



Year-end Report

JANUARY - DECEMBER 2006, JM GROUP

2006

Continued high profitability

- ◆ Income increased by 22 percent to SEK 12,065m (9,887) and number of residential units sold totaled 3,790 (4,240)
- ◆ Earnings before tax improved substantially to SEK 1,852m (1,151) and net earnings for the year rose to SEK 1,568m (976). Operating margin increased to 15.6 percent (12.5)
- ◆ Property sales of SEK 1,000m (1,752) provided capital gains of SEK 169m (247)
- ◆ Return on equity for the past twelve months increased considerably to 45.4 percent (28.8). Earnings per share for the year rose to SEK 16.40 (9.30)
- ◆ The Group's cash flow including property sales was SEK 664m (3,368)
- ◆ The Board of Directors proposes a dividend of SEK 4.50 (2.50) per share. In addition, the Board proposes a distribution of about SEK 1.0 billion through a redemption of shares equivalent to about SEK 11 per share

SEK m	January - December		October - December	
	2006	2005	2006	2005
Income	12,065	9,887	3,713	2,876
Operating profit	1,881	1,231	643	529
Profit before tax	1,852	1,151	637	524
Cash flow from operating activities	664	3,368	78	1,897
Operating margin (%)	15.6	12.5	17.3	18.4
Return on equity (%)	45.4	28.8		
Equity/assets ratio (%)	43	41	43	41
Earnings per share (SEK)	16.40	9.30	6.40	4.40
Number of housing starts	4,132	4,476	1,247	1,642
Number of residential units sold	3,790	4,240	884	1,282

JM applies International Financial Reporting Standards (IFRS).

GROUP

"The continued strong market and robust demand for newly built homes have resulted in yet another record year for JM. Strong sales and the large number of housing starts at higher prices mean continued high profitability. Our efficiency enhancements in the projects help us to achieve continued good cost control. High sales in ongoing production and continued robust demand on most of our markets also set the pace for 2007."

Johan Skoglund, President and CEO.

Market, sales and housing starts

Demand for newly built homes continues to be good in all markets except Copenhagen, where demand has declined over the past six months. Low interest rates contribute to this favorable trend.

The number of residential units sold in the form of signed contracts totaled 3,790 (4,240) and the percentage of sold or reserved residential units in relation to ongoing production continues to be very high. Residential units sold in the Stockholm area totaled 1,631 (1,754), elsewhere in Sweden 1,412 (1,411) and in JM International 747 (1,075). The number of housing starts amounted to 4,132 (4,476), including 1,770 (1,937) in the Stockholm area and 1,566 (1,451) elsewhere in Sweden. Housing starts in international operations totaled 796 (1,088). The lower sales and less housing starts are mainly attributable to declining demand for housing in Copenhagen and delayed housing starts in Norway.

Income, operating profit and operating margin

Consolidated revenues during the year increased by 22 percent to SEK 12,065m (9,887), attributable to the high level of housing starts at higher prices during 2005/2006 and a higher percentage of projects with especially good locations. Operating profit climbed to SEK 1,881m (1,231) and operating margin rose to 15.6 percent (12.5). Operating profit and operating margin improved substantially due to strong demand, higher prices for residential units and completed efficiency enhancements. These efficiency enhancements have focused on restructuring planning procedures more consistently within the Group and establishing strategic procurement agreements with selected providers. The projects exercise good cost control, though a certain tendency for rising costs can be seen. The negative cost trend in Norway and Denmark continues.

During the year JM sold properties for SEK 1,000m (1,752) with a capital gain of SEK 169m (247). Rental income from JM's project properties totaled SEK 76m (192), with residential properties accounting for SEK 61m (100). Net operating income totaled SEK 29m (73).

Operating profit (SEK m)	January - December		October - December	
	2006	2005	2006	2005
JM Residential Stockholm	894	500	315	184
JM Residential Sweden	563	341	201	134
JM International	253	183	95	59
JM Property Development	122	212	12	150
JM Production	94	58	34	18
Group-wide expenses	-45	-63	-14	-16
Total ¹⁾	1,881	1,231	643	529
¹⁾ Including property sales	169	247	17	147

Operating margin (%)	January - December		October - December	
	2006	2005	2006	2005
JM Residential Stockholm	19.0	13.1	22.4	16.9
JM Residential Sweden	14.9	11.3	17.4	15.8
JM International	9.5	8.8	10.4	9.8
JM Production	6.5	4.8	8.6	4.2

Building rights

JM's available building rights increased to 29,800 residential units (23,200), of which 19,300 (15,000) are recognized in the balance sheet. The Group increased its holdings of building rights in all markets, especially in the Swedish operations. Capital tied up in building rights (development properties in the balance sheet) for residential units rose sharply to SEK 4,208m (2,786) at year-end.

