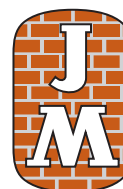


# Interim report 2/2016



JM GROUP JANUARY–JUNE 2016

## STABLE DEMAND AND CONTINUED STRONG SALES

- According to segment reporting, revenue increased to SEK 7,727m (7,233) and operating profit increased to SEK 893m (771). The operating margin increased to 11.6 percent (10.7)
- Restated according to IFRIC 15, revenue increased to SEK 7,336m (6,785) and the operating profit increased to SEK 824m (722). This restatement is attributable to JM International and had a negative effect on earnings of SEK –69m (–49)
- Profit before tax increased to SEK 801m (691). Profit after tax increased to SEK 617m (527)
- Return on equity for the past twelve months amounted to 27.5 percent (28.8). Earnings per share for the first six months of the year increased to SEK 8.40 (7.00)
- Consolidated cash flow including net investment in properties was SEK 1,487m (386)
- The number of sold residential units increased to 1,958 (1,940) and housing starts amounted to 1,772 (1,777)

SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
Revenue (segment reporting)	7,727	7,233	3,970	3,816	14,941	14,447
Operating profit (segment reporting)	893	771	448	399	1,712	1,590
Operating margin (segment reporting), %	11.6	10.7	11.3	10.5	11.5	11.0
Revenue <sup>1)</sup>	7,336	6,785	3,866	3,485	14,490	13,939
Operating profit <sup>1)</sup>	824	722	421	361	1,601	1,499
Profit before tax <sup>1)</sup>	801	691	414	349	1,537	1,427
Operating margin, % <sup>1)</sup>	11.2	10.6	10.9	10.4	11.0	10.8
Cash flow from operating activities	1,487	386	886	659	871	–230
Return on equity, % <sup>1)</sup>					27.5	23.7
Equity/assets ratio, % <sup>1)</sup>	36	37	36	37		38
Earnings per share, SEK <sup>1)</sup>	8.40	7.00	4.40	3.50	16.00	14.50
Number of residential units sold	1,958	1,940	1,031	1,097	3,788	3,770
Number of housing starts	1,772	1,777	916	1,029	3,726	3,731
Number of residential units in current production	7,081	6,917				7,212

<sup>1)</sup> According to IFRIC 15.

The Group applies IFRIC 15 Agreements for the Construction of Real Estate to its income statement and balance sheet. This means that revenue and profit and loss for JM's operations outside of Sweden, JM International, are reported according to the completed contract method. Segment reporting and project management are reported according to IAS 11, percentage of completion method. The description of operations is based on segment reporting.

For definitions of key financial figures, please refer to the Definitions Key Financial Figures document on [www.jm.se/investors](http://www.jm.se/investors).

## GROUP

“Demand for JM’s residential units has continued to be stable in JM’s main markets during the first six months of the year. Strong sales support a continued high level of housing starts.

Revenue for the first six months confirms the stable development in our housing operations in Stockholm. Housing operations in the rest of Sweden are demonstrating improvement in terms of both revenue and profit due to strong demand and price increases for our residential units. The concentration of our foreign operations to Norway and Finland also strengthens the operating margin.

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

Johan Skoglund, President and CEO

## MARKET, SALES AND HOUSING STARTS

Demand for newly built homes in Sweden and Norway has been stable during the first six months of the year. Interest in JM’s projects is strong. 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 1,958 (1,940)<sup>1)</sup>. The percentage of sold or reserved homes in relation to current production amounts to 83 percent (87), with an interval of 60-65 percent considered normal. JM Residential Stockholm sold 800 residential units (855), JM Residential Sweden sold 664 (625), JM International sold 494 (460) and JM Property Development sold 0 (0).

The number of housing starts increased to 1,772 (1,777)<sup>2)</sup>. JM Residential Stockholm started production on 655 residential units (753), JM Residential Sweden on 647 (543), JM International on 470 (427) and JM Property Development on 0 (54).

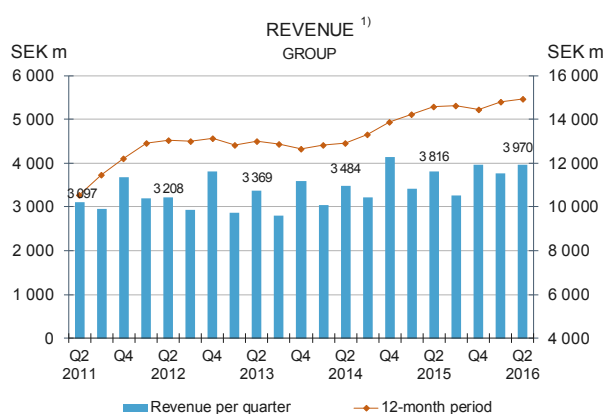
Planning process continue to be an important criterion for the rate of housing starts.

The number of residential units in current production increased to 7,081 (6,917), of which 338 are rental units and residential care units (484).

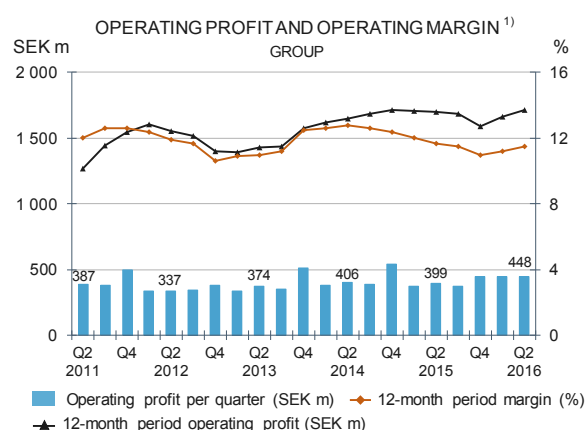
<sup>1)</sup> Of which 0 rental units and residential care units (0).  
<sup>2)</sup> Of which 0 rental units and residential care units (54).

Operating profit (SEK m)	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
JM Residential Stockholm	600	531	306	268	1,147	1,078
JM Residential Sweden	219	138	114	78	389	308
JM International	74	80	31	47	160	166
JM Property Development	5	15	–1	0	28	38
JM Construction	21	32	11	16	34	45
Group-wide expenses	–26	–25	–13	–10	–46	–45
Total (segment reporting)	893	771	448	399	1,712	1,590
Restatement JM International <sup>1)</sup>	–69	–49	–27	–38	–111	–91
<b>Total</b>	<b>824</b>	<b>722</b>	<b>421</b>	<b>361</b>	<b>1,601</b>	<b>1,499</b>
Of which property sales	–22	34	–23	10	0	56

<sup>1)</sup> Effect of restatement on revenue and profit and loss according to IFRIC 15 in relation to segment reporting.



<sup>1)</sup> According to segment reporting



<sup>1)</sup> According to segment reporting

## REVENUE, OPERATING PROFIT AND OPERATING MARGIN

Consolidated revenue in accordance with segment reporting for the first six months increased to SEK 7,727m (7,233). Revenue restated according to IFRIC 15 increased to SEK 7,336m (6,785).

Operating profit according to segment reporting increased to SEK 893m (771) and the operating margin increased to 11.6 percent (10.7). Operating profit restated

according to IFRIC 15 increased to SEK 824m (722). This restatement is attributable to JM International and had a negative effect on earnings of SEK –69m (–49).

During the first six months of the year properties were sold for SEK 27m (111) with losses of SEK –22m (34).

Rental income from JM's project properties was SEK 11m (11). Net rental income was SEK 1m (4).

Operating margin, %	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
JM Residential Stockholm	17.4	17.0	17.6	17.0	17.4	17.2
JM Residential Sweden	11.0	8.7	11.6	9.2	10.6	9.4
JM International	4.4	5.2	3.5	5.3	5.0	5.4
JM Construction	2.6	2.9	2.5	2.9	1.9	2.2

Residential units in current production	6/30/2016	6/30/2015	12/31/2015
Number of residential units in current production <sup>1) 2)</sup>	7,081	6,917	7,212
Percentage sold residential units in current production, % <sup>3)</sup>	66	64	64
Percentage of reserved residential units in current production, %	17	23	22
Percentage of sold and reserved residential units in current production, %	83	87	86

<sup>1)</sup> Including rental units and residential care units in current production in JM Property Development – not included in the percentage of sold and reserved residential units in current production

Includes residential units in projects where costs incurred are only reported as project properties under construction

<sup>2)</sup> Beginning with production startup through final occupancy according to plan.

