



Interim Report, 1 January – 30 September 2000

- Continued upward trend of current management profit: at SEK 113m (92m), it was 23 per cent higher than in the previous year.
- The third quarter showed a record-high figure for quarterly management profit: SEK 53m (45m).
- Pre-tax profit amounted to SEK 180m (153m), of which profits from property sales made up SEK 62m (48m).
- Earnings per share after standard tax came to SEK 6.40 (5.35).
- Efforts to concentrate and focus the property stock continued, with 69 properties sold during the period under review for a total of SEK 351m, at an average disposal profit of just over 21 per cent.
- Operations continue to focus on growth areas, and on 1 July Mandamus acquired four housing properties comprising 590 flats in Åkersberga, Greater Stockholm. The proportion of properties in growth areas is now 65 per cent of the property stock in terms of book value.
- The annual forecast has been raised by SEK 45m to roughly SEK 200m before tax. Forecast profit after standard tax amounts to SEK 7.10 (9.80) per share.

Mandamus is a property company that seeks to own, develop and manage high-yield, low-risk properties. The aim is for the property stock to be located mainly in growth areas in Southern and Central Sweden, and for the proportion of residential properties to be at least 80 per cent.

OPERATIONS FROM JANUARY TO SEPTEMBER 2000

Continued focus on housing and increased concentration in growth areas

Mandamus is continuing to focus its operations on residential properties, with the emphasis in areas of strong growth. At 30 September, 65 per cent of Mandamus' property stock was located in the growth areas of Stockholm, Gothenburg, Malmö/Lund and Halmstad. This concentration and refinement of activities are reducing the group's operating risk, which permits a relatively low equity ratio. The aim is to attain an equity ratio of at least 20 per cent.

Residential Enhancement

Co-operation with the partners Mandamus has entered into alliances with continues to develop, to the benefit of tenants, Mandamus and the partners concerned. The company's co-operation with Telia involves, for example, giving Mandamus' properties access to ADSL broadband technology, and installation is under way in several localities. One aim of the co-operation with Birka Energi is to reduce energy costs both for tenants and for Mandamus, and joint projects to make temperature regulation more efficient have begun. Mandamus has alliances with a total of eight partners, and its co-operation with SEB is presented in detail in this interim report.

Rent and profit trends

Rental income amounted to SEK 619m (590m), just under 5 per cent higher than in the previous year. The average economic letting ratio for the period was 97 per cent. This figure represents an improvement of 1.5 percentage points since year-end 1999, and is 2.3 percentage points higher than in the corresponding period in 1999. Vacancies in the property stock pertain mainly to commercial properties.

After deduction of property costs, a net trading profit of SEK 323m (305m) remained. Property depreciation totalled SEK 36m (35m) and central administrative expense just over SEK 13m (25m). Compared with the previous year, the share of administrative expense accounted for by service costs is roughly SEK 12m higher on an annual basis. Central administrative expense for the period has been reduced by SEK 1m, representing repayment from SPP. Interest expense amounted to SEK 163m (154m), and has risen mainly because of increased borrowing. Management profit, i.e. profit before items affecting comparability, amounted to SEK 113m (92m), which represents a gross margin of 18.3 (15.6) per cent.

The third quarter is normally the best quarter for property companies with a residential focus, mainly owing to low heating costs. This year has been no exception and the gross margin for the third quarter was just over 25 per cent, which is Mandamus' best gross margin ever for a single quarter. Management profit for the (rolling) past 12-month period was SEK 136m, which represents an improvement of SEK 21m compared with the figure for the 1999 financial year. The diagram "Management profit" shows quarterly management profit and rolling 12-month profit.

