

Annual Report  
State-owned  
Companies 2003



REGERINGSKANSLIET



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State-owned  
Companies 2003

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Photo: Peter Lydén



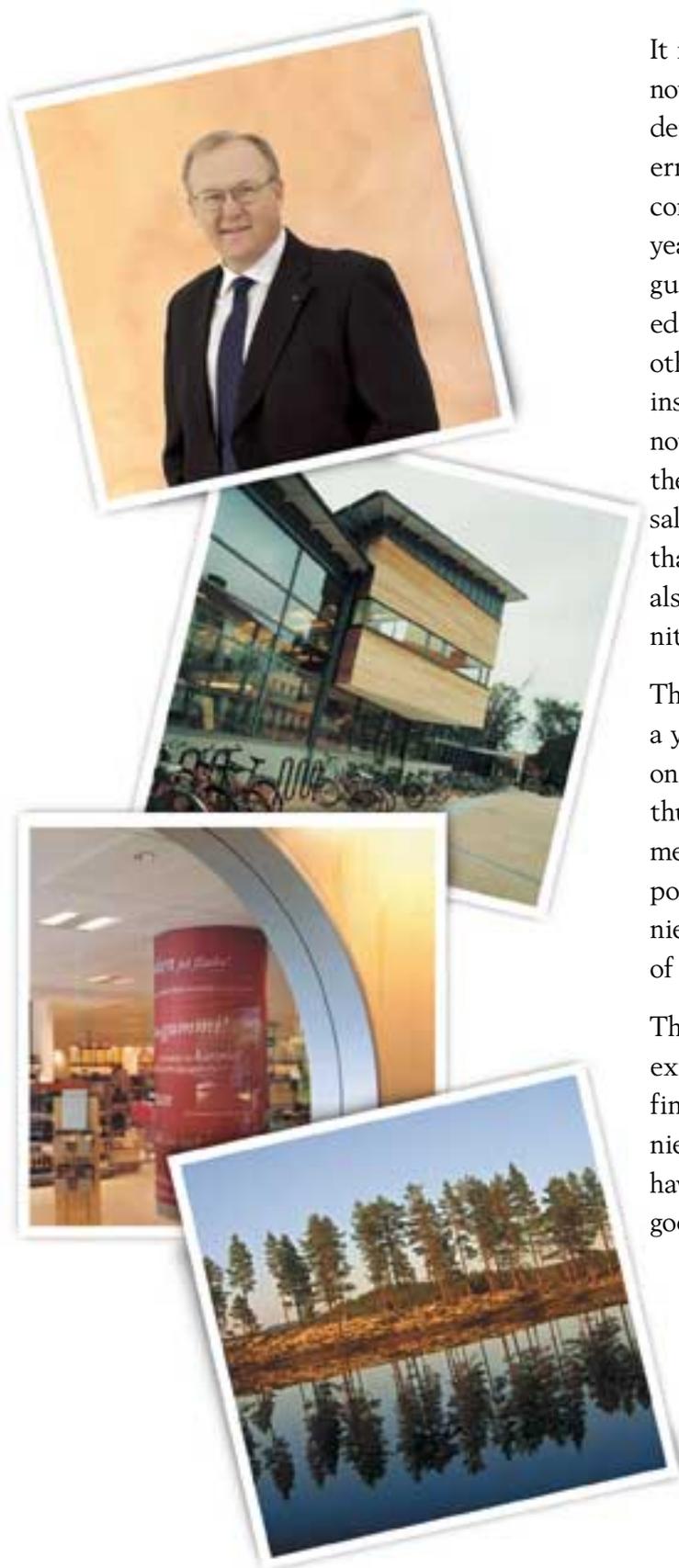
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# Foreword



It is good and important that the spotlight is now on issues of trust. Transparency and confidence go hand in hand. It is a fact that the Government has placed demands on state-owned companies for open information for a number of years. This year, the Government adopted new guidelines for the payments and pensions granted by the boards to the managing directors and other senior executives. Guidelines that, for instance, stipulate that the managing director is not to receive a bonus and that the chairman of the board is to justify the managing director's salary at the annual general meeting. We hope that the changes that have been introduced will also inspire other parts of the business community to adopt similar measures.

