



Interim Report for Piren AB January – September 2000

- **Earnings from core operations totalled SEK 125 million, an increase of 45 percent.**
- **Sales at Piren's shopping centres rose 10 percent the first nine months.**
- **Piren's new shopping centre in central Copenhagen, Fisketorvet Shopping Centre, opened as scheduled on October 10.**
- **Rodamco Europe owns 99.5 percent of the shares in Piren. The process of compulsory redemption process of the remaining shares outstanding in Piren has been initiated.**
- **After application from the Board of Directors of Piren, Piren was delisted from the OM Stockholm Exchange on September 28.**

	2000 Jan 1–Sept 30	1999 Jan 1–Sept 30	1999 Jan 1–Dec 31
Rental income, SEK million	479	441	597
Profit from core operations, SEK million	125	86	125
Income before tax, SEK million	125	86	125
Profit for the period, SEK million	120	86	125
Equity, SEK million	2,244	2,157	2,196
Equity ratio, percent	30	33	32

A complete Interim Report is shown on the following pages.

Interim Report January - September 2000

Revenues and earnings

Consolidated operating revenue for the period January-September 2000 was SEK 480.8 (444.7) million, including rental income of SEK 478.9 (441.0) million.

Operating income amounted to SEK 267.6 (240.8) million.

Income before tax was SEK 124.9 (86.1) million.

Depreciation according to plan was SEK 43.2 (39.9) million, including depreciation on buildings and amortisation of goodwill totalling SEK 41.7 (38.6) million.

Piren reported profit for the period of SEK 120.4 (86.1) million.

Surplus funds in the SPP insurance company, which have been allocated to Piren and its subsidiaries, amounts to SEK 3.4 million. This amount has reduced costs for property administration and centre management by SEK 0.4 million and central costs for administration and marketing activities with SEK 3.0 million.

Rentals

Of the floor space in Piren's Swedish property holdings, 95 (95)* percent was under lease at September 30, 2000. On that date, the financial vacancy rate equalled 3 (3)* percent.

Fisketorvet Shopping Center

Fisketorvet Shopping Center has been completed and the inauguration was on October 10th 2000. The flows of customers and the sales at the centre have been favourable.

Fisketorvet Shopping Center contains about 57,000 square metres of leasable space. In addition to some 120 shops and restaurants, the complex includes a cinema centre seating a total of 3,200 persons in 10 cinemas and some 2,000 parking spaces. When all contract works have been finished, the whole investment is estimated

to reach DKK 1.3 billion (SEK 1.5 billion).

Investments

During January-September 2000, Piren invested SEK 742 (860) million, of which SEK 472 (724) million was in the Fisketorvet Shopping Center project.

Sales trends at Piren's shopping centres

During the first nine months of 2000, sales at Piren's shopping centres averaged some 10 percent higher than in the corresponding period in 1999, based on current prices. According to statistics from the Swedish Research Institute of Trade (HUI), comparative sales for the Swedish retail trade increased 7 percent.

Financial position

Group liquid funds (cash on hand and bank balances) at the end of September were SEK 148 (142)* million.

At September 30, 2000, bank overdraft and loan facilities granted but not exercised totalled SEK 109 (28)* million. In addition, there is DKK 150 million that has not yet been utilized of the agreed financing of Fisketorvet Shopping Center totalling DKK 900 million.

At September 30, 2000, the Group's loans totalled SEK 4,929 (4,201)*, SEK 0 (100)* million of which was a convertible loan. The convertible debentures were redeemed on July 31, 2000. Share data and key ratios after conversion are no longer specified. The convertible debenture loan amounted to SEK 100.0 million with maturity through July 31, 2000. All convertible debentures were held by Piren's parent company Rodamco Europe.

The total amount of borrowings includes loans for DKK 1,080 (650)* million in loans, equal to SEK 1,234 million. The conversion rate was SEK 1.1422 SEK/DKK.

The average interest rate for the Piren Group's

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borrowings at September 30, 2000, was 5.7

(5.8)* percent, not taking into account interest subsidies. Interest subsidies for the first nine months of 2000 equalled SEK 1.0 (1.3) million.

At September 30, 2000, interest rates on Piren's loans were fixed for an average of 18 (22)* months.

At September 30, 2000, the equity ratio equalled 29.5 (32.3)* percent.

Rodamco Europe owns 99.5 percent of the shares in Piren

On January 24, 2000, Piren's two largest shareholders, Skanska and Latour, announced that they had agreed to sell their holdings in Piren AB to Rodamco Europe. The price was SEK 69.60 per share. Rodamco Europe also made an offer to the other shareholders to sell all their shares on the same terms and conditions as agreed with Skanska and Latour. An offer prospectus was distributed to the shareholders at the end of February 2000. Following expiration of the acceptance period and at September 30,

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after purchases on the market, Rodamco Europe currently owned 99.5 percent of all shares and votes in Piren.

