

**MANDAMUS
INTERIM REPORT
I JANUARY–30 JUNE 2003**

Rental income for the first half-year rose to SEK 465m (451m).

Profit after tax amounted to SEK 56m (52m), including gains of SEK 14m (–1m) from property sales.

Pre-tax earnings per share totalled SEK 2.73 (2.55).

During the first half, 14 properties in Karlstad and Vänersborg were sold at a profit of SEK 14m.

Management profit for the first half-year is expected to total some SEK 120m.

Since the end of the period, a residential property in Malmö has been acquired.



Interim Report for I January–30 June 2003

Operations

Mandamus seeks, on a long-term basis, to own, develop and manage residential properties in Southern and Central Sweden. One business target is for 90 per cent of the stock to consist of housing properties. Another is for 75 per cent of the stock to be concentrated in Mandamus' growth areas: Greater Stockholm, Greater Gothenburg, Malmö/Lund and Halmstad. At 30 June, residential properties accounted for a 91 per cent share of book value, and the proportion of properties in the company's growth areas was 74 per cent.

Rental income

Rental income for the period from January to June totalled SEK 465m (451m), just over 3 per cent higher than the same period in 2002. This rise in rental income is due mainly to higher rents in the property stock. Rental income for the second quarter amounted to SEK 232m (227m).

Letting ratio

The average economic letting ratio for the period was 98.4 per cent, 0.3 percentage point higher than at year-end and 0.4 percentage point higher than in the corresponding period in 2002. Vacancies in the stock are mainly in commercial premises, while the vacancy ratio for housing was only 0.7 per cent at 30 June. This indicates a persistent massive demand for homes in Mandamus' market areas.

Property costs

Property costs for the period from January to June totalled SEK 264m (234m). Of the rise in property expense, SEK 11m was due to increased electricity and heating costs during the first quarter. The cold winter made for higher electricity prices, and generally higher tariffs from district-heating suppliers also boosted costs. Maintenance costs were SEK 15m higher than in the previous year. Property expense for the second quarter amounted to SEK 123m (109m), the increase being due largely to raised maintenance costs in the second quarter.

Net operating income

Net operating income (NOI) for January–June amounted to SEK 201m (217m). This decrease from the previous year is attributable to higher energy prices and a raised maintenance level. Second-quarter NOI totalled SEK 109m (118m).

Management profit

Depreciation on properties amounted to SEK 26m (26m) for the half-year under review and SEK 13m (13m) for the second quarter. Central administrative expense totalled SEK 8m (9m) for the half-year and SEK 4m (5m) for the second quarter. During the period, SEK 2m (2m) in management remuneration was received from the associated company

Mandamus Förvaltning i Haninge AB. Interest expense amounted to SEK 121m (122m) for the period and SEK 60m (62m) for the second quarter.

Management profit for the period, i.e. profit before items affecting comparability such as sale profit, interest contributions and profit of a non-recurring nature, totalled SEK 69m (73m). The second-quarter figure was SEK 49m (46m). For the past 12-month period (on a rolling 12-month basis), management profit amounted to SEK 144m.

Income from associated companies

Income from Mandamus' associated company in Haninge totalled SEK 21m (10m) for the period. This income comprises interest on shareholder loans at SEK 5m (5m) and the company's share of profit in the associated company, SEK 16m (5m). The sharp rise in the latter compared with the previous year is due to the company's sale profit of SEK 46m on a property in Västerhaninge. However, the Haninge company has a major pent-up need for maintenance on its other properties in Västerhaninge, and the plan is therefore to use most of the sale profit for renovation of the existing property stock during the remainder of the year.

Items affecting comparability

Sale profit from property sales implemented during the period was SEK 14m (–1m), of which SEK 14m (–3m) relates to profit from second-quarter property sales.

During the period, SEK 6m in non-recurring costs was charged to profit. Of this amount, SEK 4.5m represents expenses of phasing out the company's former Deputy Managing Director. The remainder, SEK 1.5m, relates to costs connected with production of the fairness opinion occasioned by LRF's purchase bid for Mandamus made to the company's shareholders in the spring.

Profit

Pre-tax profit for the period amounted to SEK 77m (72m). The rise in profit compared with the previous year is due to increases both in sale profit and in profit from the associated company. Second-quarter profit after tax totalled SEK 63m (43m).

Profit after standard tax for the period amounted to SEK 56m (52m), corresponding to earnings per share (EPS) of SEK 2.73 (2.55). Cash flow per share was SEK 4.33 (4.12). Second-quarter profit after standard tax was SEK 46m (31m).