Quarterly outcome	Q1	Q2	Q3	Q4	Whole year
Rental income, SEK m					
2000	204	204	211		
1999	196	193	201	204	794
1998	127	127	125	168	547
Management profit, SEK m					
2000	23	37	53		
1999	14	33	45	23	115
1998	8	20	19	11	58
Gross margin, %					
2000	11.3	18.1	25.1		
1999	7.1	17.1	22.4	11.3	14.5
1998	6.3	15.7	15.2	6.5	10.6

Diagram: management profit, rolling 12-month basis	Q2 '98	Q3 '98	Q4 '98	Q1 '99	Q2 '99	Q3 '99	Q4 '99	Q1 '00	Q2 '00	Q3 '00
Bars: quarterly figures	20	19	11	14	33	45	23	23	37	53
Graph line, rolling 12-month basis	-	-	58	64	77	103	115	124	128	136

Comparison between first nine months of 1999 and 2000	Rental income, SEK m	Trading profit, SEK m	Surplus ratio, %
Profit and loss account, first 9 mths 1999	590	305	51.6
Net increase in volume from properties acquired since 1 January 1999	+120	+66	55.0
Net decrease in volume from properties sold since 1 January 1999	- 100	- 48	48.0
<i>Total change in net volume from properties purchased and sold</i>	<i>+20</i>	<i>+18</i>	<i>-</i>
Change in property stock unchanged since 1 January 1999	9	0*	-
Profit and loss account, first 9 mths 2000	619	323*	52.2

* The changed principle for allocating central administrative expense has reduced net trading profit for the period by approximately SEK 9m.

The above table, comparing the first nine months of 1999 and 2000 shows rental income and net trading profit distributed with reference to the successive restructuring of the property stock. The "unchanged property stock" is the stock owned throughout the period from January to September both this year and in 1999. "Net increase in volume from properties acquired" shows the differences in rental income and trading profit between the years for properties acquired since 1 January 1999. Similarly, "the net decrease in volume" shows the differences in rental income and trading profit for properties sold during the corresponding period.

Concentration of the property stock is bring about successively more efficient and profitable management. In the past 12-month period, an increase in the surplus ratio to 52.2 per cent has been achieved. Taking into account the changed principle of allocating central administrative expense, the actual improvement in the surplus ratio rises to 2 percentage points. The reduction in net trading profit resulting from the increased allocation of central administrative expense has mainly affected what, in the table, is termed "unchanged property stock".

Pre-tax profit, which includes such items affecting comparability as profits from property sales, interest contributions, quotation expense and write-down, amounted to SEK 180m (153m). The profit improvement of SEK 27m compared with the corresponding period in the previous year was the outcome of a rise of SEK 21m in management profit, a rise of SEK 14m in profit from property sales and a decrease of SEK 8m in interest contributions.

Profit after estimated tax amounted to SEK 130m (110m), representing earnings per share of SEK 6.40 (5.35), based on the average number of shares during the period.

Further concentration and continued focus

At 30 September, the group had properties with a book value of SEK 5,484m, and the property stock has thus changed relatively little in terms of value since year-end. Compared with 30 September 1999, the book value of the property stock has risen by just over SEK 300m, or just under 6 per cent.

During the period under review, a total of 69 properties with a book value of SEK 289m were sold, while six properties were acquired for SEK 331m. The acquisitions comprised four housing properties containing 590 flats in Åkersberga, Greater Stockholm and a complementary housing property containing 62 flats in the Gothenburg suburb of Partille. An undeveloped site in Borås has also been acquired for the building of 50 student flats, and completion of this project is expected at the end of this year. Investments in existing property stock during the period amounted to SEK 45m (76m).

At the end of the quarter the number of properties owned was 327, 65 fewer than at year-end. Since then, with its property sales, Mandamus has discontinued its operations in another eight municipalities. At 30 September, it owned developed properties in 43 municipalities, with 90 per cent of the stock -- two percentage points higher than at year-end -- located in the group's selected areas. The proportion of residential properties at the same date was 82 per cent, against 81 per cent at year-end.

Change in property holdings	Book value, SEK m	Number	Rentable area, '000 m²
At 31 December 1999	5,433	392	1,260
Properties sold	-289	-69	-103
Remaining stock	5,144	323	1,157
Properties acquired	331	6	47
Investments/property regulation	45	-2	-
Depreciation	-36	-	-
At 30 September 2000	5,484	327	1,204

Financial position

During the first nine months of 2000, the group's interest-bearing liabilities increased by SEK 390m to SEK 3,937m (3,688m). Of these liabilities, loans in foreign currencies made up SEK 10m (305m). The average fixed-interest term was 2.03 (2.1) years, and average interest was 5.68 (5.38) per cent. Net debt at the end of the quarter was SEK 3,919m (3,649m), nearly SEK 400m higher than at year-end. At 30 September, the group had SEK 377m in confirmed unutilised credit pledges.