Valuation of JM's total development properties with a carrying amount of about SEK 4.3bn (2.9), including commercial building rights of SEK 0.1bn (0.1), indicates a surplus value of about SEK 2.8bn (1.6). This valuation was carried out in cooperation with an external appraisal company.

JM acquired development properties for residential units for SEK 2,690m (1,324) during 2006. The biggest acquisition involved the new "Järvastaden" in Solna and Sundbyberg, Stockholm, with an initial investment of SEK 290m, Kvarnholmen, Stockholm for SEK 351m, land in Copenhagen's harbor area for SEK 310m, land in Mölndal, Göteborg, for SEK 147m, Kungsängen in central Uppsala for SEK 135m and land in Räcksta, Stockholm, for SEK 125m.

Project properties

External appraisers calculated the market value of JM's project properties to be SEK 1,063m (1,448). The corresponding carrying amount was SEK 823m (1,183). The excess value is therefore SEK 240m (265). A breakdown for each category is shown below.

Dec. 31, 2006	Market value, SEK	Carrying amount, SEK	Area (000) m ²	Occupancy rate annual rent, %
Residential units (tenancy rights)	685	494	57	100
Properties under development	315	293	32	60
Fully developed commercial properties	63	36	6	87
Total	1,063	823	95	84

Financial Items

Net financial items improved by SEK 51m compared with the same period the previous year. Costs for early redemption of loans during the year totaled SEK 16m (24). All interest rate derivatives are terminated.

SEK m	January - December		October - December	
	2006	2005	2006	2005
Financial income	47	47	10	16
Financial expenses	-76	-127	-16	-21
Financial income and expenses	-29	-80	-6	-5

During the year total interest-bearing loans decreased by SEK 451m to SEK 669m (1,120), including a pension provision for SEK 482m (472). At the end of the year the average interest rate for the total loan stock including the PRI liability was 4.5 percent (4.4). The average term for fixed-rate loans excluding pension liabilities is 0.3 years (1.6).

The Group's available liquidity was SEK 4,309m (5,059). Aside from cash and cash equivalents of SEK 1,509m (2,634) this includes overdraft facilities and credit lines totaling SEK 2,800m (2,425).

Interest-bearing net receivable totaled SEK 852m (1,536) at the end of the year after the redemption of shares and dividends for a total of SEK 1.2bn.

SEK m	January - December		October - December	
	2006	2005	2006	2005
Interest-bearing net receivable(+)/debt (-) at beginning of period	1,536	-613	721	-341
Change in interest-bearing net receivable/-liability	-684	2,149	131	1,877
Interest-bearing receivable at year-end	852	1,536	852	1,536

Cash flow

Cash flow from operating activities decreased to SEK 664m (3,368) mainly due to the lower level of project properties sold and increased investments in development properties. Cash flow from property development (project properties) made a net contribution of about SEK 558m (1,353). To some extent, investments in development properties made during the year of about SEK 2.7bn (1.3) will be paid for in the future, about SEK 0.9bn (0.2), and therefore do not burden cash flow. Cash flow before change in working capital increased to SEK 1,137m (876).

Personnel

The number of employees at year-end was 2,243 (2,283). The number of wage earners was 1,121 (1,209) and the number of salaried employees 1,122 (1,074).

Dividend and redemption program

In light of the continued strong growth of operations during 2006, JM has an extremely strong financial position, which once again allows for a large transfer of capital to shareholders in addition to the regular dividend.

For 2006 the Board of Directors proposes a dividend of SEK 4.50 (2.50) per share, for a total of SEK 415m. In addition the Board proposes a redemption program for about SEK 1.0bn. These proposals entail a total transfer of about SEK 1.4bn to shareholders during 2007, or the equivalent of about SEK 15 per share. The Board's complete proposal pertaining to the redemption program will be available in the middle of April. The redemption program is expected to be completed in late August 2007 at the latest.

The proposed record date for the dividend is Wednesday, May 2, 2007. If the Annual General Meeting resolves to adopt the proposal the dividend would be sent by VPC on May 7, 2007.

BUSINESS SEGMENTS

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	
	2006	2005	2006	2005
Income	4,707	3,816	1,405	1,086
Operating profit ¹⁾	894	500	315	184
Operating margin (%)	19,0	13,1	22,4	16,9
Average operating capital	916	1,488		
Return on operating capital (%)	97,6	33,6		
Operating cash flow	544	1,416	-144	535
Carrying amount, development properties	1,795	1,337		
Number of available building rights	12,300	9,200		
Number of housing starts	1,770	1,937	524	803
Number of residential units sold	1,631	1,754	360	496
Number of employees	831	788		
¹⁾ Including property sales	12	34	6	-

Customers continue to show strong demand and great interest in new projects. The increased supply of new homes is not sufficient in light of the population increase in the Stockholm region. The trend of cautiously rising housing prices continues. Competition over development land in good locations continues to be strong due to the robust demand and the rising prices of housing.