<sup>3)</sup> Percentage of sold residential units expressed as binding contract with the end customer.

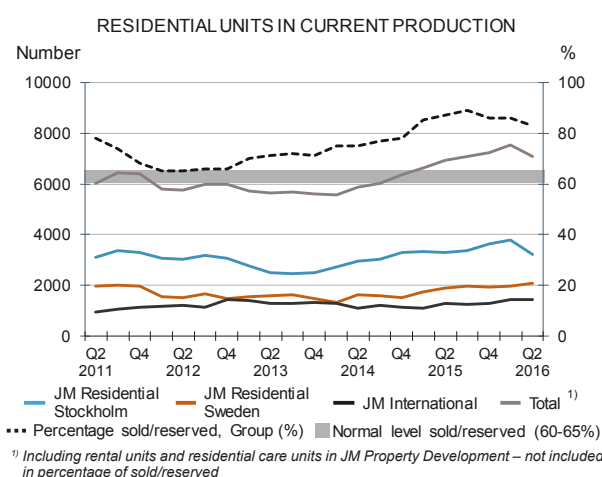
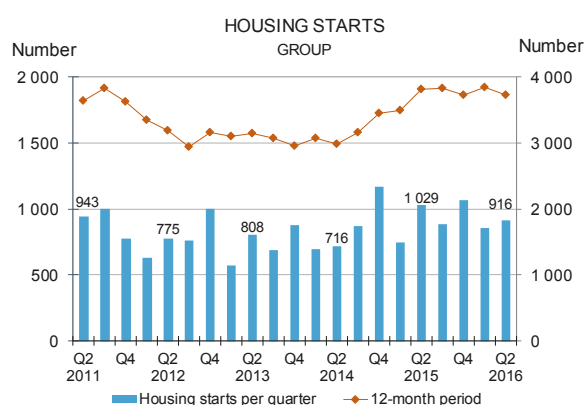
Completed production, unsold units	6/30/2016	6/30/2015	12/31/2015
Completed production, number of unsold units <sup>1)</sup>	92	106	98
- Of which in the balance sheet reported as "Participations in tenant-owner associations, etc."	68	69	71

<sup>1)</sup> After final occupancy according to plan.

## RESIDENTIAL BUILDING RIGHTS

The number of available building rights amounted to 30,400 (27,900), of which 17,500 (17,000) are recognized in the balance sheet. Capital tied up in building rights (development properties on the balance sheet) for residential units amounted to SEK 6,455m (6,646) at the end of the first six months.

During the first six months, JM purchased development properties for residential units for SEK 375m (850), of which SEK 98m relates to JM Residential Stockholm, SEK 126m to JM Residential Sweden and SEK 151m to JM International.



## FINANCIAL ITEMS

Net financial items improved by SEK 8m compared to the previous year, which is mainly attributable to lower interest-bearing loans and lower average interest rates.

The total interest-bearing loan stock was SEK 1,942m (2,182), of which the pensions liability comprised SEK 1,231m (1,124). At the end of the first six months of the year, the average interest rate for the total interest-bearing loan stock including pension liabilities was 2.6 percent (2.8). The average term for fixed-rate loans excluding the pension liability was 0.4 years (0.5).

Consolidated available liquidity was SEK 4,082m (4,687). Aside from cash and cash equivalents of SEK

1,282m (1,887), 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 1.8 years (1.3).

Interest-bearing net liabilities at the end of the first six months totaled SEK 656m (295). Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 534m (498). Of these liabilities SEK 383m (340) were short-term.

The valuation of financial assets and liabilities shows that there is no material difference between the carrying amount and the fair value.

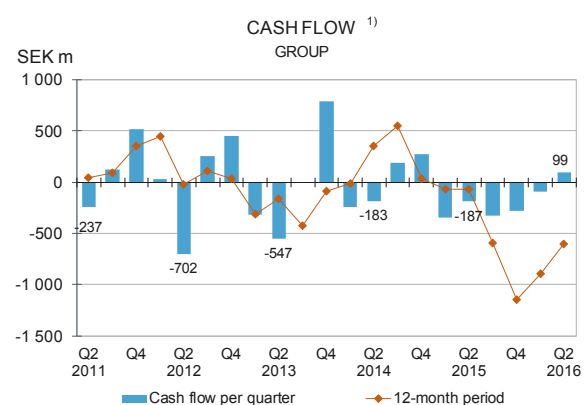
SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
Financial income <sup>1)</sup>	12	9	11	8	14	11
Financial expenses <sup>2)</sup>	-35	-40	-18	-20	-78	-83
<b>Financial income and expenses</b>	<b>-23</b>	<b>-31</b>	<b>-7</b>	<b>-12</b>	<b>-64</b>	<b>-72</b>
<sup>1)</sup> Of which revaluation and currency hedging	-	1	-	1	1	2
<sup>2)</sup> Of which revaluation and currency hedging	-	-1	-	-1	-1	-2

SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
<b>Interest-bearing net liabilities(+)/receivables(-) at beginning of the period</b>	<b>1,198</b>	<b>-337</b>	<b>741</b>	<b>106</b>	<b>295</b>	<b>-337</b>
Change in interest-bearing net liabilities/receivables	-542	632	-85	189	361	1,535
<b>Interest-bearing net liabilities(+)/receivables(-) at end of the period</b>	<b>656</b>	<b>295</b>	<b>656</b>	<b>295</b>	<b>656</b>	<b>1,198</b>

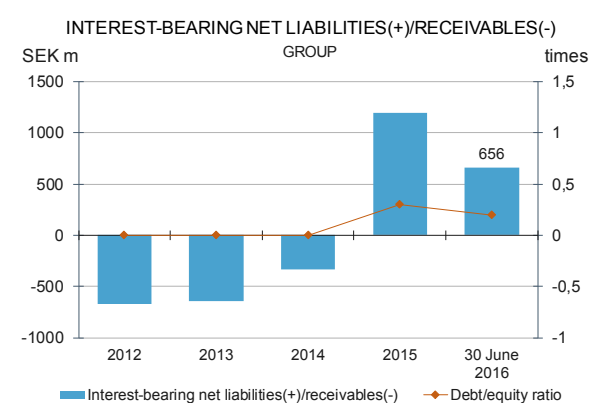
## CASH FLOW

Cash flow from operating activities was SEK 1,487m (386) during the first half of the year. Net investments in development properties resulted in a positive cash flow of SEK 560m (-406). Holdings of repurchased residential

units resulted in a positive cash flow of SEK 6m (17). Consolidated cash flow from project properties (sales minus investment) during the first six months was SEK -112m (-66).



<sup>1)</sup> Total cash flow for the period



**RISKS AND UNCERTAINTIES**

JM's risk and risk management policies are presented in the 2015 annual report on pages 29-32. No significant changes have occurred to change these reported risks.

**CONVERTIBLE PROGRAM**

The Annual General Meeting 2016 resolved that JM should raise a debenture loan with a maximum value of SEK 160m by issuing a maximum of 570,000 convertible debentures aimed at all employees in Sweden with a maturity of four years.

Upon expiry of the subscription period the loan amounts to about SEK 22.5m through the issue of approximately 78,000 convertible debentures.

In accordance with IAS 32, the liability and equity components of the convertible debenture loan are reported separately, which means that the debenture loan is reported in the balance sheet as a liability initially with the nominal amount excluding the equity component.

The subscribed convertible bonds may be converted to shares at a price of SEK 289 between June 1, 2019 and May 18, 2020.

Through conversion JM's share capital could increase by a maximum of SEK 78,000, which corresponds to a dilution of 0.1 percent of the shares and votes in the company. The convertible debenture loan was settled against cash in July 2016.

**BUY-BACK AND HOLDINGS OF OWN SHARES**

During the second quarter of 2016, 542,655 shares were bought back for a total of SEK 125m. Holdings of own shares subsequently total 2,745,279.

The number of outstanding shares, excluding holdings of own shares, at June 30, 2016, totals 72,481,685.