Property stock

At 30 June 2003, the group had properties with a book value of SEK 5,471m (5,838m). The decrease since 2002 is mainly an effect of property sales.

During the period, three residential properties in Vänersborg and 11 commercial properties in Karlstad were

sold for a total of SEK 242m, at a sale profit of some SEK 14m. The properties sold had an aggregate rentable area of 44,100 m². Investments in the existing property stock for the period amounted to SEK 26m (50m), including SEK 17m for major conversion projects in housing properties in Huddinge, Husby (in north-west Stockholm), Tyresö, Partille and Trollhättan. Second-quarter investments totalled SEK 15m (35m).

Since Mandamus' admission to the stock exchange five years ago, the book value of the property stock has virtually doubled. This has coincided with restructuring of the property stock and its concentration in growth areas. The share of properties in growth areas was 32 per cent of book value at the time of quotation; by 30 June 2003 this figure had risen to 74 per cent. Housing properties made up 91 per cent of book value at 30 June. With the proportion of residential properties now exceeding 90 per cent, Mandamus has now attained one of its targets for the property stock. Moreover, Mandamus is now very close to achieving another target: that 75 per cent of the property stock should be concentrated in the four growth areas — Greater Stockholm, Greater Gothenburg, Malmö/Lund and Halmstad.

Financial position

At 30 June 2003, the group had interest-bearing liabilities of SEK 4,226m (4,344m). Of these liabilities, SEK 9m (9m) was in foreign currencies. The loan portfolio has an average fixed-rate term of 2.49 (2.13) years. If the effect of interest-swaption contracts signed to date is included in the calculation of the average fixed-rate term of loans, the average term is extended to 2.9 years. Average interest was 5.51 (5.77) per cent, including limit charges.

Net debt at 30 June amounted to SEK 4,114m (4,230m). Since year-end, net debt has increased by SEK 7m. At 30 June, the group had confirmed unutilised credit pledges of SEK 538m (183m).

Group shareholders' equity amounted to SEK 1,363m at 30 June, representing a rise of SEK 15m since year-end. Shareholders' equity rose by SEK 56m in the form of profit for the period, while dividend paid reduced it by SEK 41m. The visible equity ratio at 30 June was 23.2 (22.4) per cent, and the adjusted equity ratio at the same date was 32.3 (28.3) per cent. The external valuation carried out at year-end was used to calculate the adjusted equity ratio.

Parent company

The parent company's rental income during the first half-year totalled SEK 463m (449m) and pre-tax profit was SEK 69m (72m). Investments for the period amounted to SEK 26m (185m). The parent company's net debt at 30 June totalled SEK 4,117m (4,225m).

Events since 30 June

In July a residential property in Malmö has been acquired. The property contains 32 flats and has a rentable area of 2,400 m². The purchase price was SEK 20m.



Accounting principles

The same accounting principles and calculation methods as in the group's latest Annual Report have been used in this interim report.

Forecast

Given the trend for the first half-year, a whole-year figure for management profit of some SEK 120m is expected. In addition, there will be items affecting comparability, which currently amount to SEK 8m. This forecast corresponds to EPS of SEK 4.49 after tax.

Stockholm, 22 July 2003

Mandamus Fastigheter AB (publ)


Anders Silverbåge
Managing Director

PROFIT AND LOSS ACCOUNTS

FIGURES IN SEK MILLION	2003 APRIL-JUN 3 MTHS	2002 APRIL-JUN 3 MTHS	2003 JAN-JUN 6 MTHS	2002 JAN-JUN 6 MTHS	2002/03 JULY-JUN 12 MTHS	2002 JAN-DEC 12 MTHS
Rental income	232	227	465	451	921	907
Operating costs	-63	-59	-153	-140	-279	-266
Repairs and maintenance	-33	-24	-59	-44	-115	-100
Ground rent	-1	-1	-2	-2	-5	-5
Property tax	-8	-8	-16	-15	-31	-30
Property management	-18	-17	-34	-33	-67	-66
Total property expense	-123	-109	-264	-234	-497	-467
Net operating income	109	118	201	217	424	440
Depreciation on properties	-13	-13	-26	-26	-53	-53
Gross profit	96	105	175	191	371	387
Central administrative expense	-4	-5	-8	-9	-19	-20
Income from property assignments	1	1	2	2	4	4
Non-recurring expense	-	-	-6	-	-12	-6
Write-downs	-	-	-	-	-64	-64
Profit from property sales	14	-3	14	-1	9	-6
Operating profit	107	98	177	183	289	295
Profit from associated companies	16	6	21	10	32	21
Interest contributions	0	0	0	0	1	1
Financial income	0	1	0	1	1	2
Financial expense	-60	-62	-121	-122	-245	-246
Net interest income/expense	-60	-61	-121	-121	-243	-243
Pre-tax profit	63	43	77	72	78	73
Tax expense	-17	-12	-21	-20	-24	-23
Profit for the period	46	31	56	52	54	50
Earnings per share after tax (SEK)	2.24	1.51	2.73	2.55	2.63	2.44
Average number of shares ('000)	20,542	20,542	20,542	20,400	20,542	20,471