The business segment's income increased by 23 percent to SEK 4,707m (3,816) and operating profit increased by 79 percent to SEK 894m (500), including property sales of SEK 12m (34). The operating margin increased sharply to 19.0 percent (13.1). The margin gradually improved during the year due to the higher price level of the projects, completed efficiency enhancements and good cost control.

The increased income is attributable to the extremely large number of housing starts in late 2005 as well as the higher prices for the projects.

This year's lower cash flow is due to increased investments in development properties.

During the fourth quarter JM signed an agreement with KF Fastigheter to work together to develop Kvarnholmen in Nacka into a new neighborhood. According to this agreement, JM's percentage provides over 1,000 building rights. In addition, during the fourth quarter JM acquired building rights equivalent to about 600 residential units in Botkyrka, Solna, Stockholm and Sundbyberg.

Housing starts for 524 residential units were initiated during the fourth quarter (803) in Nacka, Solna, Stockholm – Gröndal, Liljeholmen, Älvsjö – Södertälje, Täby and on Värmdö.

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	
	2006	2005	2006	2005
Income	3,788	3,012	1,158	848
Operating profit ¹⁾	563	341	201	134
Operating margin (%)	14,9	11,3	17,4	15,8
Average operating capital	606	539		
Return on operating capital (%)	92,9	63,2		
Operating cash flow	304	544	218	167
Carrying amount, development properties	1,293	817		
Number of available building rights	10,300	8,400		
Number of housing starts	1,566	1,451	417	453
Number of residential units sold	1,412	1,411	393	397
Number of employees	620	600		
¹⁾ Including property sales	1	16	-	3

Customers continue to show strong demand and great interest in new housing. Housing prices are cautiously rising in most locations within the business segment, and rising in especially attractive areas.

The business segment's income increased by 26 percent to SEK 3,788m (3,012) and operating profit increased by 65 percent to SEK 563m (341), including gains from property sales for SEK 1m (16). The operating margin increased to 14.9 percent (11.3). The increased operating margin can be attributed to higher prices for the projects, implemented efficiency enhancements and good cost control.

The increased income is attributed to a gradual increase in the number of housing starts in recent years as well as the higher prices of projects.

This year's lower cash flow is due to increased investments in development properties.

During the fourth quarter JM acquired building rights equivalent to about 650 residential units in Lund, Helsingborg, Göteborg and Örebro.

Production started on a total of 417 residential units (453) in the fourth quarter, including 279 (382) in apartment blocks, 64 in Malmö, 30 in Lund, 7 in Göteborg, 53 in Jönköping, 20 in Norrköping, 46 in Örebro and 59 in Uppsala. Production also began on a total of 138 (71) single-family homes during the period, including 14 in Malmö, 70 in Göteborg, 19 in Trosa and 35 in Vallentuna.

JM INTERNATIONAL

The JM International business segment develops and sells residential properties in Norway, Denmark, Finland and Belgium.

SEK m	January - December		October - December	
	2006	2005	2006	2005
Income	2,673	2,069	916	603
Operating profit ¹⁾	253	183	95	59
Operating margin (%)	9.5	8.8	10.4	9.8
Average operating capital	1,041	1,118		
Return on operating capital (%)	24.3	16.4		
Operating cash flow	335	115	117	101
Carrying amount, development properties	1,120	632		
Carrying amount, project properties	27	271		
Number of available building rights	7,200	5,600		
Number of housing starts	796	1,088	306	386
Number of residential units sold	747	1,075	131	389
Number of employees	304	271		
¹⁾ Including property sales	18	11	-	1

A long period of rising housing prices has attracted new players to JM's international markets, which in turn has forced up prices of new building rights. Nevertheless, current holdings of building rights provide generally good conditions for JM to do business.

The business segment's income increased by 29 percent to SEK 2,673m (2,069) as a result of increased income in Denmark and Norway. Operating profit rose to SEK 253m (183), mainly due to higher prices as well as gains on property sales in JM Belgium during the first quarter. The operating margin increased to 9.5 percent (8.8)

Cash flow improved during the fourth quarter due to increased operating profit and a higher number of housing starts. The establishment in Finland is making progress and during the fourth quarter JM hired a managing director for the Finnish subsidiary.

Available building rights in Finland correspond to an estimated 250 residential units (0).

Norway

The housing market in Norway is characterized by continued good demand and rising prices. The supply of newly built homes is large at the same time that competition for residentially zoned land continues to be high.

Production costs continued to rise during 2006, while historically low unemployment in Norway has led to a labor shortage in the construction industry. Cost control efforts in the projects prior to starting production as well as delays in certain detail plan processes have limited the number of housing starts and therefore the number of residential units available for sale.

