



Interim Report January – September 2008

JM Group

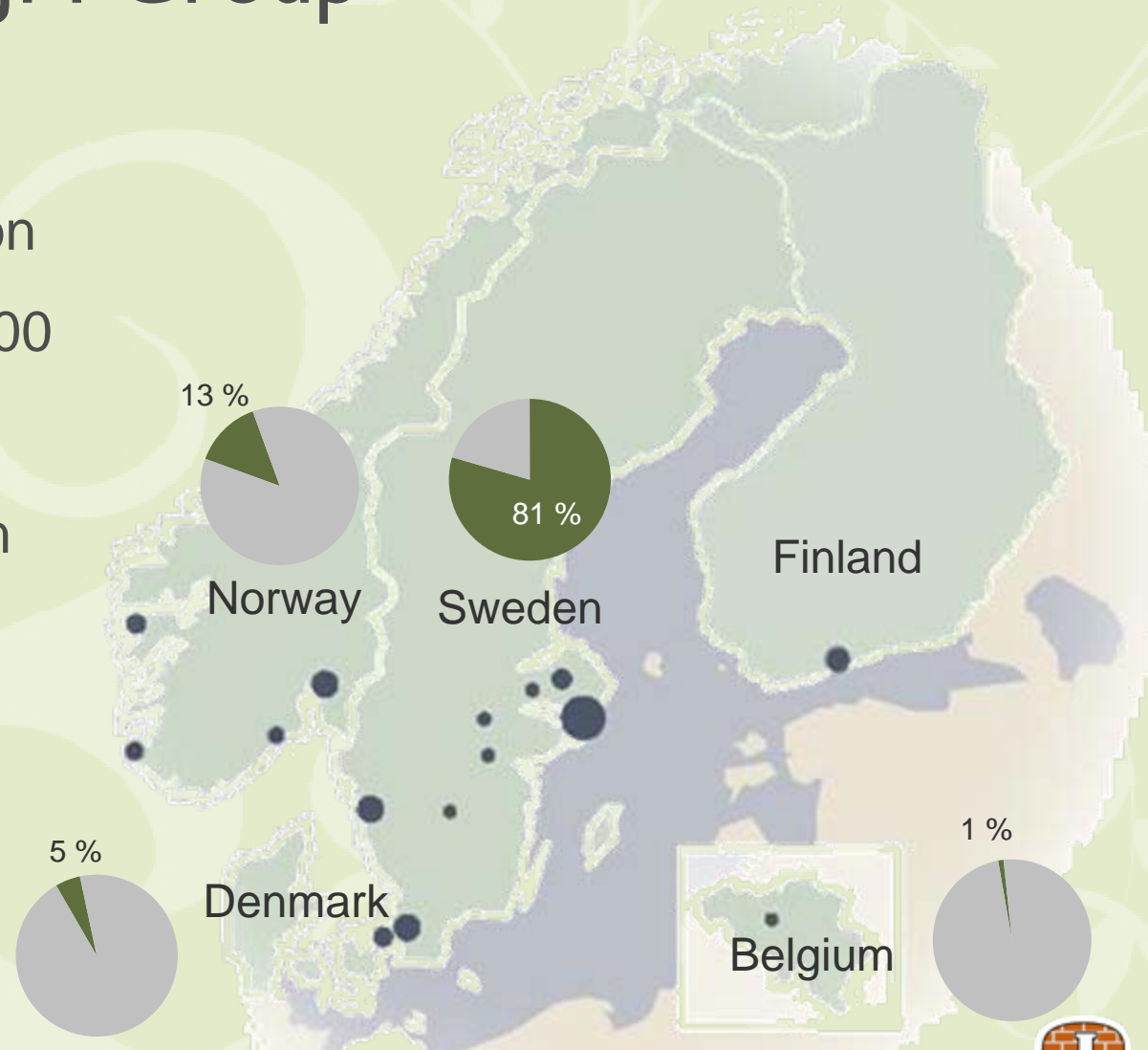
Income: SEK 13.3 billion

Total assets: SEK 9.9 billion

No. of building rights: 32,900

No. of employees: 2,467

Market cap: SEK 2.9 billion



Group Summary

January – September 2008

- Income increased by 6 percent to SEK 9,379m (8,852)
- Earnings before tax totaled SEK 1,276m (1,491)
- Property sales of SEK 83m (564) provided capital gains of SEK 21m (143)



Group Summary

January – September 2008

- Number of residential units sold 1,601 (2,837)
- Number of housing starts 1,483 (3,018)
- Earnings per share was SEK 10.50 (11.70)
- Return on equity was 45.5 percent (46.6)
- Cash flow from operations totaled SEK -141m (1,081)



