



Year-end Report 2011

JANUARY – DECEMBER 2011, JM-GROUP



Dockan, Malmö

Year-end Report

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Positive earnings trend – continued cautious demand

- ◆ According to segment reporting, revenues increased to SEK 12,217m (9,274), operating profit to SEK 1,544m (969) and operating margin to 12.6 percent (10.4)
- ◆ Restated according to IFRIC 15, revenues increased to SEK 12,001m (9,136) and operating profit to SEK 1,513m (907)
- ◆ Profit before tax improved to SEK 1,463m (840). Profit after tax improved to SEK 1,042m (594)
- ◆ Return on equity for the past twelve months rose to 24.5 percent (15.7). Earnings per share during the year amounted to SEK 12.50 (7.10)
- ◆ Consolidated cash flow including net investment in properties was SEK 733m (42)
- ◆ Number of sold residential units was 3,112 (3,276) and housing starts increased to 3,629 (3,404)
- ◆ Surplus values development properties SEK 2.4bn (2.6)
- ◆ The Board of Directors proposes a dividend of SEK 6.50 (4.50) for 2011, as well as a buyback authorization.

SEK m	January - December		October - December	
	2011	2010	2011	2010
Revenue (segment reporting)	12,217	9,274	3,670	2,932
Operating profit (segment reporting)	1,544	969	497	397
Operating margin (segment reporting) (%)	12.6	10.4	13.5	13.5
Revenue ¹⁾	12,001	9,136	3,702	3,075
Operating profit ¹⁾	1,513	907	500	382
Profit before tax ¹⁾	1,463	840	489	371
Operating margin ¹⁾ (%)	12.6	9.9	13.5	12.4
Cash flow from operating activities	733	42	560	305
Return on equity ¹⁾ (%)	24.5	15.7		
Equity/assets ratio ¹⁾ (%)	41	40	41	40
Earnings per share ¹⁾ (SEK)	12.50	7.10	4.20	3.20
Number of residential units sold	3,112	3,276	746	1,056
Number of housing starts	3,629	3,404	773	972

¹⁾ According to IFRIC 15

The Group applies IFRIC 15 Agreements for the Construction of Real Estate for its income statement and balance sheet commencing in 2010. IFRIC 15 changed reporting of revenue and profit and loss for JM's operations outside Sweden, JM International. Segment reporting and project management remain unchanged according to IAS 11, percentage of completion method. The description of operations is based on segment reporting.

GROUP

"The positive earnings trend over the year is very gratifying. Demand for JM's residential units, however, continued to be cautious at the end of the year, at the same time that interest in our projects is strong. The sales process is taking longer than usual in conjunction with the uncertain economic situation and the turmoil in the international financial market. In 2012, our business development is largely dependent on how well the debt situation stabilizes in Europe and how it impacts the economic situation."

"Structurally, conditions for our business continue to be favorable, with factors such as large population increases in the markets where we are active playing a role. We are dynamically positioned with financial strength and a very good project portfolio that continues to be improved and renewed, at the same time that our strong balance sheet offers us freedom of action."

Johan Skoglund, President and CEO.

Market, sales and housing starts

The previously good demand for newly built homes in Sweden continued to be cautious during the fourth quarter. Demand continued to be good in Norway. Customers continue to show strong interest in JM's projects, at the same time that the sales process is taking longer in Sweden in the uncertain economic situation. Demand in Denmark weakened in 2011 after some improvement in 2010.

The slower sales process has resulted in fewer signed contracts during the fourth quarter. However, population growth in our main markets, coupled with continued low interest rates, supports demand for housing.

The number of residential units sold in the form of signed contracts was 3,112 (3,276), of which 77 (211) involve rental projects for an external client. The percentage of sold or reserved homes in relation to current production amounts to 68 percent (82), with an interval of 60-65 percent considered normal. JM Residential Stockholm sold 1,401 (1,408) residential units, JM Residential Sweden sold 1,056 (1,207) and JM International 655 (661).

The number of housing starts rose to 3,629 (3,404), of which 1,684 (1,604) were in the Stockholm area and 1,157 (1,230) were elsewhere in Sweden. Housing starts in international operations totaled 788 (570). Residential housing starts include 77 (211) rental units. The number of housing starts in the fourth quarter is in line with the number of signed contracts. The number of residential units in current production amounts to 6,401 (5,431).

Revenues, operating profit and operating margin

Consolidated revenues in accordance with segment reporting for the year increased to SEK 12,217m (9,274). Revenues restated according to IFRIC 15 increased to SEK 12,001m (9,136).

Operating profit according to segment reporting rose to SEK 1,544m (969) and the operating margin increased to 12.6 percent (10.4). Operating profit restated according to IFRIC 15 increased to SEK 1,513m (907). The improvement in earnings and margins is due to the higher level of sales and housing starts in 2010/2011 and the stronger impact of a higher price level for the projects.

During the year, properties sold for SEK 142m (80) with gains of SEK 27m (28). Rental revenue from JM's project properties totaled SEK 73m (62), with residential units accounting for SEK 4m (0). Net rental income was SEK 17m (11).

Operating profit, SEK m	January - December		October - December	
	2011	2010	2011	2010
JM Residential Stockholm	1,028	634	341	266
JM Residential Sweden	301	219	76	73
JM International	159	48	67	28
JM Property Development	15	12	-1	2
JM Production	84	91	28	38
Group-wide expenses	-43	-35	-14	-10
Total as stated in segment reporting	1,544	969	497	397
Restatement JM International ¹⁾	-31	-62	3	-15
Total ²⁾	1,513	907	500	382

¹⁾ Effect of restatement on income and profit and loss according to IFRIC 15 in relation to segment reporting.