**PERSONNEL**

The number of employees at the end of the first six months was 2,354 (2,252). The number of wage-earners was 1,001 (997) and the number of salaried employees was 1,353 (1,255). Current staffing is considered well balanced for the current project volume and some adjustments are made on a regular basis. Demand on the labor market is strong for qualified project development skills.

## 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–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
Revenue	3,445	3,120	1,741	1,575	6,598	6,273
Operating profit <sup>1)</sup>	600	531	306	268	1,147	1,078
Operating margin, %	17.4	17.0	17.6	17.0	17.4	17.2
Average operating capital					4,287	4,134
Return on operating capital, %					26.8	26.1
Operating cash flow	1,011	–161	551	252	828	–344
Carrying amount, development properties	4,124	3,928				4,517
Number of available building rights	12,100	11,500				12,400
Number of residential units sold	800	855	403	480	1,545	1,600
Number of housing starts	655	753	283	402	1,569	1,667
Number of residential units in current production	3,237	3,277				3,627
Number of employees	844	835				854
<sup>1)</sup> Of which property sales	-	-	-	-	0	0

Average prices on the existing home market did not change during the second quarter and the supply of residential units has been large but with no change in the high level of turnover. The supply of new residential units continues to be low in relation to long-term demand in the Stockholm area.

Competition for well-situated land for residential units continues to be very tough, and the prices for building rights continue to be at a level that requires JM to be very selective when acquiring land.

Interest in JM's projects is very strong. The customers' tendency to sign a contract early in the process is above a normal level.

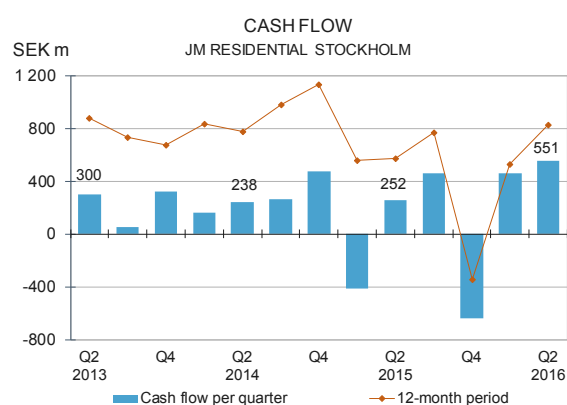
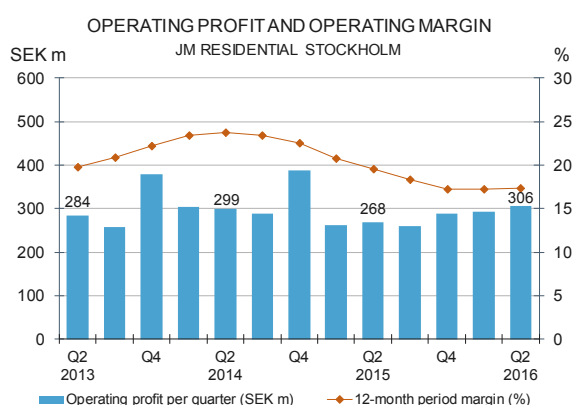
Revenue in the business segment increased to SEK 3,445m (3,120), which confirms the continued stable

development for the operations. Operating profit increased to SEK 600m (531). The operating margin was 17.4 per cent (17.0).

Cash flow during the first half of the year is in balance taking into consideration the decrease in development properties.

In total during the second quarter, production was started on 283 residential units, of which 220 in apartment buildings in Täby, Österåker and Ekerö and 63 single-family homes in Österåker and Värmdö. The lower level of housing starts during the second quarter of the year is in line with the planning for the year, which means a greater percentage of starts during the second half of the year.

During the second quarter JM purchased building rights in Stockholm corresponding to 80 residential units.



## 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–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
Revenue	1,993	1,588	986	851	3,683	3,278
Operating profit <sup>1)</sup>	219	138	114	78	389	308
Operating margin, %	11.0	8.7	11.6	9.2	10.6	9.4
Average operating capital					1,175	1,289
Return on operating capital, %					33.1	23.9
Operating cash flow	482	413	308	334	602	533
Carrying amount, development properties	1,137	1,190				1,269
Number of available building rights	9,600	8,900				9,900
Number of residential units sold	664	625	345	358	1,312	1,273
Number of housing starts	647	543	343	278	1,332	1,228
Number of residential units in current production	2,075	1,883				1,944
Number of employees	569	510				539
<sup>1)</sup> Of which property sales	0	0	0	-	0	0

Average prices on the existing home market rose or remained the same in most markets within the business segment during the second quarter. The supply of residential units increased during the second quarter at the same time as the turnover rate remained at a high level. Competition for land for residential units is very tough in Gothenburg and Uppsala.

Interest in JM's projects is strong. The customers' tendency to sign a contract early in the process is above a normal level.

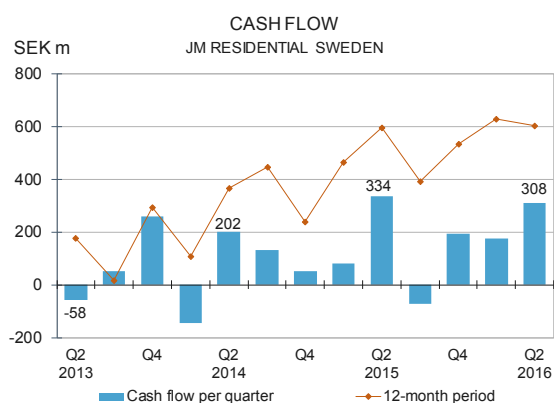
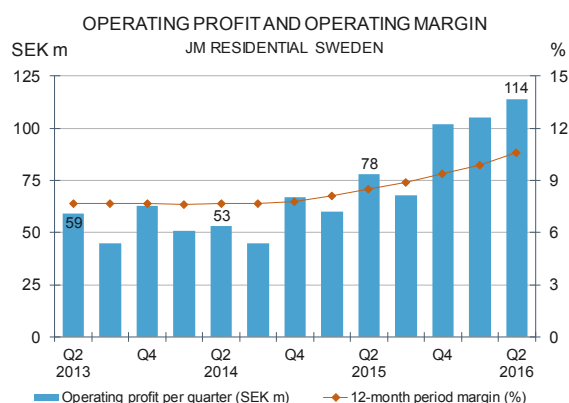
The business segment's revenue increased to SEK 1,993m (1,588) and operating profit increased to SEK 219m (138).

The operating margin was 11.0 percent (8.7). The profit and the margin improved as a result of strong demand in all sub-markets.

Cash flow during the first half of the year is in balance taking into consideration the decrease in development properties.

JM started production during the second quarter on 343 residential units in apartment buildings in Malmö, Gothenburg, Linköping, Örebro and Upplands Väsby.

During the second quarter, JM purchased building rights corresponding to around 50 residential units in Lund and Helsingborg.



## JM INTERNATIONAL

The JM International business segment develops residential projects primarily in Norway and Finland. 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–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
Revenue	1,667	1,528	898	892	3,198	3,059
- of which JM Norway	1,487	1,331	810	769	2,820	2,664
Operating profit <sup>1)</sup>	74	80	31	47	160	166
- of which JM Norway	96	83	54	49	194	181
Operating margin, %	4.4	5.2	3.5	5.3	5.0	5.4
- of which JM Norway	6.5	6.2	6.7	6.4	6.9	6.8
Average operating capital					2,013	2,145
Return on operating capital, %					7.9	7.7
Operating cash flow	196	187	165	271	443	434
Carrying amount, development properties	1,194	1,528				1,202
Carrying amount, project properties	36	28				31
Number of available building rights	8,000	7,000				8,200
Number of residential units sold	494	460	283	259	877	843
Number of housing starts	470	427	290	295	825	782
Number of residential units in current production	1,431	1,273				1,303
Number of employees	395	384				395
<sup>1)</sup> Of which property sales	-23	20	-23	9	-4	39

Business segment revenue increased to SEK 1,667m (1,528) and the operating profit decreased to SEK 74m (80). The operating margin decreased to 4.4 percent (5.2). The profit includes SEK -23m from the sale of property in Denmark. Excluding this property sale the operating margin is 5.8 percent.

A temporary decrease in working capital strengthened cash flow during the first half of the year.