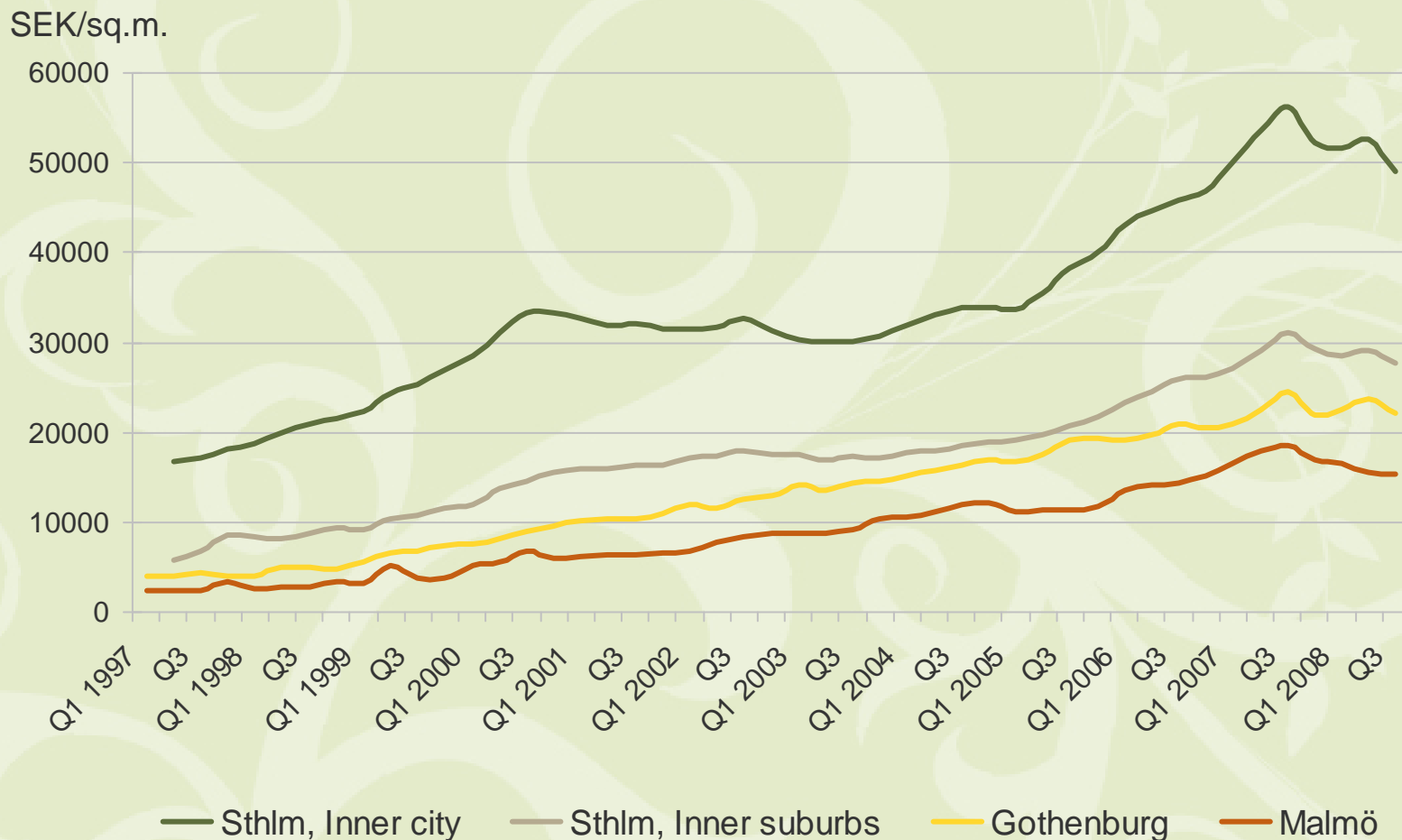
Cautious demand – lower activity

- Lower demand on the Stockholm housing market – continued weak demand in southern and western Sweden and in Norway and Copenhagen
- Lower sales for residential units in the form of signed contracts in Stockholm – low levels on other markets
- The percentage of sold or reserved residential units in relation to on-going production falls short of normalized levels
- Certain trend toward rising costs
- Adaptation of organization - layoffs