Loan structure, fixed-interest terms until years	Loans, SEK m	Average interest, %	% of total
2000	1,074	4.48	27
2001	660	6.15	17
2002	486	6.40	12
2003	1,086	6.10	28
2004	281	5.80	7
2005	273	6.07	7
2006-	77	6.06	2
Totalt	3,937	5.68	100

The visible equity ratio at 30 September was 22.3 per cent, representing a fall by 3.1 percentage points since year-end. During the period under review, shareholders' equity and the equity ratio were reduced by SEK 301m owing to the dividend payment of just over SEK 272m and the buy-back of Mandamus' own shares for just under SEK 29m.

In line with the annual general meeting's decision in April, buy-back of the company's own shares has been effected. A total of 624,400 shares -- corresponding to 3.04 per cent of all shares issued -- were bought back at an average price of SEK 45.24 each. This reduced the number of remaining shares on the market to 19,917,562 at 30 September 2000.

Forecast

In the light of profit this year to date, pre-tax profit for the year is expected to total some SEK 200m. This forecast corresponds to earnings per share of SEK 7.10 (9.80) after tax. This profit forecast exceeds the last forecast made by SEK 45m, and the figure may be adjusted as a result of disposal profits from further property sales during the year.

Stockholm, 24 October 2000

Anders Johansson
Managing Director

GROUP PROFIT AND LOSS ACCOUNT	2000	1999	1999
Figures in SEK m	9 mths	9 mths	whole year
Rental income	619	590	794
<i>Property expense</i>			
Operating costs	-209	-197	-276
Repairs and maintenance	-58	-57	-78
Ground rent	-4	-4	-6
Property tax	-25	-27	-36
<i>Total property expense</i>	-296	-285	-396
Trading profit	323	305	398
Depreciation on properties	-36	-35	-47
Gross profit	287	270	351
Central administrative expense	-13	-25	-34
Profit from property sales	62	48	166
Quotation expense etc	-	-	-4
Write-down on property	-	-	-7
Operating profit	336	293	472
Interest contribution	5	13	18
Financial income	2	1	2
Financial expense	-163	-154	-204
Net interest income/expense	-156	-140	-184
Pre-tax profit	180	153	288
Tax expense	-50	-43	-87
Net profit for the period	130	110	201
GROUP BALANCE SHEET	2000	1999	1999
Figures in SEK m	30 September	30 September	31 December
Assets			
Properties	5,484	5,182	5,433
Other tangible fixed assets	9	10	9
Financial fixed assets	7	16	16
Other current assets	61	60	87
Liquid funds	11	23	11
Total assets	5,572	5,291	5,556
Shareholders' equity and liabilities			
Total shareholders' equity	1,243	1,325	1,414
Minority shareholding	0	0	0
Provisions	136	66	137
Interest-bearing liabilities	3,937	3,688	3,547
Non-interest-bearing liabilities	256	212	458
Total shareholders' equity and liabilities	5,572	5,291	5,556

GROUP CASH-FLOW STATEMENT	2000	1999	1999
Figures in SEK m	9 mths	9 mths	whole year
Cash flow before change in working capital	105	97	126
Quotation expense etc	-	-	-4
Change in working capital	-176	-20	189
Cash flow from operations	-71	77	311
Current investments	-46	-76	-105
Property acquisitions	-331	-604	-1,291
Property sales	351	413	974
Provisions etc	-1	-3	48
Cash flow from investments	-27	-270	-374
Dividend to shareholders	-272	-46	-46
Buy-back of own shares	-29	-	-
Cash flow from/to shareholders	-301	-46	-46
Opening net debt	-3,520	-3,433	-3,433
Total cash flow	-399	-239	-109
Exchange-rate effect on debts in foreign currency	0	23	22
Closing net debt	-3,919	-3,649	-3,520

Property stock by region	Rentable area, '000 m ²	Rental income, SEK m	Economic letting ratio, %	Book value, SEK m
Skåne	234	125	97.0	1,008
Småland / Halland	183	101	97.2	754
Väst	304	154	96.2	1,423
Öst	477	238	97.8	2,290
Sweden, total	1,198	618	97.2	5,475
Abroad	6	1	66.0	9
Total	1,204	619	97.0	5,484
Of which in selected areas, %	90	88	97	90
Of which housing property, %	76	80	98	82