### NORWAY

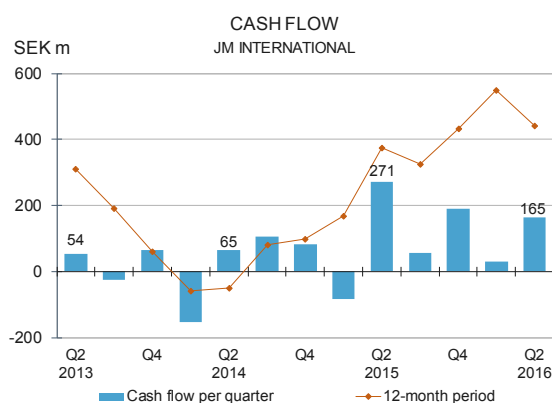
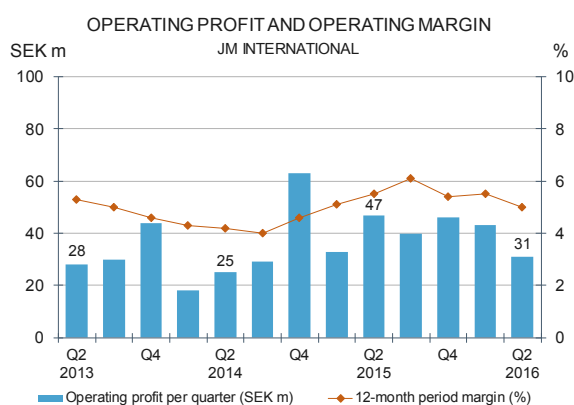
Demand for both newly built homes and homes on the existing home market is high, particularly in the Oslo region. Prices on the existing home market increased during the second quarter, and prices in Oslo continued to

demonstrate strong growth.

JM Norway's revenue increased to SEK 1,487m (1,331) and operating profit increased to SEK 96m (83). The operating margin increased to 6.5 percent (6.2).

During the second quarter 175 residential units (201) were sold and production began on 181 units (217). Housing starts during the second quarter consisted of 163 residential units in apartment buildings and 18 single-family homes. The number of residential units in current production amounts to 1,113 (1,001).

During the second quarter, JM purchased building rights corresponding to 167 residential units. Available building rights correspond to 5,900 residential units (4,800).





**FINLAND**

The level of activity on the housing market in Helsinki continues to be low. Customers are still cautious and time to closing is long. The price level in the capital region did not change during the first six months.

During the second quarter 105 residential units (47) were sold and production began on 109 units (78). The number of residential units in current production amounts to 256 (148).

During the second quarter, JM purchased building rights corresponding to 50 residential units. Available building rights correspond to 1,900 residential units (1,500).

**OTHER INTERNATIONAL MARKETS***DENMARK*

In 2015, JM completed the final phase of a single-family home project in Humlebäck and since then does not have any production in Denmark.

The Dagelökke Ege property was sold during the second quarter, thereby concluding the liquidation of JM's building rights portfolio in Denmark.

*BELGIUM*

During 2015, JM closed its office in Brussels and no longer has any staff there. Remaining operations are run by external resources.

During the second quarter 3 residential units (5) were sold and production began on 0 units (0). The number of residential units in current production amounts to 62 (104).

No building rights were purchased. Available building rights correspond to 200 residential units (200).

## JM PROPERTY DEVELOPMENT

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

SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
Revenue	62	92	34	45	176	206
Operating profit <sup>1)</sup>	5	15	-1	0	28	38
Average operating capital					405	326
Return on operating capital, %					6.9	11.7
Operating cash flow	4	-39	-65	-34	-163	-206
Carrying amount, development properties	35	25				35
Carrying amount, project properties	459	252				347
Number of available building rights <sup>2)</sup>	700	500				600
Number of residential units sold <sup>2)</sup>	-	-	-	-	54	54
Number of housing starts <sup>2)</sup>	-	54	-	54	-	54
Number of residential units in current production <sup>2)</sup>	338	484				338
Number of employees	27	27				29
<sup>1)</sup> Of which property sales	1	14	-	1	4	17

<sup>2)</sup> Refers to rental units and residential care units.

Business segment revenue decreased to SEK 62m (92), including contracting revenue of SEK 52m (82) and rental income of SEK 10m (10). Operating profit decreased to SEK 5m (15).

Net rental income for project properties amounted to SEK 0m (3). The profit from construction contracts was SEK 17m (9) and gains from property sales were SEK 1m (14).

The cash flow is normally negative due to project development on JM's own balance sheet, before sale of property, but was strengthened during the first quarter by financing received for an external project.

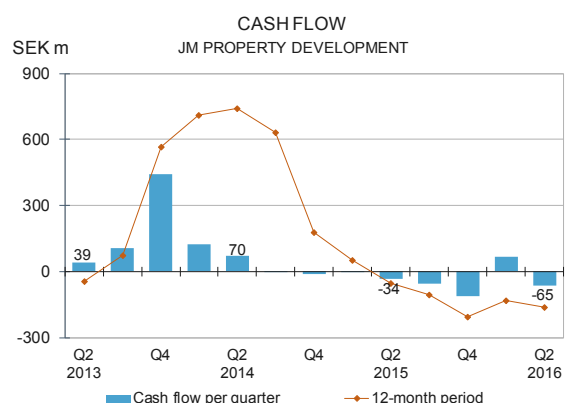
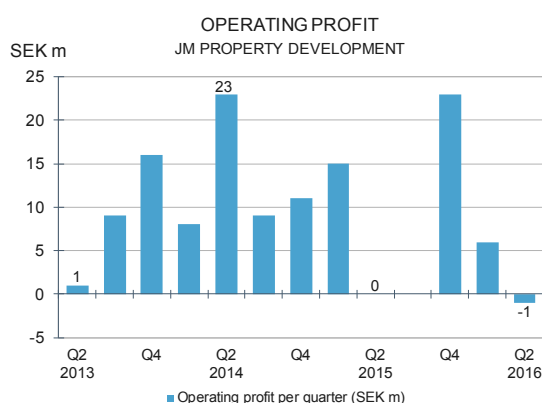
Within the Dalénium area on Lidingö, the occupancy rate in the remaining commercial buildings that will not be

demolished is 85 percent. Within the Bolinder area in Kallhäll, Järfälla, the occupancy rate is 85 percent in the buildings that will not be demolished.

Production is underway on a rental unit project in the Dalénium area, on JM's own balance sheet, consisting of 97 residential units, and completion is planned for 2016.

Production is underway on the rental unit project Tjärntunnan in Stureby, on JM's own balance sheet, consisting of 187 residential units, and completion is planned for 2017.

Production is underway on the Vinfatet senior housing project in Sollentuna for an external orderer consisting of 54 residential units, and completion is planned for 2016.



## JM CONSTRUCTION

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

SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
Revenue <sup>1)</sup>	807	1,112	447	558	1,779	2,084
Operating profit	21	32	11	16	34	45
Operating margin, %	2.6	2.9	2.5	2.9	1.9	2.2
Operating cash flow	–40	42	–34	–66	–116	–34
Carrying amount, development properties	44	56				44
Number of employees	392	379				380
<sup>1)</sup> Of which internal	247	207	136	105	493	453

Demand in the contracting market in Stockholm is at a good level with customers displaying a good willingness to invest. Both the building and civil engineering markets are stable, although there is tough competition for the assignments.

Orders are good in the business segment, with a large number of projects in current production.