Prices dropped on the existing home market

Tenant-owned apartment prices in cities, second-hand market 1997 – Q3 2008

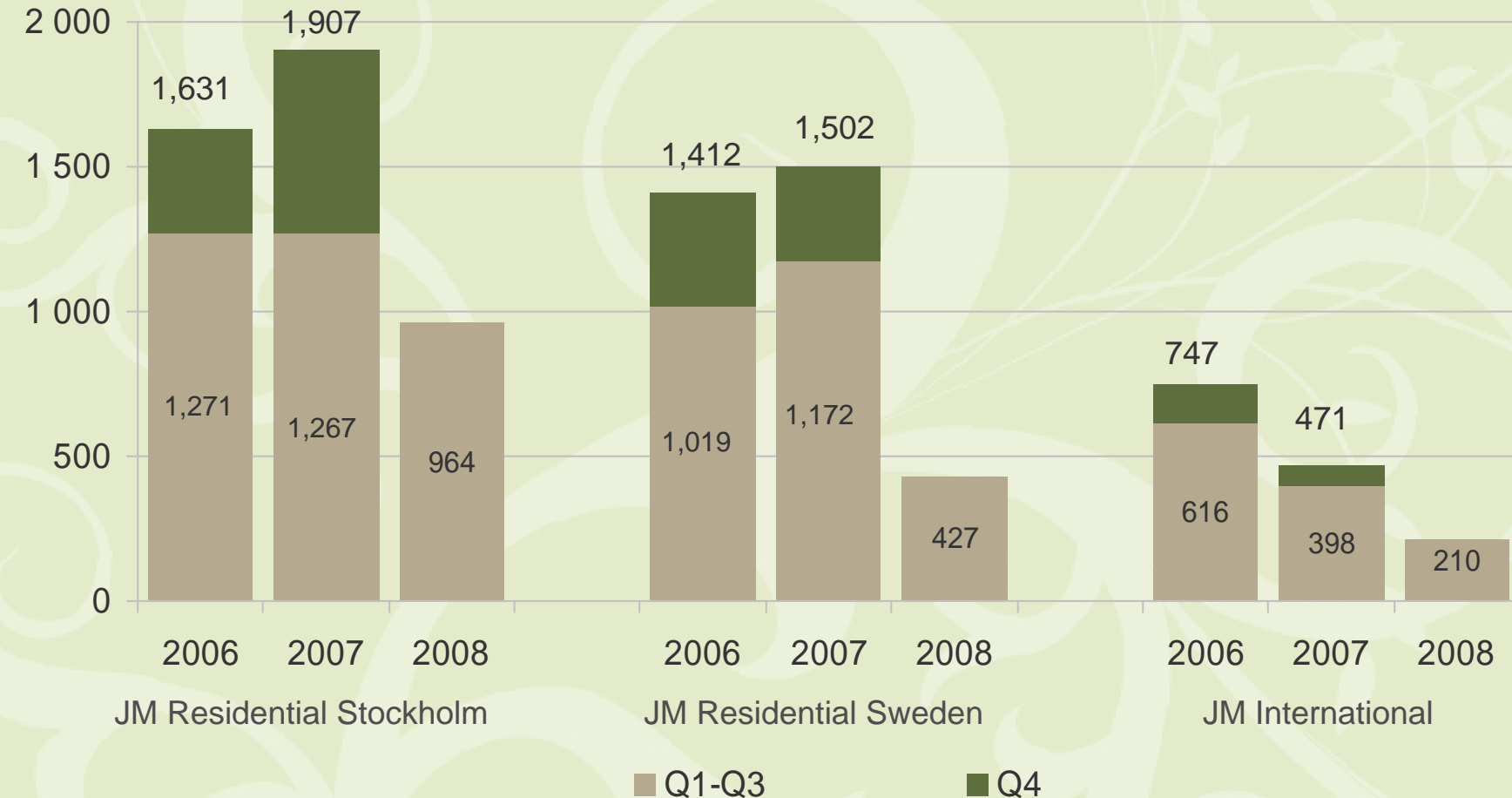


Source: Temaplan AB/ Erik Olsson Fastighetsförmedling AB and Mäklarsamfundet/Värderingsdata