²⁾ Including property sales

Operating margin (%)	January - December		October - December	
	2011	2010	2011	2010
JM Residential Stockholm	20.0	16.6	21.6	19.7
JM Residential Sweden	9.0	8.0	8.8	8.9
JM International	6.8	3.1	8.4	6.1
JM Production	4.2	6.1	4.2	9.4

Residential units in current production	2011-12-31	2010-12-31
Number of residential units in current production ¹⁾	6,401	5,431
Percentage sold residential units in current production (%) ²⁾	60	64
Percentage reserved residential units in current production (%)	8	18
Percentage sold and reserved residential units in current production (%)	68	82

¹⁾ Beginning with production startup through final occupancy according to plan.

²⁾ Percentage sold residential units expressed as binding contract with end customer.

Completed production, unsold units	2011-12-31	2010-12-31
Completed production, number of unsold units ¹⁾	94	44
- Including the balance sheet item reported as "Participations in tenant-owners associations, etc."	59	40

¹⁾ After final occupancy according to plan.

Development properties (residential units), SEK billion	2011-12-31		2010-12-31	
	Market value	Carrying amount	Market value	Carrying amount
JM Residential Stockholm	4.3	2.9	4.3	2.6
JM Residential Sweden	2.0	1.4	2.0	1.5
JM International	1.9	1.5	1.6	1.2
Total	8.2	5.8	7.9	5.3

Building rights

JM's available building rights amounted to 27,200 (27,500), including 17,600 (17,600) recognized in the balance sheet. Capital tied up in building rights (development properties on the balance sheet) for residential units increased to SEK 5,756m (5,314) by year-end.

Valuation of JM's total development properties with a carrying amount of SEK 5.8bn (5.4) indicates a surplus value of SEK 2.4bn (2.6). This valuation was carried out in cooperation with an independent appraisal company.

During the year, JM acquired development properties for residential units for SEK 1,585m (1,655), of which SEK 820m relates to JM Residential Stockholm, SEK 235m to JM Residential Sweden and SEK 530m to JM International. The largest acquisitions during the fourth quarter were made in Stockholm and Oslo.

Project properties

An external appraiser calculated the market value of JM's project properties to be SEK 854m (685) with a carrying amount of SEK 859m (661).

Financial items

Net financial items improved by SEK 17m compared to the previous year due to lower average interest-bearing debt and higher financial income excluding revaluation and currency hedging. Financial income for the year includes income from the sale of shares in associated companies of SEK 0m (5).

SEK m	January - December		October - December	
	2011	2010	2011	2010
Financial income ¹⁾	45	51	13	7
Financial expenses ²⁾	-95	-118	-24	-18
Financial income and expenses	-50	-67	-11	-11
¹⁾ Including revaluation and currency hedging	8	32	0	0
²⁾ Including revaluation and currency hedging	-8	-33	0	2

The total interest-bearing loan was SEK 1,467m (1,357), of which the provision for pensions comprised SEK 608m (585). At year-end, the average interest rate for the total loan stock including pension liabilities was 3.8 percent (3.6). The average term for fixed-rate loans excluding pension liabilities was 0.2 years (0.2).

The Group's available liquidity was SEK 5,237m (4,887). Aside from cash and cash equivalents of SEK 2,437m (2,087), this includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800) where credit agreements for SEK 2,400m had an average maturity of 2.1 years.

Interest-bearing receivables totaled SEK 970m (730) at year-end. At year-end, non interest-bearing liabilities for implemented property acquisitions amounted to SEK 395m (453). Of these liabilities, SEK 223m (236) is short-term.

SEK m	January - December		October - December	
	2011	2010	2011	2010
Interest-bearing net liabilities(+)/ receivables(-) at beginning of the period	-730	-189	-388	-409
Change in interest-bearing net liabilities/receivables	-240	-541	-582	-321
Interest-bearing net liabilities(+)/ receivables(-) at end of the period	-970	-730	-970	-730

Cash flow

Cash flow from operating activities totaled SEK 733m (42) during the year, despite major investments in development properties and project properties. Net investments in development properties resulted in a cash flow of SEK -384m (-996). Increased holdings of unsold residential units on the balance sheet contributed SEK -52m (270). The Group's cash flow from project properties (sales minus investment) during the year was SEK -173m (-73).

Risks and uncertainties

JM's risk and risk management policies are presented in the 2010 annual report on pages 38-41. No significant changes have occurred to change these reported risks.

Personnel

The number of employees at year-end was 2,370 (2,100). There were 1,143 (1,018) wage-earners and 1,227 (1,082) salaried employees. As a result of the acquisition of Öie AS in Norway during the third quarter, the number of employees increased by about 70. Current staffing is considered well balanced for the current project volume.

Dividend

For 2011 the Board of Directors proposes a dividend of SEK 6.50 (4.50) per share, for a total of SEK 500m (375). The dividend rate is justified by good earnings combined with a strong balance sheet. The proposed record date for the dividend is Wednesday, May 2, 2012. If the Annual General Meeting resolves to adopt the recommendation, the dividend will be sent on Monday, May 7, 2012.

Buyback of shares

The strong balance sheet and cash flow enable capital transfer to shareholders in addition to regular dividends. In light of this, the Board of Directors will propose that the Annual General Meeting resolve to authorize the Board of Directors, during the period up until the next Annual General Meeting and on one or more occasions, to make a resolution on buying back shares so that the Company's holdings do not at any point in time exceed 10 percent of all the Company's shares. Acquisition should take place on NASDAQ OMX Stockholm.