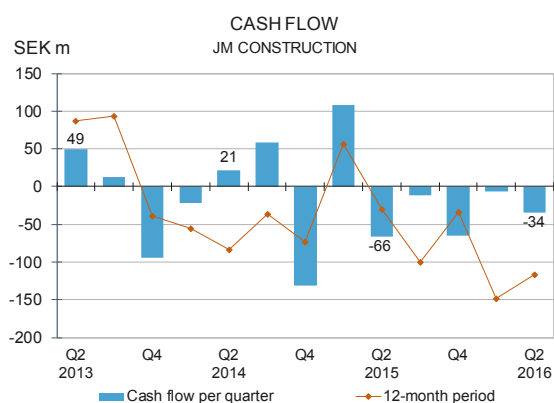
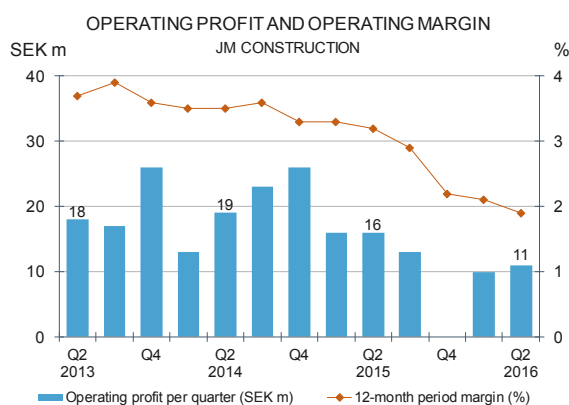
Business segment revenue decreased to SEK 807m (1,112) and operating profit decreased to SEK 21m (32). The operating margin decreased to 2.6 percent (2.9).

The decrease in revenue is attributable to the assignment for the new production of a biofuel cogeneration plant in Stockholm for Fortum Värme, now being completed.

Cash flow is limited by a delayed payment from an external orderer that is under dispute.

The business segment received a number of assignments during the second quarter, of which the largest was the continued renovation of Slussen for the City of Stockholm.

The largest ongoing assignments are the new operational area at Arlanda Airport (Swedavia), renovation of quays in Norrtälje Harbor and development projects (Norrtälje Municipality) for future housing production, new production of an office building in Danderyd (Skandia Fastigheter), new production of apartment buildings in Gröndal (Aros Bostad), renovation of a school in Bromma (Skofastigheter i Stockholm AB) and development work for housing production in Hammarby Sjöstad (City of Stockholm).



## CONDENSED CONSOLIDATED INCOME STATEMENT

SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
Revenue	7,336	6,785	3,866	3,485	14,490	13,939
Production and operating costs	-6,007	-5,652	-3,156	-2,899	-11,985	-11,630
<b>Gross profit</b>	<b>1,329</b>	<b>1,133</b>	<b>710</b>	<b>586</b>	<b>2,505</b>	<b>2,309</b>
Selling and administrative expenses	-483	-445	-266	-235	-904	-866
Gains/losses on the sale of property	-22	34	-23	10	0	56
<b>Operating profit</b>	<b>824</b>	<b>722</b>	<b>421</b>	<b>361</b>	<b>1,601</b>	<b>1,499</b>
Financial income and expenses	-23	-31	-7	-12	-64	-72
<b>Profit before tax</b>	<b>801</b>	<b>691</b>	<b>414</b>	<b>349</b>	<b>1,537</b>	<b>1,427</b>
Taxes	-184	-164	-96	-83	-362	-342
<b>Profit for the period</b>	<b>617</b>	<b>527</b>	<b>318</b>	<b>266</b>	<b>1,175</b>	<b>1,085</b>
<b>Other comprehensive income</b>						
<i>Items that will be reclassified as income</i>						
Translation differences from the translation of foreign operations	45	-5	23	-10	-37	-87
<i>Items that will not be reclassified as income</i>						
Restatement of defined-benefit pensions	-100	-65	-100	-	-84	-49
Tax attributable to other comprehensive income	22	14	22	-	19	11
<b>Comprehensive income for the period</b>	<b>584</b>	<b>471</b>	<b>263</b>	<b>256</b>	<b>1,073</b>	<b>960</b>
Net profit for the period is attributable to shareholders of the Parent Company	617	527	318	266	1,175	1,085
Comprehensive income for the period is attributable to shareholders of the Parent Company	584	471	263	256	1,073	960
Earnings per share <sup>1)</sup> , basic, attributable to shareholders of the Parent Company, SEK	8.40	7.00	4.40	3.50	16.00	14.50
Earnings per share <sup>1)</sup> , diluted, attributable to shareholders of the Parent Company, SEK	8.40	7.00	4.40	3.50	16.00	14.50
<i>Number of outstanding shares at end of period</i>	<i>72,481,685</i>	<i>74,618,521</i>	<i>72,481,685</i>	<i>74,618,521</i>	<i>72,481,685</i>	<i>73,594,000</i>
<i>Average number of shares, basic</i>	<i>73,060,196</i>	<i>75,300,510</i>	<i>72,748,157</i>	<i>74,841,482</i>	<i>73,591,351</i>	<i>74,601,637</i>
<i>Average number of shares, diluted</i>	<i>73,289,280</i>	<i>75,595,388</i>	<i>72,978,076</i>	<i>75,125,081</i>	<i>73,830,305</i>	<i>74,846,482</i>

<sup>1)</sup> Net profit for the period.

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK m	6/30/2016	6/30/2015	12/31/2015
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>219</b>	<b>229</b>	<b>209</b>
Project properties	495	280	378
Development properties	6,534	6,727	7,067
Participations in tenant-owners associations, etc.	247	292	235
Current receivables <sup>1)</sup>	3,196	2,048	2,808
Cash and cash equivalents	1,282	1,887	1,275
<b>Total current assets</b>	<b>11,754</b>	<b>11,234</b>	<b>11,763</b>
<b>Total assets</b>	<b>11,973</b>	<b>11,463</b>	<b>11,972</b>
<b>EQUITY AND LIABILITIES <sup>2)</sup></b>			
<b>Shareholders' equity</b>	<b>4,263</b>	<b>4,277</b>	<b>4,521</b>
Long-term interest-bearing liabilities	343	489	410
Other long-term liabilities	152	158	160
Long-term provisions	2,221	2,455	2,069
<b>Total long-term liabilities</b>	<b>2,716</b>	<b>3,102</b>	<b>2,639</b>
Current interest-bearing liabilities	368	569	934
Other current liabilities	4,532	3,412	3,784
Current provisions	94	103	94
<b>Total current liabilities</b>	<b>4,994</b>	<b>4,084</b>	<b>4,812</b>
<b>Total equity and liabilities</b>	<b>11,973</b>	<b>11,463</b>	<b>11,972</b>
Pledged assets	608	455	667
Contingent liabilities	9,071	8,289	7,985
<sup>1)</sup> Of which receivables from property sales	74	0	72
<sup>2)</sup> Of which liabilities for property acquisition	690	694	704

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEK m	January–June		Full-year 2015
	2016	2015	
<b>Opening balance at beginning of period</b>	<b>4,521</b>	<b>4,635</b>	<b>4,635</b>
Total comprehensive income for the period	584	471	960
Dividend	–602	–600	–600
Conversion of convertible loan	8	20	25
Equity component of convertible debentures	2	1	1
Buy-back of shares	–250	–250	–500
<b>Closing balance at the end of the period</b>	<b>4,263</b>	<b>4,277</b>	<b>4,521</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

SEK m	January–June		April–June		July–June	Full-year 2015
	2016	2015	2016	2015	2015/2016	
<b>Cash flow from operating activities before change in working capital and taxes</b>	<b>985</b>	<b>793</b>	<b>587</b>	<b>454</b>	<b>1,724</b>	<b>1,532</b>
Paid tax	–234	–206	–99	–115	–834	–806
Investment in development properties, etc. <sup>1)</sup>	–522	–1,661	–188	–270	–2,473	–3,612
Payment on account for development properties, etc. <sup>2)</sup>	1,088	1,272	425	642	2,591	2,775
Investment in project properties	–113	–66	–58	–42	–266	–219
Sale of project properties	1	–	0	–	52	51
Change in current liabilities/receivables	282	254	219	–10	77	49
<b>Cash flow from operating activities</b>	<b>1,487</b>	<b>386</b>	<b>886</b>	<b>659</b>	<b>871</b>	<b>–230</b>
<b>Cash flow from investing activities</b>	<b>–3</b>	<b>–7</b>	<b>–3</b>	<b>–5</b>	<b>–7</b>	<b>–11</b>
Loans raised	51	120	22	5	681	750
Amortization of debt	–679	–184	–79	–121	–1,047	–552
Buy-back of shares	–250	–250	–125	–125	–500	–500
Dividend	–602	–600	–602	–600	–602	–600
<b>Cash flow from financing activities</b>	<b>–1,480</b>	<b>–914</b>	<b>–784</b>	<b>–841</b>	<b>–1,468</b>	<b>–902</b>
<b>Cash flow for the period</b>	<b>4</b>	<b>–535</b>	<b>99</b>	<b>–187</b>	<b>–604</b>	<b>–1,143</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,282</b>	<b>1,887</b>	<b>1,282</b>	<b>1,887</b>	<b>1,282</b>	<b>1,275</b>
<sup>1)</sup> Of which investment in participations in tenant-owners associations and freehold residential units	–146	–240	–69	–80	–251	–345
<sup>2)</sup> Of which sale of participations in tenant-owners associations and freehold residential units	152	257	65	131	305	410

**KEY FIGURES**

%	January–June		April–June		July–June	Full-year 2015
	2016	2015	2016	2015	2015/2016	
Operating margin	11.2	10.6	10.9	10.4	11.0	10.8
Pre-tax return on capital employed					25.5	22.0
Return on equity					27.5	23.7
Debt/equity ratio (times)	0.2	0.1	0.2	0.1		0.3
Equity/assets ratio	36	37	36	37		38

**ACCOUNTING PRINCIPLES**

This interim report for the first six months of 2016 has been 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 are applied.