The state-owned companies have also completed a year with, as a rule, good results. The return on equity was 11 per cent. The corporate group thus provided a good contribution to government revenue and the ability to pursue welfare policy. In 2004, it is estimated that the companies will provide a dividend to public finances of over SEK 12 billion.

The ambitions for the state-owned companies extend beyond making a contribution to public finances through profits, however. The companies that operate in competitive markets also have a role that goes beyond the demand for a good return.

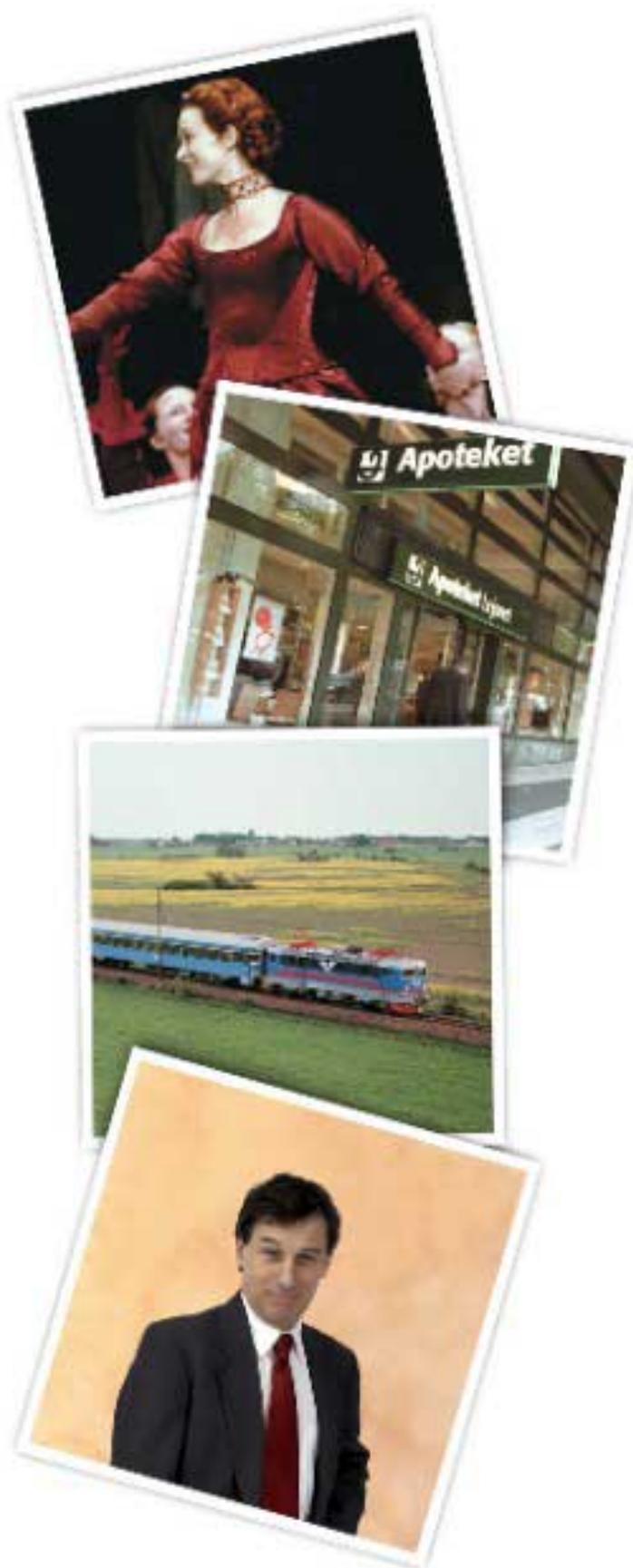
For a number of years, the Government has actively and deliberately recruited new members for the boards of the state-owned companies. Nomination work is pursued very actively from the assessment of the board to the formal decision at the annual general meeting. The Government has a broad basis for recruitment to shape boards with the ability to develop the activities engaged in. We have succeeded well in our recruitment and we can become even better. This is noticeable not least by our achieving our target of 40 per cent women among the board members.