Considering the continued uncertainty in the international financial system, the strategy is to spread out the buybacks on NASDAQ OMX Stockholm until the Annual General Meeting 2013. The objective of empowering the Board of Directors is to give it greater freedom of action and the possibility to adjust the Company's capital structure on a continuous basis.

The Board of Directors' complete proposal for a resolution regarding authorization will be available in the notification to the Annual General Meeting which will be published on March 28, 2012.

BUSINESS SEGMENT

JM RESIDENTIAL STOCKHOLM

The JM Residential Stockholm business segment develops residential projects in Greater Stockholm. Operations include acquisitions of development properties, planning, pre-construction, production and sales of residential units.

SEK m	January - December		October - December	
	2011	2010	2011	2010
Revenue	5,141	3,824	1,579	1,350
Operating profit ¹⁾	1,028	634	341	266
Operating margin (%)	20.0	16.6	21.6	19.7
Average operating capital	2,286	1,776		
Return on operating capital (%)	45.0	35.7		
Operating cash flow	641	-34	356	169
Carrying amount, development properties	2,888	2,562		
Number of available building rights	11,800	11,100		
Number of residential units sold ²⁾	1,401	1,408	329	477
Number of housing starts ²⁾	1,684	1,604	349	414
Number of residential units in current production	3,290	2,691		
Number of employees	807	740		
¹⁾ Including property sales	-	2	-	2
²⁾ Of which rental apartments	77	211	-	104

Demand in the existing home market is cautious in the more uncertain economic situation. Prices were stable over the quarter, at the same time that there was some uncertainty on the housing market. The supply of residential units is larger than last year, mainly because of an increase in time to closing. The supply of new homes continues to be low in relation to long-term demand in the Stockholm area. Competition for land appropriate for housing in good locations continues to be intense.

Interest in JM's projects continues to be strong. However, customers have adopted a cautious attitude toward signing contracts early in the process, and this also applies to signing a reservation agreement.

The business segment's revenue increased to SEK 5,141m (3,824) and operating profit increased to SEK 1,028m (634). The operating margin was 20.0 percent (16.6). Revenue rose as a result of the larger number of residential units in current production and the improved operating margin is attributable to higher project volumes and the stronger impact of higher prices.

The cash flow is in balance taking into account net investment in development properties.

JM started production during the fourth quarter on 349 residential units in apartment buildings on Ekerö and in Stockholm, Sundbyberg and Täby.

During the fourth quarter, building rights equivalent to just over 250 residential units were acquired in Tyresö, Stockholm and on Ekerö.

JM RESIDENTIAL SWEDEN

The JM Residential Sweden business segment develops residential projects in growth areas in Sweden, excluding Greater Stockholm. Operations include acquisitions of development properties, planning, pre-construction, production and sales of residential units. Contracting operations are also conducted to a limited extent.

SEK m	January - December		October - December	
	2011	2010	2011	2010
Revenue	3,355	2,749	862	819
Operating profit ¹⁾	301	219	76	73
Operating margin (%)	9.0	8.0	8.8	8.9
Average operating capital	1,478	1,471		
Return on operating capital (%)	20.4	14.9		
Operating cash flow	317	312	-8	-165
Carrying amount, development properties	1,406	1,497		
Number of available building rights	8,800	9,600		
Number of residential units sold	1,056	1,207	204	352
Number of housing starts	1,157	1,230	201	350
Number of residential units in current production	1,973	1,708		
Number of employees	602	578		
¹⁾ Including property sales	4	0	1	-

Demand in the existing home market is cautious in the more uncertain economic situation and prices on the existing home market dropped in the fourth quarter, primarily in Malmö and Uppsala. The supply of residential units is larger than last year, mainly because of an increase in time to closing.

Interest in JM's projects is strong. However, customers have adopted a cautious attitude toward signing contracts early in the process, and this also applies to signing a reservation agreement.

The business segment's revenue increased to SEK 3,355m (2,749) and operating profit increased to SEK 301m (219). The operating margin increased to 9.0 percent (8.0). Revenues rose as a result of the larger number of residential units in current production and the improved operating margin is primarily attributable to higher project volumes.

The cash flow is in balance taking into account net investment in development properties.

JM started production during the fourth quarter on 163 residential units in apartment buildings in Gothenburg, Västerås and Uppsala and 38 single-family homes in Vellinge and Staffanstorps.

During the fourth quarter JM purchased building rights corresponding to about 40 residential units in Lund.

JM INTERNATIONAL

The JM International business segment develops and sells residential properties in Norway, Denmark, Finland and Belgium. Contracting operations are also conducted to a limited extent in Norway. Revenue recognition for the business segment is reported according to IAS 11, percentage of completion method.

SEK m	January - December		October - December	
	2011	2010	2011	2010
Revenue	2,349	1,570	799	457
Operating profit	159	48	67	28
Operating margin (%)	6.8	3.1	8.4	6.1
Average operating capital	1,822	1,838		
Return on operating capital (%)	8.7	2.6		
Operating cash flow	-197	236	76	184
Carrying amount, development properties	1,462	1,255		
Carrying amount, project properties	51	34		
Number of available building rights	6,600	6,800		
Number of residential units sold	655	661	213	227
Number of housing starts	788	570	223	208
Number of residential units in current production	1,138	1,032		
Number of employees	348	250		

The business segment's revenue increased to SEK 2,349m (1,570). Operating profit increased to SEK 159m (48) and the operating margin increased to 6.8 percent (3.1). The improvement in profit and operating margin can be attributed to better demand, increased project volume and a more stable market.

The negative cash flow for the year is due to the acquisition of development properties and acquisition of Öie AS's operations in Norway in the third quarter.

Norway

Demand for newly built homes and homes on the existing home market continued to be good. The supply of homes for sale in the market remains high, and the time to closing was shorter compared to the previous year. Prices on the existing home market increased during 2011.