KEY FIGURES	2000	1999	1999
	9 mths/ 30 September	9 mths/ 30 September	whole year/ 31 December
Book value of properties, SEK m	5,484	5,182	5,433
Economic letting ratio, %	97.0	94.7	95.5
Spatial letting ratio, %	96.5	95.1	95.8
Surplus ratio (rolling 12-month basis), %	50.7	49.6	50.1
Gross margin (rolling 12-month basis), %	16.5	13.6	14.5
Equity ratio, %	22.3	25.0	25.4
Debt/equity ratio, times	3.2	2.8	2.5
Pledge ratio, %	72	71	65
Interest-coverage ratio, times	1.7	1.7	1.6
Average interest on loans, %	5.68	5.38	5.43
Book value of properties per m ² , SEK	4,555	4,245	4,311

Definitions

Gross margin: management profit in relation to rental income.

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

Pledge ratio: interest-bearing liabilities in relation to the properties' book value.

Management profit: pre-tax profit excluding items affecting comparability, such as profit from property sales, write-downs, quotation expense and interest contribution.

Cash flow: cash flow before change in working capital.

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

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

Surplus ratio: trading profit in relation to total rental income.

Residential Enhancement

Joint online-banking venture with SEB

SEB, one of Sweden's largest commercial banks, started using the Internet at an early stage to create virtual banking facilities.

Sweden is the most highly developed market for Internet (online) banking worldwide. Already, 25 per cent of SEB's customers use its Internet Bank, which makes SEB a world leader in this field. SEB's ambition is to give its customers in Sweden and Europe the best online bank for management of personal finances and financial investments, while also offering a portal for e-commerce.

Mandamus' tenants can now gain access to a range of different e-services from SEB on advantageous terms. SEB is offering, for example, attractive car loans and also assistance with the current PPM* choice. People can, in other words, carry out bank transactions and a great deal besides from their own homes -- the kitchen table, or the sofa. Living in a Mandamus flat will indeed be comfortable and convenient.

* Translator's note: PPM = *Premiepensionsmyndigheten*, the Premium Pension Authority. From 2000, employees and self-employed people in Sweden can choose how to invest in the stock market a proportion of the money allocated for their basic (state) pension.

(Picture)

With the wind in its sails, SEB aims to have at least 5m online customers in Europe by year-end 2004.

Share diagram for the period from 15 June 1998 to 16 October 2000

KEY FIGURES PER SHARE	2000 9 mths/ 30 September	1999 9 mths/ 30 September	1999 whole year/ 31 December
Closing share price, SEK	60.50	43.00	53.00
Shareholders' equity, SEK	62.41	64.50	68.83
Earnings per share after tax, SEK	6.40	5.35	9.80
P/E ratio (rolling 12-month basis)	9.4	8.0	5.4
Share price in relation to visible equity, %	97	67	77
Closing number of shares ('000)	19,918	20,542	20,542
Average number of shares during the period ('000)	20,297	20,542	20,542
Holdings of bought-back shares ('000)	624	-	-
Closing market value, SEK m	1,205	883	1,089

Shareholders at 30 September 2000	Votes and capital, %
LRF-gruppen	17.4
Nordico fonder	10.3
Skandia	4.3
SPP	4.2
KPA Fond & Finans	4.1
Akademiinvest	3.8
Independent savings banks	3.0
Volvo foundations	2.5
Savings-bank foundations	1.4
Mandamus' management	1.2
Total (10 owners)	52.2
Registered abroad	6.2
Other shareholders	41.6
Total	100.0

Financial information

Summarised financial statements 8 February 2001
for the 2000 financial year

Annual general meeting, 2001 26 April 2001

Please address any queries concerning this interim report to Mandamus' Managing Director Anders Johansson or Financial Director Bengt Evaldsson, +46 8 556 130 00.

Address (head office):

Mandamus Fastigheter AB, (Englundavägen 7), Box 12, SE-171 18 Solna,

Tel.: +46 8 566 130 00. Fax: +46 8 566 130 99. E-mail: mandamus@mandamus.se

Home page: www.mandamus.se

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