78.3	12.7	12.2
18	Åby 1:59	Västerhaninge	Rådjursvägen 2–30, 50–52, Vargvägen 1–27, 2–30, Älgvägen 1–31, 2–18, 32–34, 44–46, 60–62	1969/70	407	34,092	0	0	489	34,581	164.1	26.7	25.3
19	Åby 1:142	Västerhaninge	Kvartärvägen 1–249, Åbylundsvägen 5–321, 401–477	1983–85	322	23,310	0	0	235	23,545	129.2	21.3	20.7
	Total, Västerhaninge				**1,809**	**127,014**	**3,555**	**1,979**	**2,040**	**134,588**	**631.9**	**105.2**	**97.2**
	Total, Haninge				**4,239**	**310,816**	**4,041**	**3,037**	**12,070**	**329,964**	**1,691.1**	**269.1**	**247.2**
	Total, managed properties				**17,508**	**1 243,548**	**61,028**	**136,761**	**91,724**	**1,533,061**	**7,327.9**	**1,211.8**	**988.1**





The Brandbergen pool – a magnet for residents. Mandamus takes care of the pool in the summer.

FIVE-YEAR REVIEW

FIGURES IN SEK M UNLESS OTHERWISE STATED	2002	2001	2000	1999	1998
Profit and loss account					
Rental income	907	867	828	794	547
Net operating income	440	443	425	398	249
Management profit	148	148	139	115	58
Pre-tax profit	73	188	222	288	103
Profit after tax	50	147	162	201	76
Cash flow	173	167	135	126	128
Balance sheet					
Balance-sheet total	5,880	5,889	5,550	5,556	5,040
Liquid funds	15	16	19	11	45
Book value of properties	5,698	5,720	5,432	5,433	4,926
Market value of properties	7,070	6,500	6,100	5,900	5,420
Surplus values in properties	1,372	780	668	467	494
Interest-bearing liabilities	4,213	4,203	3,925	3,547	3,490
Net debt	4,107	4,092	3,900	3,520	3,433
Shareholders' equity	1,348	1,343	1,275	1,414	1,262
Net asset value	2,336	1,905	1,756	1,750	1,618
Property key ratios					
Direct yield, %	7.7	7.9	7.8	7.9	7.6
Letting ratio, economic, %	98.1	97.9	97.0	95.5	93.7
Letting ratio, area, %	97.4	97.1	97.1	95.8	93.9
Surplus ratio, %	48.5	51.1	51.3	50.1	45.5
Gross margin, %	16.3	17.1	16.8	14.5	10.6
Book value, SEK/m^2	4,736	4,681	4,623	4,312	4,038
Financial key ratios					
Pre-tax return on total assets before tax, %	5.4	7.5	8.0	9.3	5.8
Return on equity, after tax, %	3.7	11.2	12.0	15.0	6.6
Average interest rate, loans, %	5.66	5.66	5.77	5.43	5.76
Debt/equity ratio, times	3.1	3.1	3.1	2.5	2.8
Property gearing, %	73.9	73	72	65	71
Interest-coverage ratio, times	1.61	1.64	1.66	1.65	1.62
Risk-capital ratio, %	25.1	25.0	24.9	27.0	26.4
Equity ratio, %	22.9	22.8	23.0	25.4	25.0
Adjusted equity ratio, %	32.2	28.6	28.2	29.1	29.2

Key figures per share, see page 5

DEFINITIONS

Cash flow
This refers to cash flow before change in working capital. Cash flow shows how much cash is generated by operations, to be used as business reinvestments and as dividend: the higher, the better.

Debt/equity ratio
Interest-bearing liabilities at the end of the period under review, in relation to shareholders' equity. This measure shows interest-bearing liabilities in relation to shareholders' equity and, accordingly, the company's financial leverage or risk profile. The lower, the better.

Direct yield
Net operating income on a whole-year basis in relation to book value, calculated for the outstanding property stock. This measure describes yield on capital invested in properties (regardless of their financing) at a given date: the higher, the better.

Dividend yield
Dividend in relation to share price. Compare total share yield. Shows the shareholders' disbursed yield, or interest on capital invested.

Equity ratio, adjusted
Shareholders' equity including minority interest plus expected surplus value in the property stock, less deferred tax, in relation to the balance-sheet total with the addition of surplus value in the property stock. The adjusted equity ratio shows the company's actual ability to withstand any losses, since assets are valued at market value rather than historical acquisition value. The higher, the better.

Equity ratio, visible
Shareholders' equity including minority interest in relation to balance-sheet total. This measure shows the proportion of risk capital in relation to total capital. It indicates the company's ability to bear losses in the long term. The higher, the better.

Gross margin
Management profit in relation to rental income. Shows how high a proportion of rental income remains before tax.

Interest-coverage ratio
Pre-tax profit, excluding profit from property sales and financial expense, in relation to financial expense. This measure describes a company's ability to make its interest payments: the higher, the better.

Items affecting comparability
Interest contributions, profit from property sales, non-repeating income and expense, and write-downs. These items may vary sharply over time without having any direct link with day-to-day business operations.