A number of countries are now adopting the Swedish model of state-owned companies. Our targets are justifiably high. Well-run companies with a stable financial development are a condition for growth. The Government is taking its responsibility for the state-owned companies now and in the future.

Stockholm, 19 May 2004

Göran Persson  
Prime Minister

Leif Pagrotsky  
Minister of Industry,  
Employment and  
Communications



## Financial overview 2003

### STATE-OWNED COMPANIES

FINANCIAL FACTS, SEK billion	2003	2002	Change, %
Net turnover	298.9	337.5	-11.4
Profit before tax	26.6	8.5	214.4
Net profit	21.9	8.6	155.4
Shareholders' equity	205.3	195.2	5.2
Total assets	873.9	876.6	0.0
Cash flow from operating activities	25.1	75.0	-66.6
Gross investment	26.4	67.6	-60.9
Average no. of employees	144,806	162,185	-10.7
Average no. of employees including associated companies	205,528	199,302	3.1
Return on equity, %	10.9	4.6	6.3 %-points
Equity/assets ratio, %	19.7	18.7	1.0 %-points
Dividend	12.3	10.0 <sup>1)</sup>	23.1

<sup>1)</sup> Excluding additional dividend.

## Important events 2003

### SJ AB

Shareholders' equity was restored during 2003 in SJ AB. In December 2002, the board of directors drew up a balance sheet for liquidation purposes and it was noted that more than half of the share capital had been consumed. At an extraordinary shareholders' meeting in January 2003, it was decided to make use of a period of respite of eight months to investigate the possibilities of restoring the capital. In June 2003, the Government decided to provide a capital contribution of at most SEK 1,855 million which was to be paid to SJ. In August an extraordinary shareholders' meeting decided that operations were to continue and SEK 1,555 million was paid in December 2003.



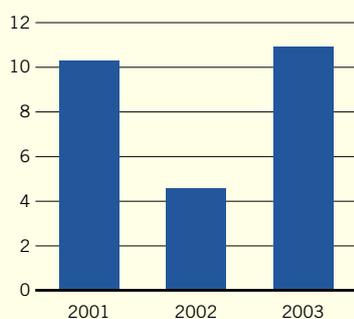
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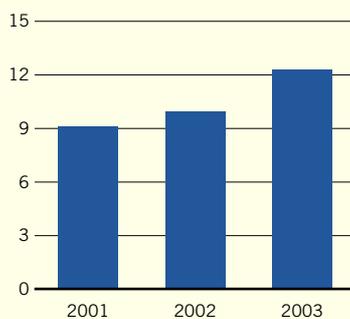
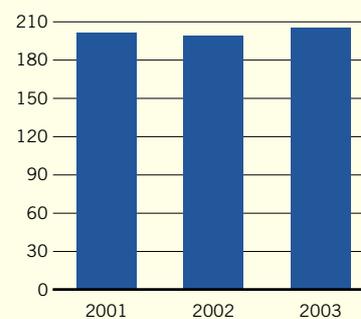
### Vattenfall

Profit after tax increased by 21 per cent to SEK 9.1 billion in 2003. The company's activities generate a strong cash flow and net borrowing is decreasing. Vattenfall's vision is to develop into one of the leading power companies in Europe. Today, Vattenfall operates mainly in Sweden, Finland, Germany and Poland. Vattenfall is the fifth largest electricity producer (measured in produced TWh) and the largest district heating company in Europe. Read more about Vattenfall on page 118.