During the year 577 residential units (512) were sold and production began on 640 units (429). JM started production during the fourth quarter on 169 residential units in apartment buildings in Oslo, Skien, Askøy, Stavanger and Andebu, and 36 single-family homes in Stavanger, Askøy and Skien. The number of residential units in current production amounts to 878 (891).

As of July 1, 2011, JM Norway acquired all shares in Öie AS, Oslo and a project portfolio for residential development of about 350 building rights. The deal also includes conditional acquisition of about 300 building rights and about 400 building rights in the form of options. The cost of the business was SEK 199m and net cash flow was SEK 136m. Goodwill was SEK 147m, based on the earnings and market position of the business. Öie AS is a highly renowned construction and project development company with about 70 employees and a building rights portfolio mainly located in northern Oslo. The company's 2010 revenues amounted to just over SEK 600m. The acquisition is a good fit with JM's growth strategy, and overall the deal entails potential development of about 1,000 residential units in Oslo.

During the fourth quarter JM purchased building rights corresponding to about 70 residential units in Oslo. Available building rights correspond to 5,300 residential units (5,000).

Denmark

The turmoil in financial markets is contributing to the continued low level of activity in the housing market in Copenhagen. Banks continued their restrictive lending practices to home loan customers, which offset the positive effect of lower interest rates.

During the year 28 residential units (84) were sold and production began on 18 units (62). In the fourth quarter JM started production on 18 single-family homes in two coastal projects in Humlebæk, located north of Copenhagen. The number of residential units in current production amounts to 82 (62). No acquisitions were made during the fourth quarter. Available building rights correspond to 700 residential units (750).

Finland

Activity on the housing market in Helsinki remains at a good level. Interest in newly built homes is strong, but customers are cautious and time to closing has increased. Prices on the existing home market stabilized over the year.

During the year 14 residential units (30) were sold and production began on 59 units (31).

The number of residential units in current production amounts to 59 (31). During the quarter JM acquired 30 building rights in Espoo. Available building rights correspond to 100 residential units (150).

Belgium

In the Brussels region where JM has its operations, activity in the housing market continues to be stable.

During the year 36 residential units (35) were sold and production began on 71 units (48). The number of residential units in current production amounts to 119 (48). No acquisitions were made during the fourth quarter.

Available building rights correspond to 500 residential units (900). During the fourth quarter, the building rights portfolio decreased by 400 building rights due to a conditional acquisition of land in Namur, located outside Brussels that JM decided not to complete.

JM PROPERTY DEVELOPMENT

The JM Property Development business segment primarily develops rental housing, residential care facilities and commercial properties in Greater Stockholm. The business segment's entire portfolio comprises project development properties.

SEK m	January - December		October - December	
	2011	2010	2011	2010
Revenue	73	72	21	16
Operating profit ¹⁾	15	12	-1	2
Average operating capital	822	708		
Return on operating capital (%)	1,8	1,7		
Operating cash flow	-134	-118	-18	-8
Carrying amount, development properties	60	60		
Carrying amount, project properties	808	625		
Number of employees	18	17		
¹⁾ Including property sales	23	26	1	9

The business segment's revenue increased to SEK 73m (72), including rental revenue of SEK 71m (60) and contracting revenue of SEK 2m (12). Operating profit was SEK 15m (12).

Contracting earnings from production totaled SEK 0m (5). Net rental income for project properties was SEK 16m (10). The improvement of net rental income is primarily due to the acquisition of new properties during the year. Gains on property sales amount to SEK 23m (26) of which SEK 3m (17) relates to the reversal of provisions from previous property sales.

Within the Dalénium area on Lidingö, the occupancy rate in the buildings that will not be demolished is 88 percent. Production of special housing for the elderly with 54 residential units is progressing according to plan. At a later stage, JM has plans to build 220 rental apartments in the area.

Within the Bolinder area in Kallhäll, Järfälla, the occupancy rate is 90 percent in the buildings that will not be demolished.

JM PRODUCTION

The JM Production business segment carries out construction work for external and internal customers in the Greater Stockholm area.

SEK m	January - December		October - December	
	2011	2010	2011	2010
Revenue ¹⁾	1,986	1,496	669	405
Operating profit	84	91	28	38
Operating margin (%)	4.2	6.1	4.2	9.4
Operating cash flow	-18	36	28	64
Number of employees	478	399		
¹⁾ Including internally	687	437	260	115

Demand in the contracting market in Stockholm continues to be good with a willingness to invest in residential and commercial premises. The civil engineering market is at a stable high level with a relatively high level of competition. Orders are good in the business segment, with a large number of projects in current production.

The business segment's revenue increased to SEK 1,986m (1,496) and operating profit decreased to SEK 84m (91). The operating margin decreased 4.2 percent (6.1).

The increase in operating capital had a negative impact on cash flow for the year.

During the fourth quarter the business segment received contracts for several projects, the largest of which is a renovation project in central Stockholm for Praktikertjänst.

The largest projects currently underway are two phases of the new E18 motorway between Hjulsta and Kista (Swedish Transport Administration), a collaborative contract for rebuilding a school in Stockholm (SISAB), renovation of and addition to Pir F Västra at Arlanda (Swedavia), streets and conduits (Tyresö and Nacka Municipalities), and site and track work for expansion of railway tracks in Bromma (AB Storstockholms Lokaltrafik). Other projects include new construction of rental apartments in Åkersberga for an external client, and renovation of and addition to schools (Nacka, Sundbyberg and Sollentuna Municipalities). A new project is underway in Hammarby Sjöstad to build streets and conduits for the City of Stockholm. Projects for JM Residential Stockholm include construction of apartment buildings in Bromma, at Telefonplan and on Värmdö, as well as site work within the Dalénum area on Lidingö. In addition, the quays in the Liljeholmen area are being extended and completed for use. A senior housing project is being built on Lidingö for JM Property Development.