During the year 611 (717) residential units were sold and housing starts totaled 403 (852). Fourth quarter housing starts totaled 104 residential units, including about 10 in Oslo and 30 in Bergen, Tönsberg and Stavanger. During the fourth quarter JM acquired about 450 building rights in Bergen, Vestfold and Stavanger. Available building rights correspond to about 5,450 residential units (4,600).

Denmark

During the second half of the year demand for newly built homes in Copenhagen softened considerably. The housing market in general is characterized by a growing supply and shrinking demand. After a sharp upswing in 2005 and early 2006, prices have cooled and show a downward trend. High activity in the construction industry has led to rising production costs and project delays.

During the year 99 (251) residential units were sold and housing starts totaled 356 (166). Sales are limited by the low demand and delays in a number of projects. Housing starts for 165 residential units were initiated during the fourth quarter on Sluseholmen, a harbor area in central Copenhagen. No acquisitions were made during the fourth quarter.

Available building rights correspond to about 1,000 residential units (700).

Belgium

Belgium's housing market continues to be strong with an increased supply of new residential units. In the Brussels region prices have leveled off at a higher level, sales have slowed and production costs have increased somewhat. During the year 37 residential units (107) were sold and housing starts totaled 37 (70).

All housing starts in 2006 took place during the fourth quarter in the municipality Jette in Brussels. Sales are low in Belgium because of delays in the planning process in several projects. No acquisitions were made during the fourth quarter.

Available building rights correspond to about 500 residential units (300).

JM PROPERTY DEVELOPMENT

The JM Property Development business segment develops residential and commercial properties in Greater Stockholm. The business segment's portfolio entirely comprises properties for project development.

SEK m	January - December		October - December	
	2006	2005	2006	2005
Income	81	211	7	36
Operating profit ¹⁾	122	212	12	150
Average operating capital	926	1,704		
Return on operating capital (%)	13.2	12.4		
Operating cash flow	164	1,247	52	1,009
Carrying amount, development properties	140	136		
Carrying amount, project properties	793	840		
Number of employees	26	29		
¹⁾ Including property sales	128	186	11	143

The business segment's income totaled SEK 81m (211) and operating profit decreased to SEK 122m (212). The change is mainly attributable to lower gains from property sales. Net operating income during the year decreased to SEK 26m (65), which is a natural consequence of a decreased portfolio of project properties.

Gains from property sales during the year totaled SEK 128m (186), including SEK 45m (108) for properties sold to tenant-owners' associations.

Cash flow during the year was SEK 164m.

The agreement signed with Vasakronan during the third quarter involves the sale of two completed office buildings for a total of about 20,000 m² in Frösunda, Solna, in 2007 and 2009, as well as two building rights in the same area during 2007. During the fourth quarter JM sold two properties in Gustavsberg, Värmdö, for a total of SEK 21m with capital gains of SEK 10m.

As part of a housing project development, JM purchased two residential properties with 23 residential units for SEK 25m in Hammarby, Stockholm.

During the fourth quarter JM signed a third lease in the office project Frösunda Park house 1, Solna. Together with the previous leases, the vacancy rate is now 43 percent of the total area.

JM's building rights for commercial project development total about 86,000 m² with a carrying amount of SEK 140m.

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	
	2006	2005	2006	2005
Income	1,440	1,197	397	431
Operating profit ¹⁾	94	58	34	18
Operating margin (%)	6.5	4.8	8.6	4.2
Operating cash flow	111	155	57	33
Number of employees	382	513		
¹⁾ Including property sales	10	-	-	-

Demand for contracting operations in the Stockholm market continues to develop favorably with good orders for the business segment.

The business segment's income amounted to SEK 1,440m (1,197) and operating profit increased to SEK 94m (58). Operating margin was 6.5 percent (4.8).

Gains from the sale of a property used to manufacture crushed products totaled SEK 10m.

The business segment received several projects during the fourth quarter, the biggest of which involve excavation work at Hammarby Sjöstad for the City of Stockholm and new construction of housing in Sundbyberg for JM Residential Stockholm.

The biggest projects currently in progress is the renovation of the Bremen commercial property located at Gärdet for Vasakronan and new construction of offices in Frösunda for JM Property Development.

The divestiture of JM Production's painting business during the first quarter of 2006 resulted in a decrease in the number of employees by approximately 150.