PROFIT AND LOSS ACCOUNTS PER REGION

FIGURES IN SEK MILLION	SKÅNE		SMÅLAND/HALLAND		WEST		EAST*		TOTAL	
	2003 6 MTHS	2002 6 MTHS	2003 6 MTHS	2002 6 MTHS	2003 6 MTHS	2002 6 MTHS	2003 6 MTHS	2002 6 MTHS	2003 6 MTHS	2002 6 MTHS
Rental income	90	83	57	56	115	111	202	201	464	451
Property costs	-48	-44	-35	-27	-62	-53	-118	-110	-263	-234
Net operating income	42	39	22	29	53	58	84	91	201	217
Depreciation on properties	-5	-5	-3	-3	-6	-6	-12	-12	-26	-26
Gross profit	37	34	19	26	47	52	72	79	175	191
Book value of properties	1,092	1,096	669	697	1,175	1,440	2,535	2,605	5,471	5,838

* Figures for the East Region include the property abroad.

CASH-FLOW STATEMENTS

FIGURES IN SEK MILLION	2003 APR-JUN 3 MTHS	2002 APR-JUN 3 MTHS	2003 JAN-JUN 6 MTHS	2002 JAN-JUN 6 MTHS	2002/03 JULY-JUN 12 MTHS	2002 JAN-DEC 12 MTHS
Profit after financial income and expense	63	43	77	72	78	73
Adjustment for items not included in cash flow etc	10	5	12	12	100	100
Cash flow before change in working capital	73	48	89	84	178	173
Cash flow from change in working capital	-276	-109	-258	-26	-236	-4
Cash flow from operations	-203	-61	-169	58	-58	169
Property acquisitions	0	-29	0	-135	-12	-147
Property sales (incl. sales expense)	242	7	242	40	327	125
Investments in properties	-15	-35	-26	-50	-55	-79
Other investments/provisions	-16	-6	-12	-5	-41	-34
Cash flow from investments	211	-63	204	-150	219	-135
Dividend paid	-41	-87	-41	-87	-41	-87
Sale/buy-back of own shares	0	0	0	42	0	42
New loans, amortisation payments etc	26	187	13	141	-118	10
Cash flow from financial operations	-15	100	-28	96	-159	-35
Cash flow for the period	-7	-24	7	4	2	-1
Opening liquid funds	29	44	15	16	20	16
Closing liquid funds	22	20	22	20	22	15
Change in net debt						
Net debt included	-4,081	-4,019	-4,107	-4,092	-4,230	-4,092
Change for the period	-33	-211	-7	-138	116	-15
Closing net debt	-4,114	-4,230	-4,114	-4,230	-4,114	-4,107

BALANCE SHEETS

FIGURES IN SEK MILLION	2003 30 JUN	2002 30 JUN	2002 31 DEC
Assets			
Properties	5,471	5,838	5,698
Other tangible fixed assets	8	8	8
Participations in associated companies	25	15	19
Other financial fixed assets	90	94	91
Other current assets	266	47	49
Liquid funds	22	20	15
Total assets	5,882	6,022	5,880
Shareholders' equity and liabilities			
Shareholders' equity	1,363	1,350	1,348
Provisions	136	169	142
Interest-bearing liabilities	4,226	4,344	4,213
Non-interest-bearing liabilities	157	159	177
Total, shareholders' equity and liabilities	5,882	6,022	5,880

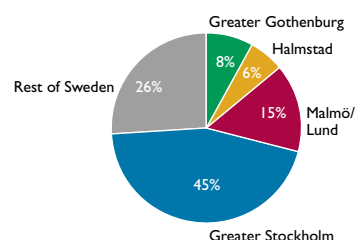
CHANGE IN SHAREHOLDERS' EQUITY

FIGURES IN SEK MILLION	2003 30 JUN	2002 30 JUN	2002 31 DEC
Opening shareholders' equity	1,348	1,343	1,343
Dividend paid	-41	-87	-87
Company's own shares			
bought back/sold	-	42	42
Profit for the period	56	52	50
Closing shareholders' equity	1,363	1,350	1,348