The accounting policies applied in this interim report are described in the annual report for 2015, pages 68–71. The accounting principles and methods of calculation for the Group are the same as those applied in the annual report for the previous year.

**REVENUE BY COUNTRY**

SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
Sweden	6,060	5,705	3,072	2,923	11,743	11,388
Norway	1,487	1,331	810	769	2,820	2,664
Finland	148	128	68	81	283	263
Denmark	15	24	13	15	29	38
Belgium	17	45	7	28	66	94
Restatement JM International <sup>1)</sup>	-391	-448	-104	-331	-451	-508
<b>Total</b>	<b>7,336</b>	<b>6,785</b>	<b>3,866</b>	<b>3,485</b>	<b>14,490</b>	<b>13,939</b>

**REVENUE BY BUSINESS SEGMENT**

SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
JM Residential Stockholm	3,445	3,120	1,741	1,575	6,598	6,273
JM Residential Sweden	1,993	1,588	986	851	3,683	3,278
JM International	1,667	1,528	898	892	3,198	3,059
JM Property Development	62	92	34	45	176	206
JM Construction	807	1,112	447	558	1,779	2,084
Elimination	-247	-207	-136	-105	-493	-453
Total (segment reporting)	7,727	7,233	3,970	3,816	14,941	14,447
Restatement JM International <sup>1)</sup>	-391	-448	-104	-331	-451	-508
<b>Total</b>	<b>7,336</b>	<b>6,785</b>	<b>3,866</b>	<b>3,485</b>	<b>14,490</b>	<b>13,939</b>

**OPERATING PROFIT BY BUSINESS SEGMENT**

SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
JM Residential Stockholm	600	531	306	268	1,147	1,078
JM Residential Sweden	219	138	114	78	389	308
JM International	74	80	31	47	160	166
JM Property Development	5	15	-1	0	28	38
JM Construction	21	32	11	16	34	45
Group-wide expenses	-26	-25	-13	-10	-46	-45
Total (segment reporting)	893	771	448	399	1,712	1,590
Restatement JM International <sup>1)</sup>	-69	-49	-27	-38	-111	-91
<b>Total</b>	<b>824</b>	<b>722</b>	<b>421</b>	<b>361</b>	<b>1,601</b>	<b>1,499</b>

**OPERATING MARGIN BY BUSINESS SEGMENT**

%	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
JM Residential Stockholm	17.4	17.0	17.6	17.0	17.4	17.2
JM Residential Sweden	11.0	8.7	11.6	9.2	10.6	9.4
JM International	4.4	5.2	3.5	5.3	5.0	5.4
JM Construction	2.6	2.9	2.5	2.9	1.9	2.2

**AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT**

SEK m	July–June	Full-year
	2015/2016	2015
JM Residential Stockholm	4,287	4,134
JM Residential Sweden	1,175	1,289
JM International	2,013	2,145
JM Property Development	405	326

**RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT**

%	July–June	Full-year
	2015/2016	2015
JM Residential Stockholm	26.8	26.1
JM Residential Sweden	33.1	23.9
JM International	7.9	7.7
JM Property Development	6.9	11.7

<sup>1)</sup> Effect of restatement on revenue and profit and loss according to IFRIC 15 in relation to segment reporting.

**OPERATING CASH FLOW BY BUSINESS SEGMENT**

SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
JM Residential Stockholm	1,011	–161	551	252	828	–344
JM Residential Sweden	482	413	308	334	602	533
JM International	196	187	165	271	443	434
JM Property Development	4	–39	–65	–34	–163	–206
JM Construction	–40	42	–34	–66	–116	–34

**DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT**

Carrying amount, SEK m	6/30/2016	6/30/2015	12/31/2015
JM Residential Stockholm	4,124	3,928	4,517
JM Residential Sweden	1,137	1,190	1,269
JM International	1,194	1,528	1,202
JM Property Development	35	25	35
JM Construction	44	56	44
<b>Total</b>	<b>6,534</b>	<b>6,727</b>	<b>7,067</b>

**AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT**

Number	6/30/2016	6/30/2015	12/31/2015
JM Residential Stockholm	12,100	11,500	12,400
JM Residential Sweden	9,600	8,900	9,900
JM International	8,000	7,000	8,200
JM Property Development <sup>1)</sup>	700	500	600
<b>Total</b>	<b>30,400</b>	<b>27,900</b>	<b>31,100</b>
Of which, recognized on the balance sheet (development properties)			
JM Residential Stockholm	8,100	7,900	8,700
JM Residential Sweden	5,100	5,000	5,200
JM International	4,200	4,100	4,100
JM Property Development <sup>1)</sup>	100	0	100
<b>Total</b>	<b>17,500</b>	<b>17,000</b>	<b>18,100</b>

**RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT**

Number	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
JM Residential Stockholm	800	855	403	480	1,545	1,600
JM Residential Sweden	664	625	345	358	1,312	1,273
JM International	494	460	283	259	877	843
JM Property Development <sup>1)</sup>	-	-	-	-	54	54
<b>Total</b>	<b>1,958</b>	<b>1,940</b>	<b>1,031</b>	<b>1,097</b>	<b>3,788</b>	<b>3,770</b>

**HOUSING STARTS BY BUSINESS SEGMENT**

Number	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
JM Residential Stockholm	655	753	283	402	1,569	1,667
JM Residential Sweden	647	543	343	278	1,332	1,228
JM International	470	427	290	295	825	782
JM Property Development <sup>1)</sup>	-	54	-	54	-	54
<b>Total</b>	<b>1,772</b>	<b>1,777</b>	<b>916</b>	<b>1,029</b>	<b>3,726</b>	<b>3,731</b>

**RESIDENTIAL UNITS IN CURRENT PRODUCTION**

Number	6/30/2016	6/30/2015	12/31/2015
JM Residential Stockholm	3,237	3,277	3,627
JM Residential Sweden	2,075	1,883	1,944
JM International	1,431	1,273	1,303
JM Property Development <sup>1)</sup>	338	484	338
<b>Total</b>	<b>7,081</b>	<b>6,917</b>	<b>7,212</b>

<sup>1)</sup> Refers to rental units and residential care units

**PROJECT PROPERTIES, GROUP**

Carrying amount, SEK m	6/30/2016	6/30/2015	12/31/2015
Properties under development	453	246	341
Completed commercial properties	42	34	37
<b>Total</b>	<b>495</b>	<b>280</b>	<b>378</b>

**DEVELOPMENT PROPERTIES, GROUP**

Carrying amount, SEK m	January–June		April–June		July–June	Full-year
	2016	2015	2016	2015	2015/2016	2015
<b>Opening balance at beginning of period</b>	<b>7,067</b>	<b>6,802</b>	<b>6,769</b>	<b>6,839</b>	<b>6,727</b>	<b>6,802</b>
New purchases	375	851	125	347	2,219	2,695
Transferred to production	-894	-852	-344	-433	-1,856	-1,814
Miscellaneous	-14	-74	-16	-26	-556	-616
<b>Closing balance at the end of the period</b>	<b>6,534</b>	<b>6,727</b>	<b>6,534</b>	<b>6,727</b>	<b>6,534</b>	<b>7,067</b>