Rodamco Europe has demanded compulsory redemption of the shares of the remaining shareholders.

Rodamco Europe, based in Rotterdam, The Netherlands, is one of Europe's leading property management companies. Rodamco owns properties in ten European countries. Rodamco's

property portfolio is valued at SEK 44 billion, including Piren. Retail properties account for 75 percent. Rodamco Europe is listed on the stock exchanges in Amsterdam, Paris, Frankfurt and Brussels.

Piren delisted from the OM Stockholm Exchange

After application from the Board of Directors of Piren, Piren was delisted from the OM Stockholm Exchange on September 28.

Piren has been listed on The A-list on the OM Stockholm Exchange since January 31, 1986.

Shareholders at September 30, 2000

	Number of shares	Percentage capital and votes
Rodamco Europe	40,997,330	99.5
Other shareholders (about 1,500)	209,341	0.5
Total	41,206,671	100.0

Share data and key ratios

	Sept 30, 2000	Sept 30, 1999	Dec 31, 1999
No. of shares	41,206,671	41,206,671	41,206,671
Operating income/share (SEK)	6.49	6.57	8.64
Earnings/share before tax (SEK)	3.03	2.35	3.25
Earnings/share after tax (SEK)	2.92	2.35	3.25
Shareholders' equity (SEK mn.)	2,244	2,157	2,196
Shareholders' equity/share (SEK)	54	52	53
Equity ratio (%)	30	33	32
Gearing ratio (%)	68	63	64

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PROFIT AND LOSS ACCOUNTS

Group (SEK million)	2000 Jan 1-Sep 30	1999 Jan 1-Sep 30	1999 Jan 1-Dec 31
Rental income	478.9	441.0	596.8
Other operating revenues	1.9	3.7	5.7
Operating revenue	480.8	444.7	602.5
<u>Property expenses</u>			
Operations and maintenance	-91.2	-86.7	-119.5
Property administration and shopping centre management	-32.2	-34.0	-45.2
Real estate tax	-29.9	-22.8	-30.3
Other operating expenses	-3.2	-3.6	-5.6
Depreciation on buildings and amortisation of goodwill	-41.7	-38.6	-51.5
Total property expenses	-198.2	-185.7	-252.1
Gross income	282.6	259.0	350.4
Administration and marketing overhead	-15.4	-18.3	-24.2
Share of earnings in associated companies	0.4	0.1	0.1
Operating income	267.6	240.8	326.3
<u>Financial items</u>			
Interest income	2.1	2.7	3.3
Interest subsidy	1.0	1.3	1.6
Interest expense and similar costs	-145.8	-158.7	-206.6
Net financial income/expense	-142.7	-154.7	-201.7
Income before tax	124.9	86.1	124.6
Taxes	-4.5	—	—
Profit for the period	120.4	86.1	124.6

BALANCE SHEETS

Group (SEK million)	Sep 30, 2000	Sep 30, 1999	Dec 31, 1999
Assets			
Long-term property holdings	7,271.7	6,261.6	6,571.0
Other long-term assets	127.6	118.2	118.8
Current assets (excluding liquid funds)	55.0	45.4	34.0
Liquid funds	147.8	141.9	79.3
Total assets	7,602.1	6,567.1	6,803.1
Shareholders' equity and liabilities			
Shareholders' equity	2,243.9	2,157.1	2,195.7
Reserves	83.9	83.9	83.9
Liabilities			
- Interest-bearing liabilities	4,928.8	3,951.1	4,201.3
- Non-interest-bearing liabilities	345.5	375.0	322.2
Total liabilities	5,274.3	4,326.1	4,523.5
Total shareholders' equity and liabilities	7,602.1	6,567.1	6,803.1

CASH FLOW STATEMENT

Group (SEK million)	2000 Jan 1-Sept 30	1999 Jan 1-Sept 30	1999 Jan 1-Dec 31
Cash flow from operating activities before change in working capital	156.3	146.9	207.8
Change in working capital	10.1	140.6	90.5
Cash flow from investing activities	-742.2	-859.9	-1,183.6
Cash flow from financing activities	644.3	488.3	738.6
Change in liquid funds including short-term investments	68.5	-84.1	-146.7

Täby, October 26, 2000

Lars Söderblom
Managing Director

This interim report is unaudited

If any questions, please contact Lars Söderblom or Lennart Wedin.
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This interim report is also available from Piren's web site: www.piren.se