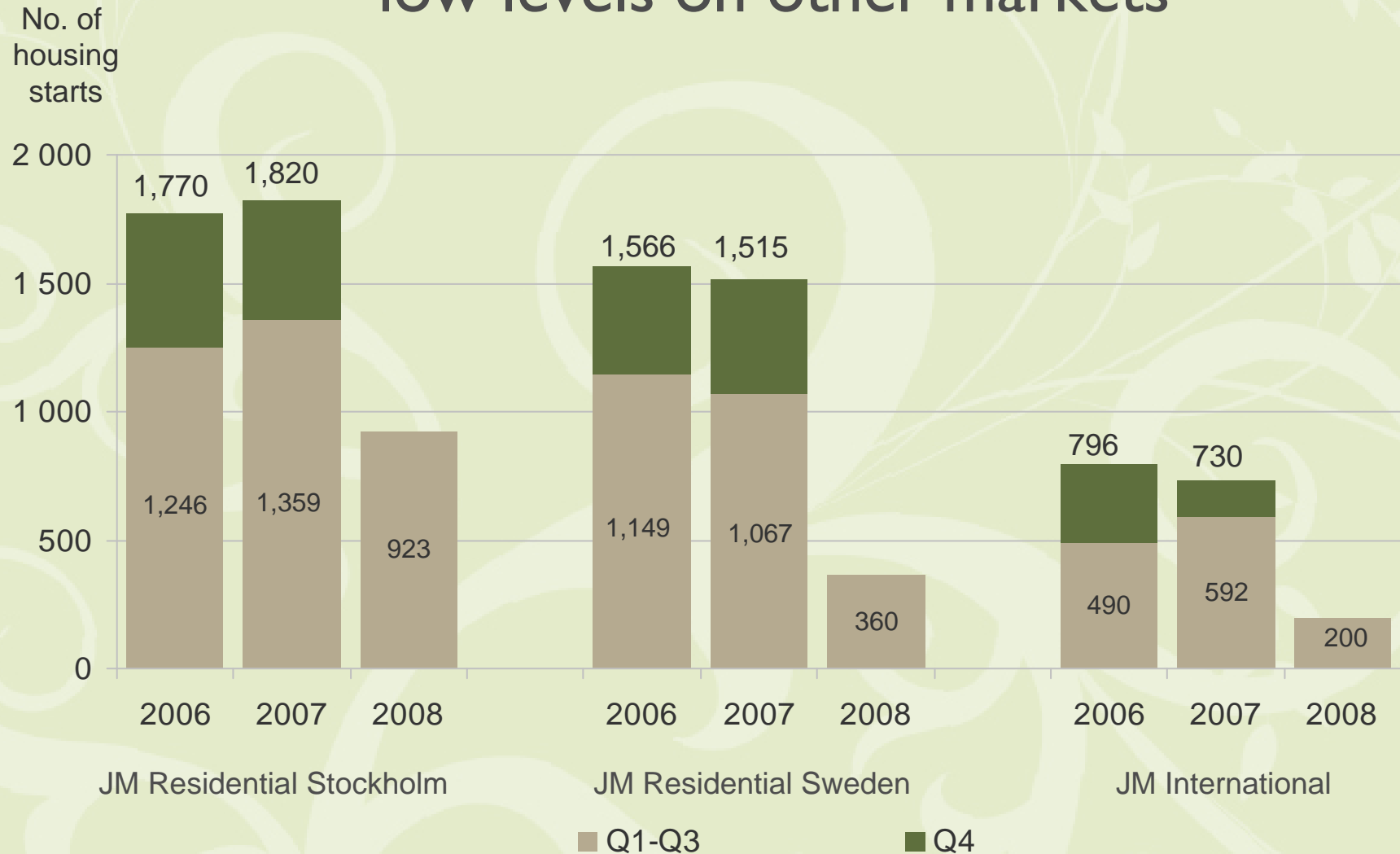


Lower home sales figures in Stockholm – low levels on other markets

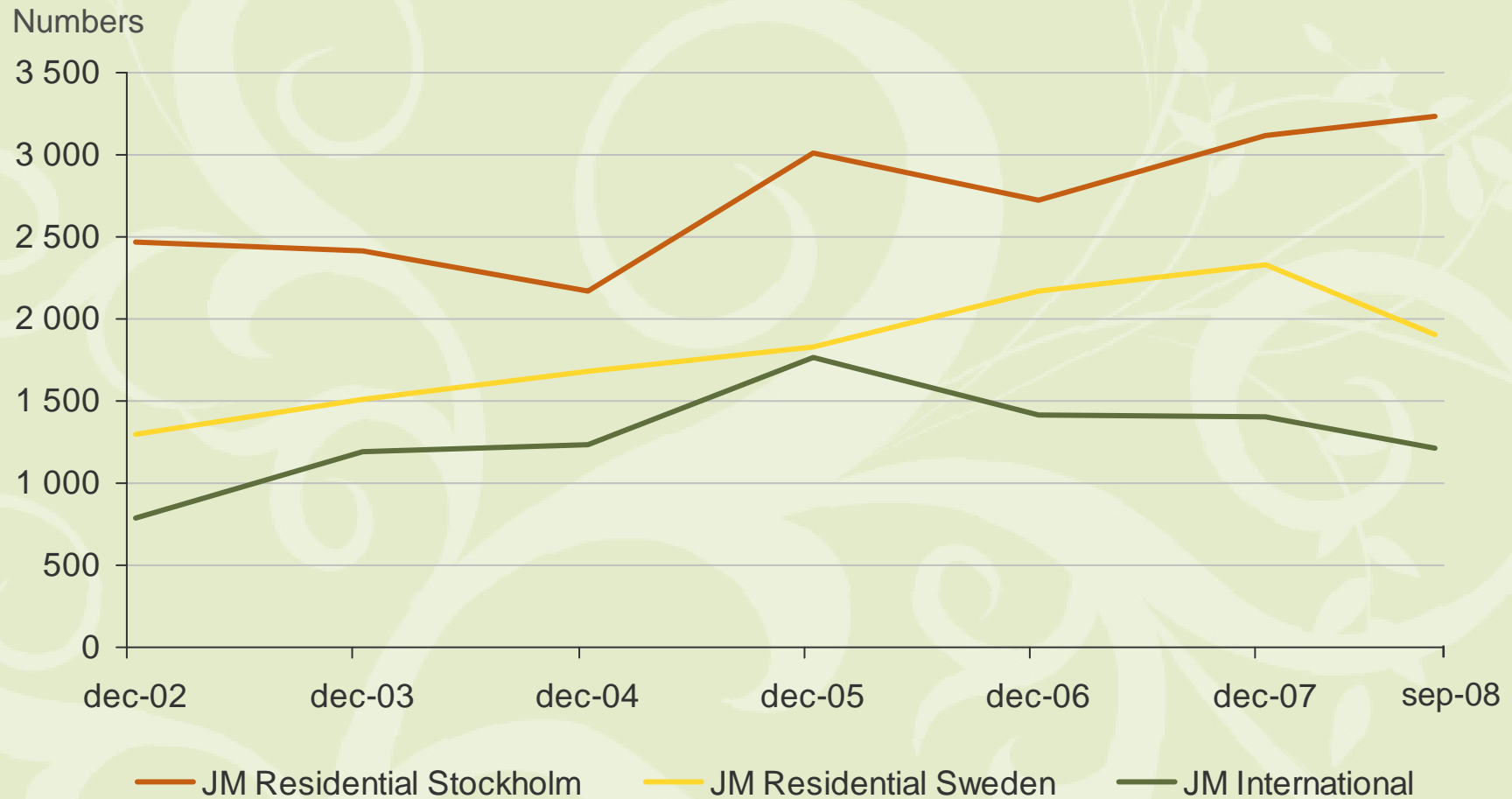
No. of
units sold



Lower level of housing starts in Stockholm – low levels on other markets



Residential units in ongoing production



JM Residential Stockholm

SEKm	January – September		Full Year
	2008	2007	2007
Income	4,016	3,596	5,217
Operating profit	832	788	1,236
Operating margin (%)	20.7	21.9	23.7
Number of available building rights	12,800	12,100	12,300

- Weakening demand and sales
- Lower prices
- Decreasing competition over building rights
- Decreased margin



JM Residential Sweden

SEKm	January – September		Full Year
	2008	2007	2007
Income	2,651	2,892	4,011
Operating profit	319	465	685
Operating margin (%)	12.0	16.1	17.1
Number of available building rights	11,900	10,800	10,700

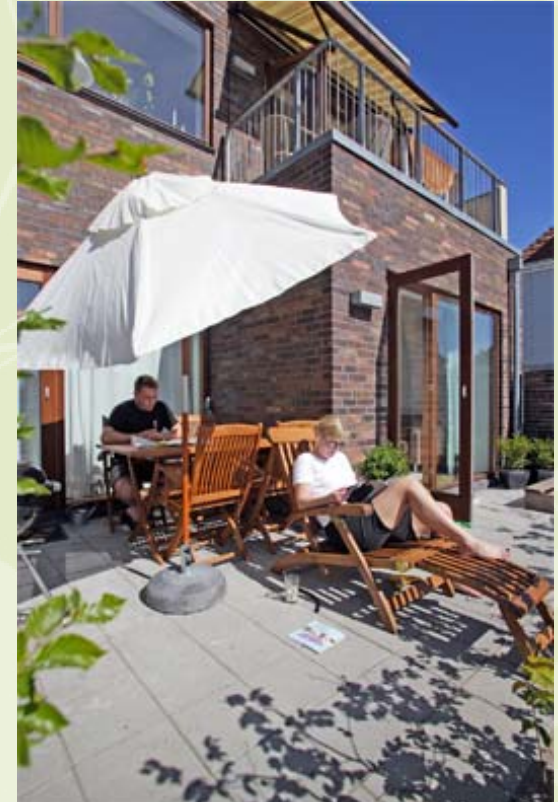
- Weakening demand in western Sweden
- Low sales
- Lower prices
- Decreasing competition over building rights
- Decreasing margin



JM International

SEKm	January – September		Full Year
	2008	2007	2007
Income	1,640	1,807	2,685
Operating profit	67	104	178
Operating margin (%)	4.1	5.8	6.6
Number of available building rights	8,200	7,400	8,000

- Weak demand and lower prices in Norway
- Very low sales in Norway
- Decreasing margin mainly attributable to Norway
- Decreasing competition over building rights
- Increase in production costs in Norway