CONSOLIDATED INCOME STATEMENT IN BRIEF

SEK m	January - December		October - December	
	2006	2005	2006	2005
Income	12,065	9,887	3,713	2,876
Costs for production and management	-9,737	-8,327	-2,920	-2,352
Gross profit	2,328	1,560	793	524
Selling and administrative expenses	-616	-576	-167	-142
Gains on the sale of properties	169	247	17	147
Operating profit	1,881	1,231	643	529
Financial income and expenses	-29	-80	-6	-5
Profit before tax	1,852	1,151	637	524
Taxes	-284 ¹⁾	-175	-47 ¹⁾	-92
Net profit for the period	1,568	976	590	432
Attributable to:				
Shareholders of the parent company	1,568	976	590	432
Earnings per share, basic and diluted, (SEK) attributable to shareholders of the parent company ²⁾	16.40	9.30	6.40	4.40
<i>No. of shares at close of period²⁾</i>	<i>92,289,764</i>	<i>98,705,520</i>	<i>92,289,764</i>	<i>98,705,520</i>
<i>Average number of shares, basic and diluted²⁾</i>	<i>95,453,698</i>	<i>105,390,724</i>	<i>92,289,764</i>	<i>98,705,520</i>

¹⁾ The low tax expense is due to the acquisition of a loss carryforward, the dissolution of deferred tax liabilities in conjunction with the sale of real estate, and the reassessment of deferred taxes.

²⁾ Comparative figures have been restated due to the share split.

CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	2006-12-31	2005-12-31
ASSETS		
Noncurrent assets	118	134
Project properties	823	1,183
Development properties	4,348	2,925
Participations in tenant-owner co-operatives, etc.	73	38
Current receivables ¹⁾	1,535	1,241
Cash and cash equivalents	1,509	2,634
Total current assets	8,288	8,021
Total assets	8,406	8,155
EQUITY & LIABILITIES		
Shareholder's equity	3,590	3,311
Noncurrent interest-bearing liabilities	73	626
Other noncurrent liabilities	597	-
Noncurrent provisions	938	850
Total noncurrent liabilities	1,608	1,476
Current interest-bearing liabilities	114	22
Other current liabilities	3,024	3,283
Current provisions	70	63
Total current liabilities	3,208	3,368
Total equity and liabilities	8,406	8,155
Pledged assets	181	140
Contingent liabilities	6,084	5,053
¹⁾ Of which receivables from property sales	2	37

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY IN BRIEF

SEK m	January - December	
	2006	2005
Opening balance, January 1	3,311	3,465
Effect of changed accounting principle ¹⁾	-	-31
Adjusted opening balance	3,311	3,434
Fair value reserve (cash flow hedges)	10	21
Translation differences	-50	42
Net sum of all entries charged or credited directly to equity	-40	63
Profit for the year	1,568	976
Total income and expenses for the year	1,528	1,039
Redemption of shares	-1,002	-966
Dividend to equity holders of the parent	-247	-196
Closing balance, December 31	3,590	3,311

¹⁾ IFRS adjustments, Financial instruments

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY)

SEK m	January - December		October - December	
	2006	2005	2006	2005
Cash flow from operating activities before change in working capital	1,137	876	396	334
Investments in development properties, etc.	-2,078	-1,188	-752	-583
Payment on account for development properties etc.	1,308	1,770	426	455
Investments in project properties	-384	-250	-53	-148
Sale of project properties	942	1,603	104	1,283
Change in current liabilities/receivables	-261	557	-43	556
Cash flow from operating activities	664	3,368	78	1,897
Cash flow from investing activities	-7	6	1	22
Loans raised	88	105	72	-
Amortization of loans	-621	-968	-75	-308
Redemption of shares	-1,002	-966	-	-
Dividend	-247	-196	-	-
Cash flow from financing activities	-1,782	-2,025	-3	-308
Cash flow for the period	-1,125	1,349	76	1,611
Cash and cash equivalents, December 31	1,509	2,634	1,509	2,634

KEY FINANCIAL MEASURES

%	January - December		October - December	
	2006	2005	2006	2005
Operating margin	15.6	12.5	17.3	18.4
Pre-tax return on capital employed	44.4	26.0		
Return on shareholders' equity	45.4	28.8		
Debt/equity ratio (x)	-	-	-	-
Equity/assets ratio	43	41	43	41

Accounting principles

This year-end report and interim report for the fourth quarter 2006 has been prepared in accordance with IAS 34 Interim Financial Reporting, which complies with the requirements stipulated in the Swedish Financial Accounting Standards Council's recommendation RR 31 Interim Financial Reporting for Groups. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). Since the Parent Company is an enterprise within the EU, only EU-approved IFRS will be applied.

The accounting principles applied in this year-end report are described in the 2005 Annual Report on pages 56-59.