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK m	January - December		October - December	
	2011	2010	2011	2010
Revenue	12,001	9,136	3,702	3,075
Production and operating costs	-9,798	-7,608	-3,025	-2,532
Gross profit	2,203	1,528	677	543
Selling and administrative expenses	-717	-649	-179	-172
Gains on the sale of properties	27	28	2	11
Operating profit	1,513	907	500	382
Financing income and expenses	-50	-67	-11	-11
Profit before tax	1,463	840	489	371
Taxes	-421	-246	-142	-106
Net profit for the period	1,042	594	347	265
Other comprehensive income				
Translation differences	-3	-105	-25	-3
Total comprehensive income for the period	1,039	489	322	262
Net result for the period attributable to:				
Shareholders of the parent company	1,042	594	347	265
Total comprehensive income attributable to:				
Shareholders of the parent company	1,039	489	322	262
Earnings per share, basic attributable to shareholders of the parent company (SEK) ¹⁾	12.50	7.10	4.20	3.20
Earnings per share, diluted attributable to shareholders of the parent company (SEK) ¹⁾	12.40	7.10	4.10	3.20
<i>No. of shares outstanding at close of period</i>				
	83,379,407	83,237,058	83,379,407	83,237,058
<i>Average number of shares, basic</i>				
	83,305,326	83,229,492	83,375,237	83,237,058
<i>Average number of shares, diluted</i>				
	84,560,636	84,671,817	84,512,477	84,782,871
<i>1) Profit for the period.</i>				

CONDENSED CONSOLIDATED BALANCE SHEET

SEK m	2011-12-31	2010-12-31
ASSETS		
Non-current assets	315	219
Project properties	859	661
Development properties	5,816	5,374
Participations in tenant-owners associations, etc.	150	115
Current receivables ¹⁾	1,719	1,437
Cash and cash equivalents	2,437	2,087
Total current assets	10,981	9,674
Total assets	11,296	9,893
EQUITY AND LIABILITIES ²⁾		
Shareholders' equity	4,598	3,923
Non-current interest-bearing liabilities	293	258
Other non-current liabilities	172	218
Non-current provisions	2,123	1,833
Total non-current liabilities	2,588	2,309
Current interest-bearing liabilities	566	514
Other current liabilities	3,440	3,036
Current provisions	104	111
Total current liabilities	4,110	3,661
Total shareholders' equity and liabilities	11,296	9,893
Pledged assets	422	359
Contingent liabilities	5,915	4,675
<i>1) Including receivables from property sales</i>		
	0	35
<i>2) Including liabilities for property acquisition</i>		
	470	508

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK m	January - December	
	2011	2010
Opening balance at beginning of the year	3,923	3,637
Total comprehensive income for the year	1,039	489
Dividend	-375	-208
Redemption of convertible loan	11	-
Equity component of convertible debentures	2	3
Share-based payments regulated with equity instruments	-2	2
Closing balance at end of the year	4,598	3,923

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	January - December		October - December	
	2011	2010	2011	2010
Cash flow from current operations before change in working capital	1,190	654	434	321
Investment in development properties, etc. ¹⁾	-1,872	-2,399	-467	-857
Payment on account for development properties etc. ²⁾	1,436	1,673	398	570
Investment in project properties	-291	-73	-63	-2
Sale of project properties	118	0	0	0
Change in current liabilities/receivables	152	187	258	273
Cash flow from current operations	733	42	560	305
Acquisition subsidiary	-136	-	-	-
Other investing activities	43	7	12	11
Cash flow from investment activities	-93	7	12	11
Loans raised	447	423	10	53
Amortization of debt	-362	-202	-60	-108
Dividend	-375	-208	-	-
Cash flow from financing activities	-290	13	-50	-55
Cash flow for the period	350	62	522	261
Cash and cash equivalents at end of the period	2,437	2,087	2,437	2,087
¹⁾ Including investment in participations in tenant-owners associations and freehold residential units	-316	-292	-138	-107
²⁾ Including sale of participations in tenant-owners associations and freehold residential units	264	562	81	142

KEY FIGURES

%	January - December		October - December	
	2011	2010	2011	2010
Operating margin	12.6	9.9	13.5	12.4
Pre-tax return on capital employed	27.5	17.8		
Return on equity	24.5	15.7		
Debt/equity ratio (x)	-	-	-	-
Equity/assets ratio	41	40	41	40

Accounting Policies

This year-end report and interim report for the fourth quarter was prepared in accordance with *IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act*. The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS). Since the Parent Company is an enterprise within the EU, only EU-approved IFRS will be applied.

The accounting policies applied in this interim report are described in the 2010 Annual Report, pages 54-57. The accounting policies and methods of calculation for the group are the same as those applied in the annual report for the previous year.

New and changed accounting standards and interpretations that apply from 2011 are extremely limited in scope and are not assessed to have any effect on JM's financial reports.