- Winter survival strategy in Denmark and Finland



JM Property Development

SEKm	January – September		Full Year
	2008	2007	2007
Income	155	64	91
Operating profit	33	132	162

- Gains from property sale SEK 21m (138)
- Production ongoing for JM's new head office
- Project development of commercial properties ongoing in the Dalénum area on Lidingö – 91 % occupancy rate



JM Production

SEKm	January – September		Full Year
	2008	2007	2007
Income ¹⁾	1,402	930	1,296
Operating profit	80	56	89
Operating margin (%)	5.7	6.0	6.9
¹⁾ Of which internal	485	437	569

- Stable development
- High margin
- Stable orders



Available building rights portfolio

Region	No. of building rights
Stockholm	12,800
Malmö/Lund	3,700
Gothenburg	3,400
Uppsala	2,950
Rest of Sweden	1,850
Norway	5,800
Copenhagen	1,000
Helsinki	300
Belgium	1,100
Total approximately	32,900



Change in development properties

Building rights in Balance Sheet

SEKm	2005	2006	2007	Jan-Sept 2008
Opening balance	2,971	2,925	4,348	5,282
Plus	1,337	2,718	2,130	1,410
Minus	-1,383	-1,295	-1,196	-532
Closing balance	2,925	4,348	5,282	6,160



More than 8 years production in Balance Sheet

Over invested building rights portfolio

No. building rights ¹⁾ 2008-09-30	In Balance Sheet	Production starts ²⁾	Average period, years ³⁾
JM Residential Stockholm	8,800	1,384	6.4
JM Residential Sweden	7,200	808	8.9
JM International	5,200	338	15.4
Group	21,200	2,530	8.4