**PARENT COMPANY****CONDENSED INCOME STATEMENT, PARENT COMPANY**

SEK m	January–June		Full-year
	2016	2015	2015
Net sales	5,532	4,782	9,761
Production and operating costs	-4,426	-3,867	-7,875
<b>Gross profit</b>	<b>1,106</b>	<b>915</b>	<b>1,886</b>
Selling and administrative expenses	-336	-294	-545
Gains/losses on the sale of property	0	13	13
<b>Operating profit</b>	<b>770</b>	<b>634</b>	<b>1,354</b>
Financial income and expenses	190	82	1
<b>Profit before appropriations and tax</b>	<b>960</b>	<b>716</b>	<b>1,355</b>
Appropriations	-	-	-167
<b>Profit before tax</b>	<b>960</b>	<b>716</b>	<b>1,188</b>
Taxes	-164	-137	-704 <sup>1)</sup>
<b>Profit/loss for the period</b>	<b>796</b>	<b>579</b>	<b>484</b>

<sup>1)</sup> Of which SEK 409m refers to paid tax attributable to a ruling by the Administrative Court of Appeals in July for the years 2007 and 2008. The proceedings referred to impairment losses on shares in Group companies, which the Administrative Court of Appeals ruled to be non-deductible. JM had made full provisions in the consolidated accounts for a negative outcome.

**CONDENSED BALANCE SHEET, PARENT COMPANY**

SEK m	6/30/2016	6/30/2015	12/31/2015
<b>Assets</b>			
Non-current assets	1,524	1,294	1,578
Current assets	7,528	7,281	7,930
<b>Total assets</b>	<b>9,052</b>	<b>8,575</b>	<b>9,508</b>
<b>Equity and liabilities</b>			
Shareholders' equity	2,159	2,545	2,205
Untaxed reserves	1,975	1,775	1,975
Provisions	873	860	855
Long-term liabilities	311	341	353
Current liabilities	3,734	3,054	4,120
<b>Total equity and liabilities</b>	<b>9,052</b>	<b>8,575</b>	<b>9,508</b>
Pledged assets	169	169	169
Contingent liabilities	10,239	9,535	9,250



Stockholm July 15, 2016  
JM AB (publ)

The Board of Directors and the CEO certify that the report for the first six months of the year provides a true and fair view of the Parent Company's and the Group's operations, position and earnings, and describes the substantial risks and uncertainties that the Parent Company and the companies belonging to the Group are facing.

*Lars Lundquist*  
*Chairman of the Board*

*Kaj-Gustaf Bergh*  
*Member*

*Eva Nygren*  
*Member*

*Kia Orback Pettersson*  
*Member*

*Åsa Söderström Jerring*  
*Member*

*Thomas Thuresson*  
*Member*

*Thomas Mattsson*  
*Employee-*  
*elected*

*Johan Skoglund*  
*President*

*Jan Strömberg*  
*Employee-*  
*elected*

*The company's auditors did not review this interim report.*

## GROUP

### FIVE-YEAR OVERVIEW

SEK m	2015	2014	2013	2012	2011
Revenue	13,939	14,216	12,603	12,480	12,001
Operating profit	1,499	1,819	1,523	1,374	1,513
Profit before tax	1,427	1,744	1,464	1,318	1,463
Total assets	11,972	12,375	11,150	11,556	11,296
Cash flow from operating activities	-230	978	898	979	733
Interest-bearing net liabilities (+)/receivables (-)	1,198	-337	-642	-667	-970
Operating margin, %	10.8	12.8	12.1	11.0	12.6
Return on equity, %	23.7	28.7	25.0	21.9	24.5
Equity/assets ratio, %	38	37	40	38	41
Earnings per share, SEK	14.50	17.00	14.10	11.70	12.50
Dividend per share, SEK	8.25	8.00	7.25	6.75	6.50
Number of available building rights	31,100	29,400	27,700	26,600	27,200
Number of residential units sold	3,770	3,195	3,265	2,952	3,112
Number of housing starts	3,731	3,445	2,953	3,163	3,629
Number of residential units in current production	7,212	6,375	5,609	5,988	6,401

## GROUP

## QUARTERLY OVERVIEW

SEK m	2016			2015		
INCOME STATEMENT	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	3,866	3,470	3,744	3,410	3,485	3,300
Production and operating costs	-3,156	-2,851	-3,092	-2,886	-2,899	-2,753
<b>Gross profit</b>	<b>710</b>	<b>619</b>	<b>652</b>	<b>524</b>	<b>586</b>	<b>547</b>
Selling and administrative expenses	-266	-217	-242	-179	-235	-210
Gains/losses on the sale of property	-23	1	1	21	10	24
<b>Operating profit</b>	<b>421</b>	<b>403</b>	<b>411</b>	<b>366</b>	<b>361</b>	<b>361</b>
Financial income and expenses	-7	-16	-17	-24	-12	-19
<b>Profit before tax</b>	<b>414</b>	<b>387</b>	<b>394</b>	<b>342</b>	<b>349</b>	<b>342</b>
Taxes	-96	-88	-84	-94	-83	-81
<b>Profit for the period</b>	<b>318</b>	<b>299</b>	<b>310</b>	<b>248</b>	<b>266</b>	<b>261</b>
<b>BALANCE SHEET</b>	<b>6/30</b>	<b>3/31</b>	<b>12/31</b>	<b>9/30</b>	<b>6/30</b>	<b>3/31</b>
<b>ASSETS</b>						
<b>Non-current assets</b>	<b>219</b>	<b>212</b>	<b>209</b>	<b>217</b>	<b>229</b>	<b>228</b>
Project properties	495	437	378	326	280	238
Development properties	6,534	6,769	7,067	7,189	6,727	6,839
Participations in tenant-owners associations, etc.	247	233	235	229	292	318
Current receivables	3,196	3,027	2,808	2,646	2,048	2,166
Cash and cash equivalents	1,282	1,182	1,275	1,557	1,887	2,077
<b>Total current assets</b>	<b>11,754</b>	<b>11,648</b>	<b>11,763</b>	<b>11,947</b>	<b>11,234</b>	<b>11,638</b>
<b>Total assets</b>	<b>11,973</b>	<b>11,860</b>	<b>11,972</b>	<b>12,164</b>	<b>11,463</b>	<b>11,866</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' equity</b>	<b>4,263</b>	<b>4,719</b>	<b>4,521</b>	<b>4,358</b>	<b>4,277</b>	<b>4,726</b>
Long-term interest-bearing liabilities	343	375	410	472	489	426
Other long-term liabilities	152	151	160	150	158	166
Long-term provisions	2,221	2,083	2,069	2,047	2,455	2,352
<b>Total long-term liabilities</b>	<b>2,716</b>	<b>2,609</b>	<b>2,639</b>	<b>2,669</b>	<b>3,102</b>	<b>2,944</b>
Current interest-bearing liabilities	368	408	934	548	569	640
Other current liabilities	4,532	4,035	3,784	4,486	3,412	3,453
Current provisions	94	89	94	103	103	103
<b>Total current liabilities</b>	<b>4,994</b>	<b>4,532</b>	<b>4,812</b>	<b>5,137</b>	<b>4,084</b>	<b>4,196</b>
<b>Total equity and liabilities</b>	<b>11,973</b>	<b>11,860</b>	<b>11,972</b>	<b>12,164</b>	<b>11,463</b>	<b>11,866</b>
<b>CASH FLOW STATEMENT</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
From operating activities	886	601	-423	-193	659	-273
From investing activities	-3	0	-2	-2	-5	-2
From financing activities	-784	-696	143	-131	-841	-73
<b>Total cash flow for the period</b>	<b>99</b>	<b>-95</b>	<b>-282</b>	<b>-326</b>	<b>-187</b>	<b>-348</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,282</b>	<b>1,182</b>	<b>1,275</b>	<b>1,557</b>	<b>1,887</b>	<b>2,077</b>
<b>INTEREST-BEARING NET LIABILITIES/RECEIVABLES</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
<b>Interest-bearing net liabilities(+)/receivables(-) at beginning of the period</b>	<b>741</b>	<b>1,198</b>	<b>596</b>	<b>295</b>	<b>106</b>	<b>-337</b>
Change in interest-bearing net liabilities/receivables	-85	-457	602	301	189	443
<b>Interest-bearing net liabilities(+)/receivables(-) at end of the period</b>	<b>656</b>	<b>741</b>	<b>1,198</b>	<b>596</b>	<b>295</b>	<b>106</b>
<b>DEVELOPMENT PROPERTIES</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
<b>Carrying amount at beginning of period</b>	<b>6,769</b>	<b>7,067</b>	<b>7,189</b>	<b>6,727</b>	<b>6,839</b>	<b>6,802</b>
New purchases	125	250	546	1,298	347	504
Transferred to production	-344	-550	-486	-476	-433	-419
Miscellaneous	-16	2	-182	-360	-26	-48
<b>Carrying amount at end of period</b>	<b>6,534</b>	<b>6,769</b>	<b>7,067</b>	<b>7,189</b>	<b>6,727</b>	<b>6,839</b>
<b>KEY FIGURES</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
Operating margin, %	10.9	11.6	11.0	10.7	10.4	10.9
Debt/equity ratio, times	0.2	0.2	0.3	0.1	0.1	0.0
Equity/assets ratio, %	36	40	38	36	37	40
Earnings per share, SEK	4.40	4.10	4.20	3.30	3.50	3.50
Number of available building rights	30,400	30,800	31,100	28,700	27,900	29,700
Number of residential units sold	1,031	927	939	891	1,097	843
Number of housing starts	916	856	1,066	888	1,029	748
Number of residential units in current production	7,081	7,550	7,212	7,073	6,917	6,635