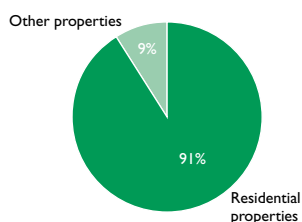
SUMMARY OF PROPERTY STOCK

30 JUNE 2003	NO. OF FLATS	RENTABLE AREA, '000 M ²	RENTAL INCOME, SEK M	ECONOMIC LETTING RATIO, %	BOOK VALUE, SEK M
Skåne	2,644	236	90	97.9	1,092
Småland/Halland	1,646	156	57	97.9	669
West	2,915	257	115	97.7	1,175
East	6,019	505	202	99.2	2,526
Total, Sweden	13,224	1,154	464	98.4	5,462
Abroad	0	5	1	74.6	9
Total	13,224	1,159	465	98.4	5,471
Properties in growth areas, %	75%	68%	68%	99%	74%
Residential properties, %	n.a.	85%	86%	99%	91%
Residential	13,111	982	399	99.1	4,964
Offices/shops	113	114	53	95.3	384
Industrial/warehouse	0	63	13	88.5	120
Land	0	0	0	—	3
Total	13,224	1,159	465	98.4	5,471

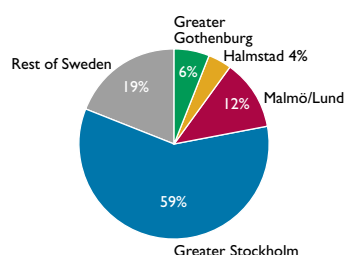
BOOK VALUE BY GROWTH AREA; TOTAL SEK 5,471M



BOOK VALUE BY PROPERTY TYPE;
TOTAL SEK 5,471M



FLATS UNDER MANAGEMENT; TOTAL 17,141,
INCLUDING 3,917 IN ASSOCIATED COMPANY



LOAN STRUCTURE AT 30 JUNE 2003

FIXED-RATE TERM UNTIL YEAR	TOTAL LOANS, SEK M	AVERAGE INTEREST, %	% OF LOANS
2003*	1,337	5.00	31
2004	536	5.74	13
2005	589	5.75	14
2006	487	5.44	12
2007	254	5.42	6
2008	542	5.41	13
2009–	481	6.25	11
Total	4,226	5.47	100

Average interest, including limit charges: 5.51%.

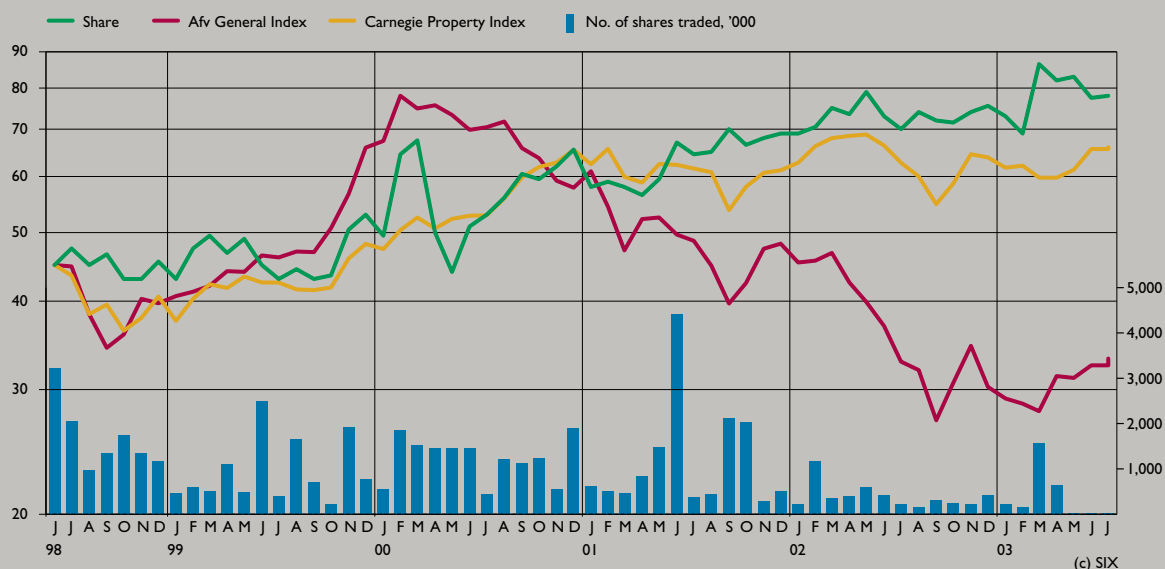
Average fixed-rate term: 2.49 years.

* Loans in Euro to a value of SEK 9m are included, at an average interest rate of 2.84%.