RETURN ON EQUITY, %



DIVIDEND, SEK bn

AVERAGE NO. OF EMPLOYEES, thousands  
(including associated companies)

## Apoteket

2003 was the first full year with the new generic products reform, which means that more expensive pharmaceutical products are replaced by the cheapest equivalent. This reform has brought large financial benefits for customers and society. In 2003, SEK 1 billion was saved. The consequences for Apoteket are decreased sales revenue and some additional work, as well as a lower operating margin.

## Special account at the National Debt Office

The Riksdag decided, in conjunction with a review of the capital structure of state-owned companies, to approve a maximum of SEK 3,000 million in the form of additional dividends from the state-owned companies being transferred in 2003 to a special account at the National Debt Office. These funds were intended for initiatives in wholly or partly-owned state-owned companies. The Riksdag considered that there were good reasons to create an arrangement that facilitates capital restructuring in the state-owned company sphere by applying special destination, which means that the Government decides how the profits are to be used. The state should be able to act in the same way as a parent company that provides capital contributions to certain subsidiaries and finances this with funds from other companies. Read more on page 10.

## Svenska Spel

Svenska Spel's turnover increased by 11 per cent in 2003, which meant more money for the public treasury and for activities for children and young people organised by popular and sports organisations. Profit after tax was SEK 4,687 (4,210) million. In accordance with the new profit sharing system which is based on Svenska Spel's total profits, SEK 1,010 million goes to activities for children and young people organised by popular and sports organisations. In addition, there is SEK 165 million paid to Sveriges Bingohallar (Bingo), parts of which are paid to local sports associations. The rest of the profit goes to the state.





## Dramaten

A total of 924 (997) performances have taken place on the theatre's six stages for 247,498 (296,368) patrons. Booking during the year has been 80 (89) per cent and the proportion of non-Stockholmers in the audience has been estimated at 22 per cent. During the year, Elverket has been divided into two stages, enabling Dramaten to place particular focus on newly-written plays with young directors on the smaller stage. Dramaten went on tour in 2003 with six productions at nine venues, five of them abroad.

## LKAB

LKAB's profit after tax increased greatly in 2003 and totalled SEK 688 (295) million. Demand for LKAB's products was high in 2003. Turnover increased by SEK 2,280 million, SEK 1,000 million of which derives from companies acquired in the industrial mineral sector. Higher iron ore prices of approximately 10 per cent and increased delivery volume of approximately 2 million tonnes each contributed by over SEK 500 million. LKAB has asserted itself well on a consolidated and competitive market.



## Sveaskog

Sveaskog, LRF and the forest owners Mellanskog created Sweden's largest and Europe's fourth largest company in the timber industry, Setra Group AB, through a merger as at 1 July 2003 between AssiDomän Timber and Mindab (Mellanskog Industri AB). Sveaskog owns 50 per cent of the new company. On 1 April 2003, the shares in Svenska Skogsplantor AB were transferred, after a decision by the Riksdag, to Sveaskog with a view to carrying out a reconstruction of Svenska Skogsplantor.



## SEK

The Swedish state acquired ABB's holding of 35 per cent and, after the acquisition, is sole owner of Svensk Exportkredit (SEK). After the change of owner, SEK's rating at Moody's and S&P's has been upgraded, which has improved SEK's borrowing situation.



## Systembolaget

2003 was a turbulent year for Systembolaget. Seven store managers and three suppliers were reported to the police on suspicion of taking bribes and bribery. A preliminary investigation is in process and the company has also commissioned an external investigator to scrutinise the company's executive management, key persons at the head office, and the company's area managers. The business has been exposed to increased competition due to import quotas being increased and reductions in spirit taxes in Finland and Denmark.

## Teracom

Teracom transformed a loss into a profit in 2003, from a loss of SEK 204 million in 2002 to a profit of SEK 23 million in 2003. The improvement in earnings is explained by a stable increase in sales of digital TV subscriptions and a continued positive development in data and telecommunications and parts of the company's efficiency programme.