1) Residential building rights

2) 12-month period

3) Guideline value approx. 4 years

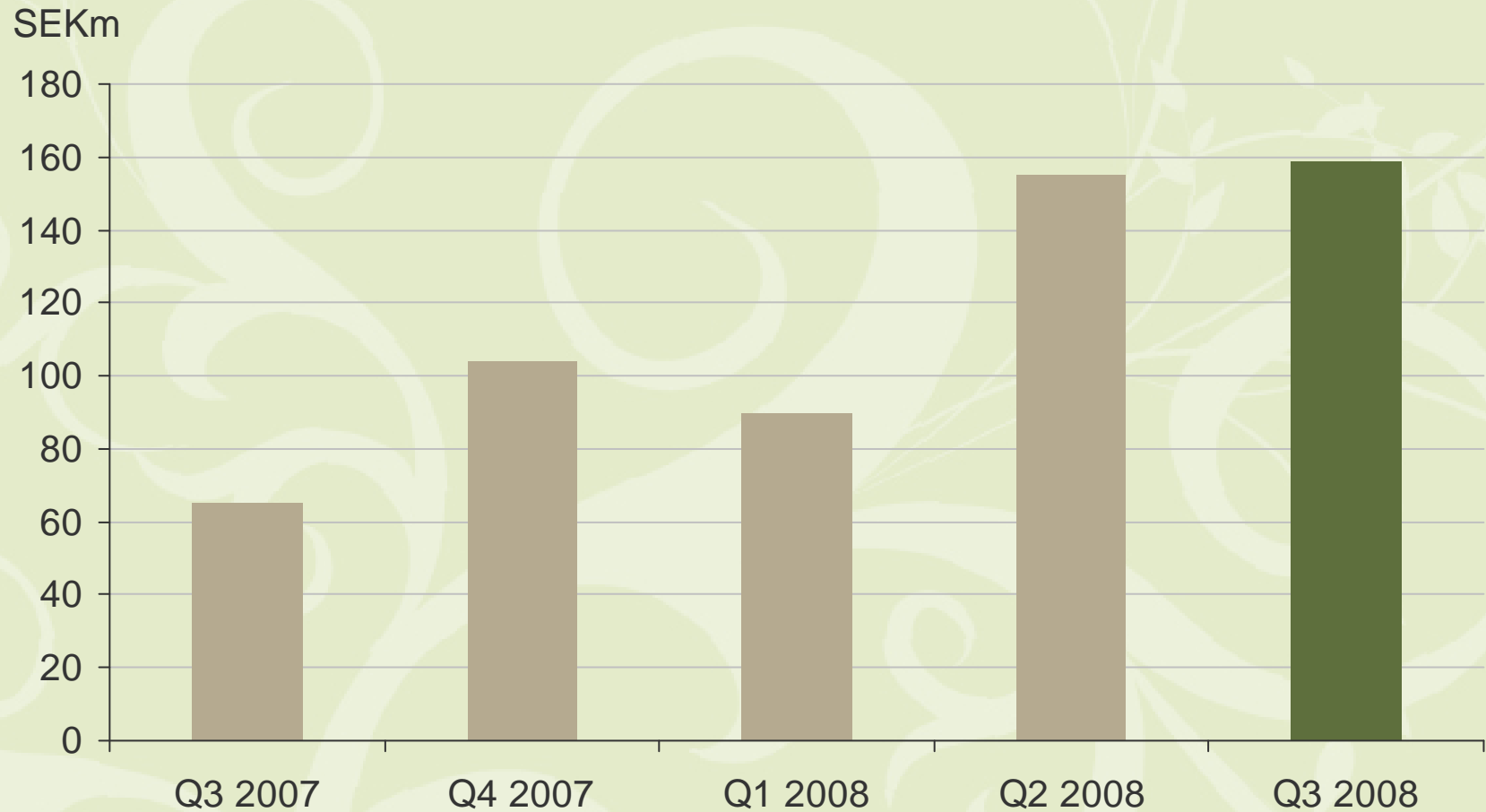


Weak cash flow Q3 2008

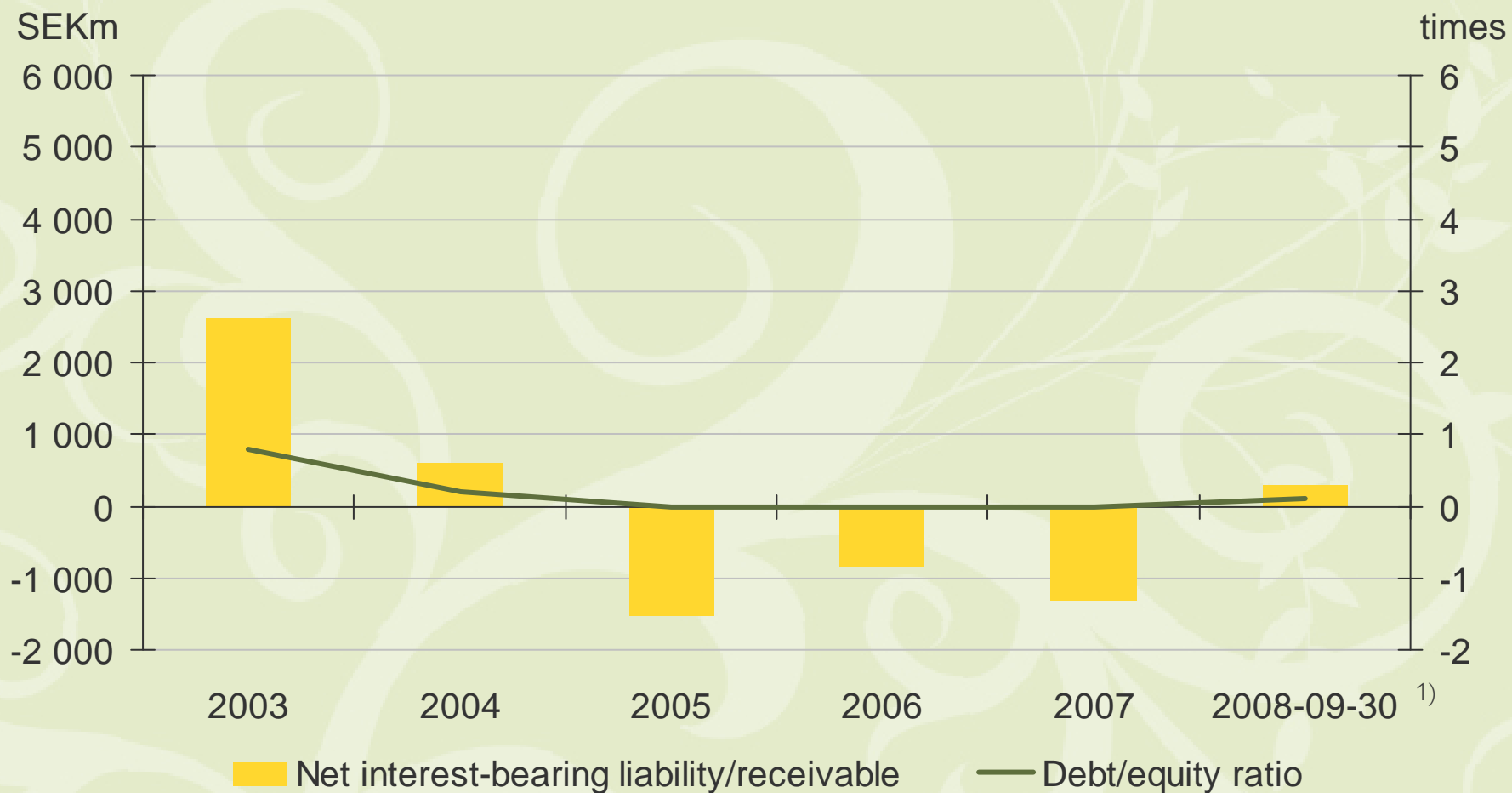
Cash Flow Statement, SEKm	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008
Cash flow from operating activities ^{1) 2)}	560	745	-235	290	-196
Cash flow from investment activities	0	1	-7	-13	37
Cash flow from financing activities	-1,012	49	-19	-1,414	72
Total cash flow for the quarter	-452	795	-261	-1,137	-87
Liquid assets at end of period	1,254	2,061	1,797	663	578
1) Of which payment flow from sale of project properties	0	378	51	57	10
2) Of which net investment in development properties	-302	-195	-701	62	-528



Unsold residential units in the Balance Sheet



Net interest-bearing liability/receivable



¹⁾ Non interest-bearing deferred payments for property acquisitions amounted to approx. SEK 1,3 billion