REVENUE BY COUNTRY

SEK m	January - December		October - December	
	2011	2010	2011	2010
Sweden	9,868	7,704	2,871	2,475
Norway	1,974	1,372	692	377
Denmark	179	65	55	53
Finland	91	40	19	11
Belgium	105	93	33	16
Restatement JM International ¹⁾	-216	-138	32	143
Total	12,001	9,136	3,702	3,075

REVENUE BY BUSINESS SEGMENT

SEK m	January - December		October - December	
	2011	2010	2011	2010
JM Residential Stockholm	5,141	3,824	1,579	1,350
JM Residential Sweden	3,355	2,749	862	819
JM International	2,349	1,570	799	457
JM Property Development	73	72	21	16
JM Production	1,986	1,496	669	405
Elimination	-687	-437	-260	-115
Total as stated in segment reporting	12,217	9,274	3,670	2,932
Restatement JM International ¹⁾	-216	-138	32	143
Total	12,001	9,136	3,702	3,075

OPERATING PROFIT BY BUSINESS SEGMENT

SEK m	January - December		October - December	
	2011	2010	2011	2010
JM Residential Stockholm	1,028	634	341	266
JM Residential Sweden	301	219	76	73
JM International	159	48	67	28
JM Property Development	15	12	-1	2
JM Production	84	91	28	38
Group-wide costs	-43	-35	-14	-10
Total as stated in segment reporting	1,544	969	497	397
Restatement JM International ¹⁾	-31	-62	3	-15
Total	1,513	907	500	382

OPERATING MARGIN BY BUSINESS SEGMENT

%	January - December		October - December	
	2011	2010	2011	2010
JM Residential Stockholm	20.0	16.6	21.6	19.7
JM Residential Sweden	9.0	8.0	8.8	8.9
JM International	6.8	3.1	8.4	6.1
JM Production	4.2	6.1	4.2	9.4

AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

SEK m	2011	2010
JM Residential Stockholm	2,286	1,776
JM Residential Sweden	1,478	1,471
JM International	1,822	1,838
JM Property Development	822	708

RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

%	2011	2010
JM Residential Stockholm	45.0	35.7
JM Residential Sweden	20.4	14.9
JM International	8.7	2.6
JM Property Development	1.8	1.7

¹⁾ Effect of restatement on income and profit and loss according to IFRIC 15 in relation to segment reporting.

OPERATING CASH FLOW BY BUSINESS SEGMENT

SEK m	January - December		October - December	
	2011	2010	2011	2010
JM Residential Stockholm	641	-34	356	169
JM Residential Sweden	317	312	-8	-165
JM International	-197	236	76	184
JM Property Development	-134	-118	-18	-8
JM Production	-18	36	28	64

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

Carrying amount, SEK m	2011-12-31	2010-12-31
JM Residential Stockholm	2,888	2,562
JM Residential Sweden	1,406	1,497
JM International	1,462	1,255
JM Property Development	60	60
Total	5,816	5,374

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

Number	2011-12-31	2010-12-31
JM Residential Stockholm	11,800	11,100
JM Residential Sweden	8,800	9,600
JM International	6,600	6,800
Total	27,200	27,500
Recognized on the balance sheet (development properties)		
JM Residential Stockholm	7,500	7,100
JM Residential Sweden	5,600	6,100
JM International	4,500	4,400
Total	17,600	17,600

RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

Number	January - December		October - December	
	2011	2010	2011	2010
JM Residential Stockholm	1,401	1,408	329	477
JM Residential Sweden	1,056	1,207	204	352
JM International	655	661	213	227
Total	3,112	3,276	746	1,056

HOUSING STARTS BY BUSINESS SEGMENT

Number	January - December		October - December	
	2011	2010	2011	2010
JM Residential Stockholm	1,684	1,604	349	414
JM Residential Sweden	1,157	1,230	201	350
JM International	788	570	223	208
Total	3,629	3,404	773	972

RESIDENTIAL UNITS IN CURRENT PRODUCTION

Number	2011-12-31	2010-12-31
JM Residential Stockholm	3,290	2,691
JM Residential Sweden	1,973	1,708
JM International	1,138	1,032
Total	6,401	5,431

PROJECT PROPERTIES, GROUP

2011-12-31	Market value SEKm	Carrying amount SEKm	Area (000) m ²	Occupancy rate annual rent, %	Carrying amount SEKm 2010-12-31
Residential units (tenancy rights)	127	130	7,110	100	-
Properties under development	661	672	65,915	91	530
Fully developed commercial properties	66	57	4,475	79	131
Total	854	859	77,500	91	661

DEVELOPMENT PROPERTIES, GROUP

Carrying amount, SEK m	January - December		October - December	
	2011	2010	2011	2010
Opening balance at beginning of period	5,374	4,990	5,814	4,882
New purchases	1,585	1,655	324	933
Transferred to production	-1,113	-1,080	-280	-424
Other	-30	-191	-42	-17
Closing balance at end of period	5,816	5,374	5,816	5,374

CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK m	January - December	
	2011	2010
Net sales	8,436	6,553
Production and operating costs	-6,934	-5,465
Gross profit	1,502	1,088
Selling and administrative expenses	-499	-442
Gains on the sale of properties	1	20
Operating profit	1,004	666
Financial income and expenses ¹⁾	831	14
Profit before appropriations and tax	1,835	680
Appropriations	-263	-232
Profit before tax	1,572	448
Tax ¹⁾	-200	-107
Net profit for the year	1,372	341

¹⁾ Comparative figures for 2010 were restated due to revised accounting of Group contribution.

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK m	2011-12-31	2010-12-31
Assets		
Non-current assets	1,215	1,514
Current assets	9,082	6,929
Total assets	10,297	8,443
Equity and liabilities		
Shareholders' equity	3,365	2,158
Untaxed reserves	1,092	829
Provisions	912	818
Non-current liabilities	280	344
Current liabilities	4,648	4,294
Total shareholders' equity and liabilities	10,297	8,443
Pledged assets	169	169
Contingent liabilities	6,806	5,555

Investments in properties amounted to SEK 664m (612).

The Board

JM discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on February 10, 2012.