INCOME BY COUNTRY

SEK m	January - December 2006	December 2005	October - December 2006	December 2005
Sweden	9,392	7,818	2,797	2,273
Norway	1,575	1,315	496	402
Denmark	870	492	329	96
Belgium	228	262	91	105
Total	12,065	9,887	3,713	2,876

INCOME BY BUSINESS SEGMENT

SEK m	January - December 2006	December 2005	October - December 2006	December 2005
JM Residential Stockholm	4,707	3,816	1,405	1,086
JM Residential Sweden	3,788	3,012	1,158	848
JM International	2,673	2,069	916	603
JM Property Development	81	211	7	36
JM Production	1,440	1,197	397	431
Elimination	-624	-418	-170	-128
Total	12,065	9,887	3,713	2,876

OPERATING PROFIT BY BUSINESS SEGMENT

SEK m	January - December 2006	December 2005	October - December 2006	December 2005
JM Residential Stockholm	894	500	315	184
JM Residential Sweden	563	341	201	134
JM International	253	183	95	59
JM Property Development	122	212	12	150
JM Production	94	58	34	18
Group-wide expenses	-45	-63	-14	-16
Total	1,881	1,231	643	529

OPERATING MARGIN BY BUSINESS SEGMENT

%	January - December 2006	December 2005	October - December 2006	December 2005
JM Residential Stockholm	19.0	13.1	22.4	16.9
JM Residential Sweden	14.9	11.3	17.4	15.8
JM International	9.5	8.8	10.4	9.8
JM Production	6.5	4.8	8.6	4.2

AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

SEK m	2006	2005
JM Residential Stockholm	916	1,488
JM Residential Sweden	606	539
JM International	1,041	1,118
JM Property Development	926	1,704

RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

%	2006	2005
JM Residential Stockholm	97.6	33.6
JM Residential Sweden	92.9	63.2
JM International	24.3	16.4
JM Property Development	13.2	12.4

OPERATING CASH FLOW BY BUSINESS SEGMENT

SEK m	January - December		October - December	
	2006	2005	2006	2005
JM Residential Stockholm	544	1,416	-144	535
JM Residential Sweden	304	544	218	167
JM International	335	115	117	101
JM Property Development	164	1,247	52	1,009
JM Production	111	155	57	33

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

Carrying amount, SEK m	2006-12-31	2005-12-31
JM Residential Stockholm	1,795	1,337
JM Residential Sweden	1,293	817
JM International	1,120	632
JM Property Development	140	136
JM Production	-	3
Total	4,348	2,925

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

Number	2006-12-31	2005-12-31
Total number of residential building rights		
JM Residential Stockholm	12,300	9,200
JM Residential Sweden	10,300	8,400
JM International	7,200	5,600
Total	29,800	23,200
recognized in the balance sheet (development properties)		
JM Residential Stockholm	8,100	6,600
JM Residential Sweden	6,700	5,000
JM International	4,500	3,400
Total	19,300	15,000

HOUSING STARTS BY BUSINESS SEGMENT

Number	January - December		October - December	
	2006	2005	2006	2005
JM Residential Stockholm	1,770	1,937	524	803
JM Residential Sweden	1,566	1,451	417	453
JM International	796	1,088	306	386
Total	4,132	4,476	1,247	1,642

RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

Number	January - December		October - December	
	2006	2005	2006	2005
JM Residential Stockholm	1,631	1,754	360	496
JM Residential Sweden	1,412	1,411	393	397
JM International	747	1,075	131	389
Total	3,790	4,240	884	1,282

DEVELOPMENT PROPERTIES GROUP

Carrying amount, SEK m	January - December		October - December	
	2006	2005	2006	2005
Opening balance at beginning of period	2,925	2,971	3,906	2,629
Purchases	2,718	1,337	871	740
Transferred to production	-1,168	-1,232	-376	-377
Other	-127	-151	-53	-67
Closing balance, December	4,348	2,925	4,348	2,925

Parent Company

The Parent company's profit before appropriations and tax totaled SEK 452m (1,072). Investments in properties totaled SEK 1,660m (978).

Stockholm February 13, 2007
JM AB (Publ)

The Board of Directors

GROUP

FIVE-YEAR OVERVIEW ¹⁾

SEK m	2006	2005	2004	2003	2002
Income	12,065	9,887	8,532	7,787	8,872
Operating profit	1,881	1,231	792	478	652
Profit before tax	1,852	1,151	647	267	368
Balance sheet total	8,406	8,155	8,252	9,145	10,628
Cash flow from operating activities	664	3,368	2,161	1,504	2,161
Interest-bearing net receivable(+) / debt (-)	852	1,536	-613	-2,611	-3,665
Operating margin (%) ²⁾	15.6	12.5	9.3	2.4	5.4
Return on shareholders' equity (%)	45.4	28.8	14.4	5.5	6.8
Equity/assets ratio (%)	43	41	42	36	34
Earnings per share (SEK) ³⁾	16.40	9.30	4.20	1.70	2.10
Dividend per share (SEK) ³⁾	4.50 ⁴⁾	2.50	1.80	1.30	2.50
Number of available building rights	29,800	23,200	21,900	23,400	25,500
Number of housing starts	4,132	4,476	3,943	2,714	2,711
Number of residential units sold	3,790	4,240	4,315	3,189	2,511

¹⁾ 2003 financial year and earlier are not restated according to IFRS. This means that the new principles for goodwill and using the percentage of completion method as a basis for calculations did not affect the years 2002 and 2003.

²⁾ 2003 financial year and earlier operating margin corresponds to project development margin.