## BUSINESS SEGMENT

### QUARTERLY OVERVIEW

SEK m	2016		2015			
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
<b>JM RESIDENTIAL STOCKHOLM</b>						
Revenue	1,741	1,704	1,631	1,522	1,575	1,545
Operating profit <sup>1)</sup>	306	294	288	259	268	263
Operating margin, %	17.6	17.3	17.7	17.0	17.0	17.0
Average operating capital	4,287	4,229	4,134	3,823	3,530	3,336
Return on operating capital, % <sup>2)</sup>	26.8	26.2	26.1	30.8	34.2	37.1
Operating cash flow	551	460	-640	457	252	-413
Carrying amount, development properties	4,124	4,310	4,517	4,536	3,928	4,012
Number of available building rights	12,100	12,300	12,400	11,900	11,500	11,900
Number of residential units sold	403	397	370	375	480	375
Number of housing starts	283	372	470	444	402	351
Number of residential units in current production	3,237	3,801	3,627	3,354	3,277	3,332
<sup>1)</sup> Of which property sales	-	-	0	-	-	-
<b>JM RESIDENTIAL SWEDEN</b>						
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	986	1,007	1,019	671	851	737
Operating profit <sup>1)</sup>	114	105	102	68	78	60
Operating margin, %	11.6	10.4	10.0	10.1	9.2	8.1
Average operating capital	1,175	1,249	1,289	1,304	1,323	1,399
Return on operating capital, % <sup>2)</sup>	33.1	28.3	23.9	20.9	18.9	16.1
Operating cash flow	308	174	192	-72	334	79
Carrying amount, development properties	1,137	1,189	1,269	1,251	1,190	1,101
Number of available building rights	9,600	9,600	9,900	9,100	8,900	9,300
Number of residential units sold	345	319	322	326	358	267
Number of housing starts	343	304	368	317	278	265
Number of residential units in current production	2,075	1,962	1,944	1,979	1,883	1,758
<sup>1)</sup> Of which property sales	0	-	0	-	-	0
<b>JM INTERNATIONAL</b>						
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	898	769	873	658	892	636
Operating profit <sup>1)</sup>	31	43	46	40	47	33
Operating margin, %	3.5	5.6	5.3	6.1	5.3	5.2
Average operating capital	2,013	2,093	2,145	2,211	2,243	2,285
Return on operating capital, % <sup>2)</sup>	7.9	8.4	7.7	8.3	7.7	6.6
Operating cash flow	165	31	191	56	271	-84
Carrying amount, development properties	1,194	1,191	1,202	1,321	1,528	1,645
Carrying amount, project properties	36	35	31	32	28	28
Number of available building rights	8,000	8,200	8,200	7,200	7,000	7,900
Number of residential units sold	283	211	193	190	259	201
Number of housing starts	290	180	228	127	295	132
Number of residential units in current production	1,431	1,449	1,303	1,256	1,273	1,115
<sup>1)</sup> Of which property sales	-23	-	-1	20	9	11
<b>JM PROPERTY DEVELOPMENT</b>						
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	34	28	100	14	45	47
Operating profit <sup>1)</sup>	-1	6	23	0	0	15
Average operating capital	405	361	326	273	245	237
Return on operating capital, % <sup>2)</sup>	6.9	8.0	11.7	9.5	14.3	24.5
Operating cash flow	-65	69	-112	-55	-34	-5
Carrying amount, development properties	35	35	35	25	25	25
Carrying amount, project properties	459	402	347	294	252	210
Number of available building rights <sup>3)</sup>	700	700	600	500	500	600
Number of residential units sold <sup>3)</sup>	-	-	54	-	-	-
Number of housing starts <sup>3)</sup>	-	-	-	-	54	-
Number of residential units in current production <sup>3)</sup>	338	338	338	484	484	430
<sup>1)</sup> Of which property sales	-	1	2	1	1	13
<sup>3)</sup> Refers to rental units and residential care units.						
<b>JM CONSTRUCTION</b>						
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	447	360	480	492	558	554
Operating profit	11	10	0	13	16	16
Operating margin, %	2.5	2.8	0.0	2.6	2.9	2.9
Operating cash flow	-34	-6	-65	-11	-66	108
<b>JM OTHER</b>						
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue (elimination)	-136	-111	-145	-101	-105	-102
Operating profit (Group-wide expenses)	-13	-13	-13	-7	-10	-15
<b>RESTATEMENT JM INTERNATIONAL</b>						
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	-104	-287	-214	154	-331	-117
Operating profit	-27	-42	-35	-7	-38	-11

<sup>2)</sup> Calculated on 12-month rolling profits and average capital.

## JM IN BRIEF

### BUSINESS CONCEPT

To create attractive living and working environments that satisfy individual needs both today and in the future.

### VISION

JM creates houses where people feel at home.

### BUSINESS

JM is one of the leading developers of housing and residential areas in the Nordic region.

Operations focus on new production of homes in attractive locations, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway and Finland. We are also involved in the project development of commercial premises and contract work, primarily in the Greater Stockholm area.

JM should promote long-term sustainability work in all of its operations.

Annual sales total approximately SEK 14 billion and the company has approximately 2,400 employees.

JM AB is a public limited company listed on NASDAQ Stockholm, Large Cap segment.

### FINANCIAL TARGETS AND DIVIDENDS POLICY

The operating margin should amount to 10 percent, including gains/losses from property sales. The visible equity ratio should amount to 35 percent over a business cycle.

Over time, the dividend should reflect the earnings trend in total operating activities and over a business cycle on average correspond to 50 percent of consolidated profit after tax. Capital gains from property sales are a natural part of JM's project development operations and therefore are included in the calculation of dividends.

### DISCLOSURES

This information is information that JM AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on July 15, 2016.

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### ADDITIONAL INFORMATION

#### FINANCIAL CALENDAR

##### October 26, 2016

Interim report January-September 2016

##### February 7, 2017

Year-end Report 2016

#### PRESS RELEASES, Q2

##### 6/30/2016

Conversion of Convertible debentures and warrants in to shares in JM AB (publ)

##### 6/16/2016

JM Construction continues to build the new Slussen, Stockholm

##### 6/9/2016

Johan Bergman leaving JM's Board

##### 5/20/2016

JM selling property in Humlebæk, Copenhagen

##### 5/2/2016

JM Construction wins tender in new Danderyd Centrum, Stockholm

##### 4/22/2016

JM's Board of Directors Decided on Buy-Back of Shares

##### 4/21/2016

Annual General Meeting at JM AB

##### 4/21/2016

Interim report January - March 2016

##### 4/18/2016

JM Construction wins Swedavia's procurement contract for new operational area at Arlanda Airport

*JM's annual reports, interim reports and other financial information are available at*  
[www.jm.se/investors](http://www.jm.se/investors)

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