GROUP

FIVE-YEAR OVERVIEW ¹⁾

SEK m	2011	2010	2009	2008	2007
Revenue	12,001	9,136	9,620	12,229	12,731
Operating profit	1,513	907	646	1,083	2,301
Profit before tax	1,463	840	529	1,052	2,297
Total assets	11,296	9,893	9,887	10,055	9,916
Cash flow from operating activities	733	42	1,124	101	1,826
Interest-bearing liabilities (+)/receivables (-)	-970	-730	-189	842	-1,313
Operating margin (%)	12.6	9.9	6.7	8.9	18.1
Return on equity (%)	24.5	15.7	10.6	22.9	44.5
Equity/assets ratio (%)	41	40	37	32	39
Earnings per share (SEK)	12.50	7.10	4.40	9.50	18.30
Dividend per share (SEK)	6.50 ²⁾	4.50	2.50	0	5.50
Number of available building rights	27,200	27,500	27,900	31,000	31,000
Number of sold residential units	3,112	3,276	3,291	1,871	3,880
Number of housing starts	3,629	3,404	2,150	1,829	4,065
Number of residential units in current production	6,401	5,431	3,744	5,118	6,844

¹⁾ Financial year 2008 and earlier are not restated according to IFRIC 15.

²⁾ The Boards proposal.

GROUP

QUARTERLY OVERVIEW, SEK m	2011				2010			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
INCOME STATEMENT								
Revenue	3,702	3,071	2,681	2,547	3,075	1,947	2,406	1,708
Production and operating costs	-3,025	-2,521	-2,162	-2,090	-2,532	-1,618	-2,030	-1,428
Gross profit	677	550	519	457	543	329	376	280
Selling and administrative expenses	-179	-155	-203	-180	-172	-137	-175	-165
Gains on the sale of properties	2	0	23	2	11	3	7	7
Operating profit	500	395	339	279	382	195	208	122
Financial income and expenses	-11	-15	-10	-14	-11	-20	-7	-29
Profit before tax	489	380	329	265	371	175	201	93
Tax	-142	-107	-94	-78	-106	-51	-59	-30
Net profit for the period	347	273	235	187	265	124	142	63
BALANCE SHEET	12-31	09-30	06-30	03-31	12-31	09-30	06-30	03-31
Assets								
Non-current assets	315	334	173	176	219	252	256	254
Project properties	859	796	783	854	661	670	647	622
Development properties	5,816	5,814	5,570	5,593	5,374	4,882	4,954	4,993
Participations in tenant-owners associations, etc.	150	115	99	115	115	138	166	301
Current receivables	1,719	1,731	1,687	1,404	1,437	1,629	1,755	1,710
Cash and cash equivalents	2,437	1,917	1,790	2,024	2,087	1,826	1,747	2,190
Total current assets	10,981	10,373	9,929	9,990	9,674	9,145	9,269	9,816
Total assets	11,296	10,707	10,102	10,166	9,893	9,397	9,525	10,070
Equity and liabilities								
Shareholders' equity	4,598	4,276	3,990	4,099	3,923	3,661	3,577	3,657
Non-current interest-bearing liabilities	293	287	247	305	258	258	236	324
Other non-current liabilities	172	205	198	198	218	124	125	155
Non-current provisions	2,123	1,918	1,867	1,852	1,833	1,742	1,717	1,692
Total non-current liabilities	2,588	2,410	2,312	2,355	2,309	2,124	2,078	2,171
Current interest-bearing liabilities	566	640	752	445	514	574	532	1,178
Other current liabilities	3,440	3,272	2,942	3,159	3,036	2,913	3,211	2,936
Current provisions	104	109	106	108	111	125	127	128
Total current liabilities	4,110	4,021	3,800	3,712	3,661	3,612	3,870	4,242
Total shareholders' equity and liabilities	11,296	10,707	10,102	10,166	9,893	9,397	9,525	10,070
CASH FLOW STATEMENT	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities	560	316	-78	-65	305	-27	-148	-88
Cash flow from investing activities	12	-145	-1	41	11	-4	0	0
Cash flow from financing activities	-50	-44	-158	-38	-55	112	-293	249
Total cash flow for the period	522	127	-237	-62	261	81	-441	161
Cash and cash equivalents at end of period	2,437	1,917	1,790	2,024	2,087	1,826	1,747	2,190
INTEREST-BEARING NET LIABILITIES/-RECEIVABLES	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest-bearing net liabilities(+)/receivables(-) at beginning of period	-388	-191	-683	-730	-409	-400	-115	-189
Change in interest-bearing net liabilities/receivables	-582	-197	492	47	-321	-9	-285	74
Interest-bearing net liabilities(+)/receivables(-) at end of the period	-970	-388	-191	-683	-730	-409	-400	-115
DEVELOPMENT PROPERTIES	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Opening balance at beginning of period	5,814	5,570	5,593	5,374	4,882	4,954	4,993	4,990
New purchases	324	599	247	415	933	183	290	249
Transferred to production	-280	-341	-325	-167	-424	-184	-281	-191
Other	-42	-14	55	-29	-17	-71	-48	-55
Closing balance at end of period	5,816	5,814	5,570	5,593	5,374	4,882	4,954	4,993
KEY RATIOS	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating margin (%)	13.5	12.9	12.6	11.0	12.4	10.0	8.6	7.1
Debt/equity ratio (x)	-	-	-	-	-	-	-	-
Equity/assets ratio (%)	41	40	39	40	40	39	38	36
Earnings per share (SEK)	4.20	3.30	2.80	2.20	3.20	1.50	1.70	0.80
Number of available building rights	27,200	28,000	26,500	26,300	27,500	26,700	27,400	27,600
Number of residential units sold	746	705	821	840	1,056	758	705	757
Number of housing starts	773	1,005	943	908	972	811	872	749
Number of residential units in current production	6,401	6,439	6,027	5,957	5,431	5,285	4,959	4,392