³⁾ Profit and dividend per share have been restated as a result of the share split.

⁴⁾ Board of directors' proposal.

GROUP

QUARTERLY OVERVIEW, SEK M

INCOME STATEMENT	2006				2005			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Income	3,713	2,543	2,911	2,898	2,876	2,419	2,538	2,054
Costs for production and management	-2,920	-2,052	-2,320	-2,445	-2,352	-2,052	-2,148	-1,775
Gross income	793	491	591	453	524	367	390	279
Selling and administrative expenses	-167	-125	-183	-141	-142	-129	-167	-138
Gains on the sale of properties	17	31	56	65	147	31	31	38
Operating profit	643	397	464	377	529	269	254	179
Financial income and expenses	-6	-1	-1	-21	-5	-6	-45	-24
Profit before tax	637	396	463	356	524	263	209	155
Taxes	-47	-93	-75	-69	-92	26	-63	-46
Net profit for the period	590	303	388	287	432	289	146	109
BALANCE SHEET	12-31	09-30	06-30	03-31	12-31	09-30	06-30	03-31
Assets								
Noncurrent assets	118	124	141	142	134	164	191	191
Project properties	823	772	797	859	1,183	2,038	2,071	2,041
Development properties	4,348	3,906	3,513	2,744	2,925	2,629	2,734	2,893
Participations in tenant-owner co-operatives, etc.	73	44	27	25	38	43	125	167
Current receivables	1,535	1,796	1,625	1,533	1,241	1,725	1,497	1,512
Cash and cash equivalents	1,509	1,433	1,543	2,208	2,634	1,023	782	1,797
Total current assets	8,288	7,951	7,505	7,369	8,021	7,458	7,209	8,410
Total assets	8,406	8,075	7,646	7,511	8,155	7,622	7,400	8,601
Equity & liabilities								
Shareholders' equity	3,590	3,025	2,735	3,609	3,311	2 876	2,590	3,558
Noncurrent interes- bearing liabilities	73	55	98	159	626	794	802	1,174
Other noncurrent liabilities	597	573	624	-	-	-	-	-
Noncurrent provisions	938	935	858	882	850	1,002	1,101	1,056
Total noncurrent liabilities	1,608	1,563	1,580	1,041	1,476	1 796	1,903	2,230
Current interest-bearing liabilities	114	182	145	12	22	142	134	334
Other current liabilities	3,024	3,224	3,107	2,773	3,283	2,745	2,714	2,428
Current provisions	70	81	79	76	63	63	59	51
Total current liabilities	3,208	3,487	3,331	2,861	3,368	2,950	2,907	2,813
Total equity and liabilities	8,406	8,075	7,646	7,511	8,155	7,622	7,400	8,601
CASH FLOW STATEMENT	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities	78	-118	640	64	1,897	216	739	516
Cash flow from investing activities	1	9	-4	-13	22	22	2	-40
Cash flow from financing activities	-3	-1	-1,301	-477	-308	3	-1,756	36
Total cash flow for the period	76	-110	-665	-426	1,611	241	-1,015	512
Cash and cash equivalents at end of period	1,509	1,433	1,543	2,208	2,634	1,023	782	1,797
INTEREST-BEARING NET RECEIVABLES/ LIABILITIES	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest-bearing net receivable(+)/ debt (-) at beginning of period	721	837	1,587	1,536	-341	-557	-99	-613
Change interest-bearing net receivable/liability	131	-116	-750	51	1,877	216	-458	514
Interest-bearing net receivable(+)/ debt (-) at end of period	852	721	837	1,587	1,536	-341	-557	-99
DEVELOPMENT PROPERTIES	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Opening balance at beginning of period	3,906	3,513	2,744	2,925	2,629	2,734	2,893	2,971
Purchases	871	776	919	152	740	270	125	202
Transferred to production	-376	-331	-127	-334	-377	-368	-254	-233
Other	-53	-52	-23	1	-67	-7	-30	-47
Closing balance at end of period	4,348	3,906	3,513	2,744	2,925	2,629	2,734	2,893
KEY FINANCIAL MEASURES	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating margin (%)	17.3	15.6	15.9	13.0	18.4	11.1	10.0	8.7
Debt/equity ratio (x)	-	-	-	-	-	0.1	0.2	0.0
Equity/assets ratio (%)	43	37	36	48	41	38	35	41
Earnings per share (SEK)	6.40	3.30	3.90	2.90	4.40	2.90	1.30	1.00
Number of available building rights	29,800	29,100	26,700	23,200	23,200	23,200	22,750	22,300
Number of housing starts	1,247	1,025	1,088	772	1,642	973	1,080	781
Number of residential units sold	884	846	1,114	946	1,282	834	1,103	1,021