Net financial items

January – September 2008, SEKm

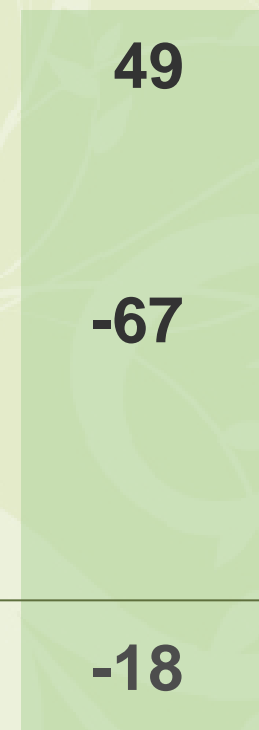
Financial income

Interest income	37
Currency revaluation	12

Financial expenses

Interest expenses	-37
Interest expense pensions	-21
Currency revaluation	-9

Net financial items



Components of profit/loss

Percentage of completion method

Cost-based effect

Always positive

Recognized expenses *
contribution margin (for
the current period)

+

Reassessment effect

Usually positive

Changed assessment about forecast
total contribution margin and /or total
cost of a project that involves
reassessment of recognized
profit/loss from earlier periods

+

Sales effect

Positive / negative

Change in the relationship
between stage of completion
and sales rate in a period
(incoming– outgoing)
(Adjustment of accumulated
profit for unsold homes)