BUSINESS SEGMENTS

QUARTERLY OVERVIEW, SEK m		2011				2010			
JM RESIDENTIAL STOCKHOLM	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Revenue	1,579	1,197	1,320	1,045	1,350	819	899	756	
Operating profit ¹⁾	341	258	246	183	266	123	133	112	
Operating margin (%)	21.6	21.6	18.6	17.5	19.7	15.0	14.8	14.8	
Average operating capital	2,286	2,153	1,985	1,843	1,776	1,765	1,817	1,938	
Return on operating capital (%) ²⁾	45.0	44.3	41.2	38.3	35.7	30.5	28.4	25.2	
Operating cash flow	356	395	-211	101	169	-44	-291	132	
Carrying amount, development properties	2,888	2,813	2,691	2,679	2,562	2,100	2,155	2,122	
Number of available building rights	11,800	12,100	10,900	10,700	11,100	10,000	10,500	10,700	
Number of residential units sold ³⁾	329	308	369	395	477	274	299	358	
Number of housing starts ³⁾	349	468	439	428	414	399	427	364	
Number of residential units in current production	3,290	3,353	3,116	2,931	2,691	2,590	2,505	2,126	
¹⁾ Including property sales	-	-	-	-	2	-	-	-	
³⁾ Including rental apartments	-	77	-	-	104	-	62	45	
JM RESIDENTIAL SWEDEN	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Revenue	862	725	976	792	819	604	785	541	
Operating profit ¹⁾	76	69	88	68	73	54	58	34	
Operating margin (%)	8.8	9.5	9.0	8.6	8.9	8.9	7.4	6.3	
Average operating capital	1,478	1,443	1,462	1,469	1,471	1,465	1,540	1,601	
Return on operating capital (%) ²⁾	20.4	20.7	19.4	17.2	14.9	15.4	13.7	11.7	
Operating cash flow	-8	196	83	46	-165	230	125	122	
Carrying amount, development properties	1,406	1,460	1,512	1,539	1,497	1,422	1,429	1,518	
Number of available building rights	8,800	8,800	9,000	8,900	9,600	9,800	10,200	10,100	
Number of residential units sold	204	229	303	320	352	354	276	225	
Number of housing starts	201	297	332	327	350	338	321	221	
Number of residential units in current production	1,973	2,009	1,955	1,953	1,708	1,767	1,561	1,371	
¹⁾ Including property sales	1	0	3	-	-	-	0	-	
JM INTERNATIONAL	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Revenue	799	669	464	417	457	369	408	336	
Operating profit	67	38	30	24	28	11	8	1	
Operating margin (%)	8.4	5.7	6.5	5.8	6.1	3.0	2.0	0.3	
Average operating capital	1,822	1,764	1,718	1,774	1,838	1,870	1,895	1,948	
Return on operating capital (%) ²⁾	8.7	6.8	5.4	4.0	2.6	1.6	1.2	-6.3	
Operating cash flow	76	-288	-10	25	184	1	126	-75	
Carrying amount, development properties	1,462	1,481	1,306	1,315	1,255	1,252	1,263	1,245	
Carrying amount, project properties	51	33	35	33	34	34	35	35	
Number of available building rights	6,600	7,100	6,600	6,700	6,800	6,900	6,700	6,800	
Number of residential units sold	213	168	149	125	227	130	130	174	
Number of housing starts	223	240	172	153	208	74	124	164	
Number of residential units in current production	1,138	1,077	956	1,073	1,032	928	893	895	
JM PROPERTY DEVELOPMENT	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Revenue	21	19	17	16	16	15	15	26	
Operating profit ¹⁾	-1	2	13	1	2	3	6	1	
Average operating capital	822	797	770	739	708	798	845	922	
Return on operating capital (%) ²⁾	1.8	2.3	2.5	1.6	1.7	6.5	7.7	9.4	
Operating cash flow	-18	-131	86	-71	-8	-24	-60	-26	
Carrying amount, development properties	60	60	61	60	60	108	107	108	
Carrying amount, project properties	808	763	748	821	625	636	612	587	
¹⁾ Including property sales	1	-	20	2	9	3	7	7	
JM PRODUCTION	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Revenue	669	490	480	347	405	311	431	349	
Operating profit	28	24	19	13	38	18	21	14	
Operating margin (%)	4.2	4.9	4.0	3.7	9.4	5.8	4.9	4.0	
Operating cash flow	28	10	-49	-7	64	-24	16	-20	
JM OTHER	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Revenue (elimination)	-260	-141	-160	-126	-115	-106	-121	-95	
Operating profit (group-wide expenses)	-14	-9	-9	-11	-10	-5	-9	-11	
RESTATEMENT JM INTERNATIONAL	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Revenue	32	112	-416	56	143	-65	-11	-205	
Operating profit	3	13	-48	1	-15	-9	-9	-29	

²⁾ Calculated on 12-month rolling profits and average capital.

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Financial Calendar

Interim Report January – March 2012

April 26, 2012

Annual General Meeting 2012

April 26, 2012

Interim Report January – June 2012

23 August 2012

Interim Report January – September 2012

26 October 2012

JM is one of the Nordic region's leading developers of housing and residential areas. Operations focus on new production of homes in attractive locations, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway, Denmark, Finland and Belgium. We are also involved in project development of commercial premises and contract work, primarily in the Greater Stockholm area. Our annual sales total approximately SEK 12 billion and the company has about 2,400 employees. JM AB is a public limited company listed on NASDAQ OMX Stockholm, Mid Cap segment.