Letting ratio, area
Area let in relation to total rentable area at the end of the period. This measure describes the proportion of total rentable area that is under contract and let to tenants, i.e. capacity utilisation.

Letting ratio, economic
Rental income for the period under review, with re-entry of rental losses in relation to rental value. The economic letting ratio shows how high a proportion of potential rental income is de facto being received. Conversely, the non-let portion of property shows the group's potential for increased income.

Management profit
Pre-tax profit, excluding items affecting comparability such as disposal profits. This shows current profits from business operations, unaffected by non-repeating profit items.

Market value of properties
Estimated market value of the property stock, according to an external valuation at year-end. The market value of a property is an estimated true value, the sale price, at a given date: the higher, the better.

Net worth
Net worth is composed of shareholders' equity plus the surplus value of properties after deferred tax (28 per cent). It indicates actual shareholders' equity, based on the market value of the company's assets (properties) rather than their historical acquisition value. Deferred tax has been deducted from any surplus value. The higher, the better.

Net debt
Interest-bearing liabilities less long-term claims and liquid funds. Net debt is the company's actual borrowing commitment: the lower, the better.

P/E ratio
The price/earnings (P/E) ratio is the share price in relation to profit (earnings) per share. This ratio shows the number of years' earnings at which the company is valued. A high P/E ratio shows that future earnings are valued high and good future profit trends are expected, while a low P/E ratio indicates the opposite.

Profit before items affecting comparability
See management profit.

Property gearing
Interest-bearing liabilities in relation to the properties' book value at the end of the period under review. The measure refers to the proportion of the properties' book value that has been pledged. Low property gearing shows potential unutilised scope for liquidity.

Rental value
Rental income plus estimated market rent for vacant premises and rental losses. This figure refers to the amount of rental income received if all the premises are fully let.

Return on equity after tax
Profit after tax in relation to average shareholders' equity, calculated as the average of opening and closing shareholders' equity. Shows the return after tax on shareholders' equity in the company. This may be compared with the investor's return on alternative investments. The higher, the better.

Return on total assets before tax
Pre-tax profit with re-entry of financial expense in relation to average total assets, calculated as the average of opening and closing total assets. Shows return on the company's total assets, regardless of how these are financed: the higher, the better.

Risk-capital ratio
Shareholders' equity plus deferred tax in relation to total assets. This measure shows actual risk capital that makes up the buffer against losses: the higher, the better.

Surplus ratio
Net operating income in relation to total rental income. This measure indicates the residual share of income that remains for covering capital costs, central administration, depreciation and any profit earned and tax paid. The higher, the better.

Surplus value of properties
The difference between the properties' estimated market value and their book value. This figure is a theoretical surplus value that is not visible in the company's balance sheet. The higher, the better.

Total property yield
Net operating income on properties plus the change in value during the year, in relation to the properties' opening market value.

Total share yield
Share-price trend during the year and dividend in relation to opening share price. Compare dividend yield. The shareholder's actual yield, consisting of dividend paid during the period and the change in share price during the year (unrealised change in value).

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Financial information, 2003

Interim Report, January–March 2003	24 April
Annual General Meeting	15 May
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Interim Report, January–September 2003	23 October
Summarised Financial Statements for 2003	February 2004
Annual Report on 2003	March 2004

Mandamus

Mandamus Fastigheter AB (publ)
Corporate ID No. 556549-6360

1997
After the merger between Föreningsbanken and Sparbanken to form Swedbank, Mandamus Fastigheter AB was founded. Mandamus Fastigheter AB acquired all Mandamus AB's properties at an estimated market value of SEK 2,957m.

1998
The shares in Mandamus Fastigheter AB were distributed to Swedbank's shareholders and the company was taken public in June.
Work on concentrating Mandamus' property stock began. The company disposed of properties for SEK 399m and acquired properties for SEK 2,239m during the year.

1999
Concentration of the stock continued. Fifty-three properties were acquired for SEK 1,291m in Lund, Borås and elsewhere, and 141 were sold for SEK 974m. The balance-sheet total reached SEK 5,556m.

2000
By year-end, 65 per cent of the property stock was located in Mandamus' four growth areas, and residential properties made up 83 per cent. During the year, 800 flats in the Gothenburg suburb of Partille and 566 in the Stockholm suburb of Åkersberga were taken over, while 85 properties were sold for SEK 426m. Properties were acquired for SEK 336m.

2001
In March, Mandamus acquired 1,354 flats in the municipality of Huddinge. During the year, 26 properties were sold for SEK 240m. Mandamus, Länsförsäkringar and the Federation of Swedish Farmers (LRF) became partners in a consortium that acquired 4,239 flats in the municipality of Haninge. Mandamus was assigned to manage the stock.
At year-end, 17,624 flats, of which 79 per cent were located in the four growth areas, were under Mandamus' management.

2002
Mandamus continued to concentrate its property stock. During the year, 22 properties were sold and six acquired. The share of the property stock located in Mandamus' four growth areas was 71 per cent. Mandamus was nominated the 'Listed Company of 2002'. At the end of December, the Board decided to dismiss the then Managing Director, Anders Johansson, from his post. Since 1 January 2003, Anders Silverbåge has been the company's Acting MD.