KEY FIGURES

	2003 APRIL–JUN 3 MTHS	2002 APRIL–JUN 3 MTHS	2003 JAN–JUN 6 MTHS	2002 JAN–JUN 6 MTHS	2002/03 JULY–JUN 12 MTHS	2002 JAN–DEC 12 MTHS
Property-related key figures						
Surplus ratio, %	47.0	52.0	43.2	48.1	46.1	48.5
Economic letting ratio, %	98.4	98.1	98.4	98.0	98.2	98.1
Properties' book value, SEK m	5,471	5,838	5,471	5,838	5,471	5,698
Book value per m ² , SEK	4,720	4,754	4,720	4,754	4,720	4,736
Financial key figures						
Interest on total capital, %	n.a.	n.a.	n.a.	n.a.	4.0	3.7
Return on total capital, %	n.a.	n.a.	n.a.	n.a.	5.4	5.4
Management profit, SEK m	49	46	69	73	144	148
Equity ratio, %	23.2	22.4	23.2	22.4	23.2	22.9
Debt/equity ratio, times	3.1	3.2	3.1	3.2	3.1	3.1
Property gearing, %	77.2	74.4	77.2	74.4	77.2	73.9
Interest-coverage ratio, times	1.82	1.74	1.57	1.60	1.59	1.61

SHARE-PRICE DIAGRAM



(c) SIX

SHAREHOLDERS, 30 JUNE 2003

	NO. OF SHARES	% OF SHARES
LRF Group	8,832,544	43.00*
Akelius Insurance Funds	8,167,227	39.76
Tonold Konsult AB	368,178	1.79
Odey Funds (GB)	249,340	1.21
Bengt Ragnarsson	16,000	0.08
Torp Ask (Share Savers' Club)	13,300	0.06
Bertil Nilsson's estate	10,000	0.05
Leopold Ekblad	10,000	0.05
Stefan Berndtsson	7,333	0.04
Ann-Marie Larsdotter-Eriksson	6,886	0.03
Total (10 owners)	17,680,808	86.07
Other foreign shareholders	1,896,745	9.23
Other Swedish shareholders	964,409	4.70
Total outstanding shares	20,541,962	100.00

*The LRF Group has signed an agreement to sell all its shares to Akelius Kontor AB, a subsidiary of Akelius Insurance Ltd, with effect from 1 September 2003 at the latest.

KEY FIGURES PER SHARE

FIGURES IN SEK UNLESS OTHERWISE SPECIFIED	2003 APRIL-JUN 3 MTHS	2002 APRIL-JUN 3 MTHS	2003 JAN-JUN 6 MTHS	2002 JAN-JUN 6 MTHS	2002/03 JULY-JUN 12 MTHS	2002 JAN-DEC 12 MTHS
Closing share price	77.50	73.00	77.50	73.00	77.50	75.50
Shareholders' equity	66.35	65.72	66.35	65.72	66.35	65.62
Net worth	113.81	93.93	113.81	93.93	113.81	113.71
Earnings after tax	2.24	1.51	2.73	2.55	2.63	2.44
Cash flow	3.55	2.34	4.33	4.12	8.67	8.45
Share price in relation to net worth (%)	68	78	68	78	68	66
Number of shares at 30 June ('000)	20,542	20,542	20,542	20,542	20,542	20,542
Average number of shares ('000)	20,542	20,542	20,542	20,400	20,542	20,471
Closing market capitalisation (SEK m)	1,592	1,500	1,592	1,500	1,592	1,551



Definitions

Cash flow

Cash flow before change in working capital.

Debt/equity ratio

Interest liabilities at the end of the period under review, in relation to shareholders' equity.

Economic letting ratio

Rental income and rental losses in relation to rental value.

Equity ratio

Shareholders' equity in relation to balance-sheet total.

Interest-coverage ratio

Pre-tax profit, excluding items affecting comparability and financial expense, in relation to financial expense.

Management profit

Pre-tax profit excluding items affecting comparability, such as profit from sales, write-downs, interest contributions and non-recurring income and expense.

Net debt

Interest-bearing liabilities less long-term claims and liquid funds.

Property gearing

Interest-bearing liabilities in relation to the properties' book value.

Return on total assets before tax

Pre-tax profit with re-entry of financial expense in relation to average total assets as the average of opening and closing total assets.

Return on equity after tax

Profit after tax in relation to average shareholders' assets, calculated as the average of opening and closing shareholders' equity.

Surplus ratio

Net operating income in relation to total rental income.

Financial information

Interim Report January–September 2003
Summarised Financial Statements for 2003
Annual Report on 2003

23 October 2003
February 2004
March 2004

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