=

**Profit/loss
for the period**

Consolidated Balance Sheet

SEKm	2008-09-30	2007-09-30	2007-12-31
Assets			
Project properties	856	625	790
Development properties	6,160	4,368	5,282
Other assets	2,899	3,393	3,844
Total	9,915	8,386	9,916
Shareholders' equity and liabilities			
Shareholders' equity	3,327	3,290	3,893
Non-current liabilities	3,087	1,492	2,552
Current liabilities	3,501	3,604	3,471
Total	9,915	8,386	9,916
Equity ratio (%)	34	39	39



Staff cuts

Layoffs and dismissals June – October 2008

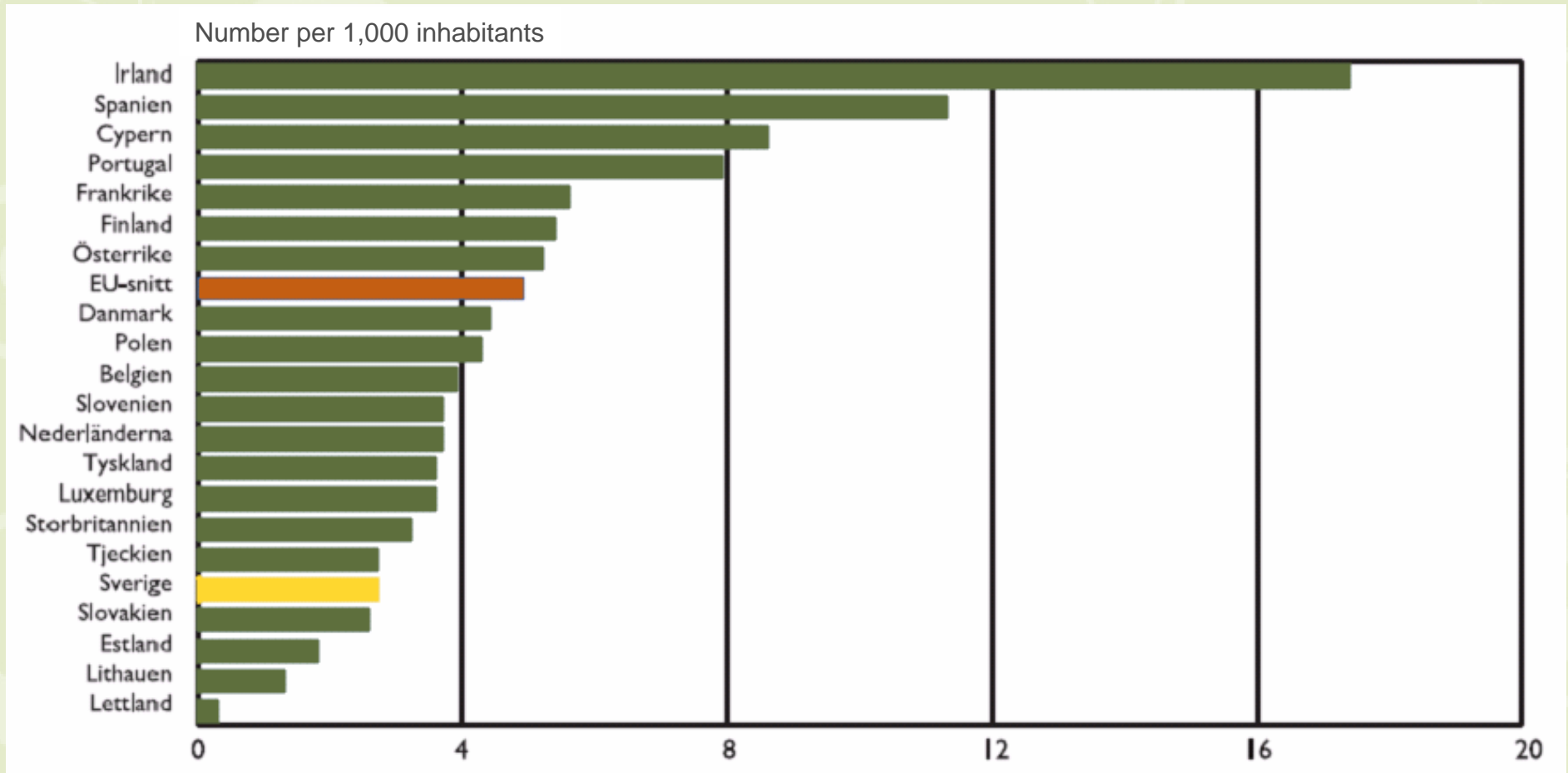
JM Residential Stockholm ¹⁾	260
JM Residential Sweden	250
JM International	80
<hr/>	
Total number of employees	590

¹⁾ including group staffs

The cutbacks correspond with almost 25 % of the Group's staffing



Fully developed residential units within EU



Source: Housing Statistics in the European Union

Declining economy

- Customer-focused – strong brand
- 32,900 residential building rights in attractive locations – high quality and good distribution
- Declining economy and deteriorating demand – fundamentally favorable prospects in the long term
- Industrialized process and attractive homes
- Strong balance sheet and financial flexibility - cash flow focus
- Competent and engaged co-workers