BUSINESS SEGMENTS

QUARTERLY OVERVIEW, SEK M

	2006				2005			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
JM RESIDENTIAL STOCKHOLM								
Income	1,405	1,009	1,073	1,220	1,086	845	1,017	868
Operating profit ¹⁾	315	200	204	175	184	102	139	75
Operating margin (%)	22.4	19.8	19.0	14.3	16.9	12.1	13.7	8.6
Average operating capital	916	915	1,007	1,267	1,488	1,733	1,935	2,173
Return on operating capital (%) ²⁾	97.6	83.4	66.0	47.4	33.6	24.1	19.4	14.3
Operating cash flow	-144	-237	536	389	535	108	415	358
Carrying amount, development properties	1,795	1,488	1,155	1,110	1,337	1,309	1,443	1,590
Number of available building rights	12,300	12,000	9,500	8,800	9,200	9,700	9,500	9,400
Number of housing starts	524	510	301	435	803	287	527	320
Number of residential units sold	360	401	485	385	496	347	506	405
¹⁾ Including property sales	6	1	5	-	-	-	30	4
JM RESIDENTIAL SWEDEN								
Income	1,158	810	908	912	848	703	784	677
Operating profit ¹⁾	201	119	144	99	134	81	69	57
Operating margin (%)	17.4	14.7	15.9	10.9	15.8	11.5	8.8	8.4
Average operating capital	606	560	507	521	539	607	696	759
Return on operating capital (%) ²⁾	92.9	88.5	90.4	73.6	63.2	44.7	33.8	27.5
Operating cash flow	218	-46	139	-7	167	58	215	104
Carrying amount, development properties	1,293	1,239	1,162	790	817	646	619	633
Number of available building rights	10,300	10,100	10,400	8,400	8,400	8,400	7,900	7,500
Number of housing starts	417	440	483	226	453	366	343	289
Number of residential units sold	393	315	386	318	397	308	343	363
¹⁾ Including property sales	-	-	1	-	3	11	1	1
JM INTERNATIONAL								
Income	916	503	711	543	603	613	520	333
Operating profit ¹⁾	95	41	60	57	59	57	35	32
Operating margin (%)	10.4	8.2	8.4	10.5	9.8	9.3	6.7	9.6
Average operating capital	1,041	1,076	1,093	1,109	1,118	1,085	1,055	1,024
Return on operating capital (%) ²⁾	24.3	20.2	21.3	18.8	16.4	15.4	12.7	12.4
Operating cash flow	117	-8	-1	227	101	15	46	-47
Carrying amount, development properties	1,120	1,050	1,053	701	632	491	484	467
Carrying amount, project properties	27	28	29	30	271	273	275	265
Number of available building rights	7,200	7,000	6,800	6,000	5,600	5,100	5,350	5,400
Number of housing starts	306	75	304	111	386	320	210	172
Number of residential units sold	131	130	243	243	389	179	254	253
¹⁾ Including property sales	-	-	-	18	1	-	-	10
JM PROPERTY DEVELOPMENT								
Income	7	24	21	29	36	45	66	64
Operating profit ¹⁾	12	15	51	44	150	34	5	23
Average operating capital	926	1,107	1,282	1,491	1,704	1,941	2,014	2,201
Return on operating capital (%) ²⁾	13.2	23.5	21.8	15.6	12.4	6.4	6.2	7.1
Operating cash flow	52	177	-123	58	1,009	48	91	99
Carrying amount, development properties	140	129	140	140	136	181	185	201
Carrying amount, project properties	793	741	765	826	840	1,652	1,647	1,627
¹⁾ Including property sales	11	20	50	47	143	20	-	23
JM PRODUCTION								
Income	397	334	355	354	431	286	267	213
Operating profit ¹⁾	34	30	15	15	18	16	16	8
Operating margin (%)	8.6	9.0	4.2	4.2	4.2	5.6	6.0	3.8
Operating cash flow	57	12	-38	80	33	32	67	23
¹⁾ Including property sales	-	10	-	-	-	-	-	-
JM OTHER								
Revenues (elimination)	-170	-137	-157	-160	-128	-73	-116	-101
Operating profit (group-wide expenses)	-14	-8	-10	-13	-16	-21	-10	-16
²⁾ Calculated on 12-month rolling profits and average capital.								

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Future reporting dates

Printed Annual Report 2006 will be available at JM's head office Early April, 2007

Interim Report January-March 2007 April 26, 2007

The Annual General Meeting will be held
at JM's head office, Telegrafgatan 4, Solna April 26, 2007 at 4 p.m.

Interim Report January-June 2007 August 17, 2007

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, Denmark, Finland and Belgium. We are also involved in project development of commercial premises and contract work, primarily in the Greater Stockholm area. JM seeks to promote long-term quality and environmental considerations in all its operations. Annual sales total approximately SEK 12 billion and the company has some 2,200 employees. JM is a public limited company listed on the OMX Nordic Exchange in the Large Cap segment.