## The Civil Aviation Administration

Air traffic has continued to decrease in 2003 for the third year running. The number of passengers using the Civil Aviation Administration's airports decreased by 7 per cent and the number of landings by 5 per cent. The financial situation of the Civil Aviation Administration is under strain since the agency has carried out the biggest investments in its history at the same time as there has been a great decrease in air traffic. A programme of measures has been initiated to improve the Civil Aviation Administration's result by SEK 1 billion by 2006.

## Bothia Garanti

A new group was established in 2003 with a shareholders' equity of SEK 500 million. Bothia Garanti's assignment is to acquire municipal housing properties for conversion into company premises or other purposes.

## Open shareholders' meetings

For state-owned companies, the requirement for an open and professional provision of information transparency is a question of democracy since the companies are ultimately owned by the Swedish people. According to the state's ownership policy, the wholly-owned state companies should arrange some form of event in connection with the annual general meeting where the public are given an opportunity to ask questions to the management of the company. The picture is from SBAB's annual general meeting, which attracted approximately 100 visitors.



# State ownership administration

The Swedish state is Sweden's largest company owner. The Swedish Government Offices administer 57 companies/groups or public enterprises, of which 43 companies are wholly owned and 14 partly owned by the state. A total of approximately 200,000 people are employed in these companies. The state is moreover the largest owner on Stockholmsbörsen, the Stockholm stock exchange. This involves a considerable responsibility and demands long-term, professional administration.

## PRINCIPLES OF OWNERSHIP CONTROL

*The Government's overall objective is creating value for the owners.*

*State-owned companies can in principle be divided into two groups: companies operating under market conditions and requirements and companies that primarily have special societal interests to fulfil.*

The group of companies operating under market conditions also includes the listed companies with direct state ownership.

The Ministry of Industry, Employment and Communications makes the assessment that the total value of the companies administered is between SEK 350 and 380 billion. Many of the companies have a strong position in the market in important sectors, including various kinds of infrastructure. The goal of creating value entails requirements for a long-term approach, efficiency, profitability, development capacity and environmental and social responsibility.

In the same way as all companies in the market, the state-owned companies are facing increasingly fierce competition in a rapidly changing environment. State ownership administration therefore requires a clear, open ownership policy adapted to the increased and changing demands made. The state ownership role is complex as the state owns companies with business activities ranging from mining to opera, and from real estate to gambling.

## THE OWNERSHIP ROLE AND ORGANISATION

*The Swedish Government Offices are responsible for actively monitoring and managing the state's assets in order to achieve the best development of value and, in those cases where it is applicable, to comply with the special societal interests.*

Monitoring and assessment take place through financial and industrial analyses as well as board work and dialogue with the chairman of the board. In those cases where

the companies have special objectives, besides the creation of value, these objectives are specially monitored. The commission of owner management also includes developing and implementing the Government's ownership policy and the tools that are at the disposal of the owner in all state-owned companies. In addition, the Government Offices report on the administration of state-owned companies in its annual report, which mainly consists of reports on the operations of state-owned companies.

## The Government's administration mandate

*The state's funds and its other assets are at the disposal of the Government in accordance with Chapter 9, section 8 of the Constitution.*

According to Chapter 9, section 9, the Swedish Parliament, the Riksdag, shall determine the bases – to the extent required – for the administration and disposal of the state's property. This is the administration mandate the Government has for administration of state-owned companies. The Government should thus consult the Riksdag, in certain conditions, in the event of significant changes of direction by companies, dilution of ownership, capital contributions, incorporation and the sale and purchase of shares.

According to the State Budget Act (1996:1059), the Government may sell the state's shares in companies where the state has less than half of the votes for all the shares or participation rights in the company unless the Riksdag has decided otherwise. However, the Government may not reduce the state's holding of shares in companies where the state has half or more than half of the votes for all shares or participation rights.

A decision by the Riksdag is not required for additional dividends since this is part of normal administration. Neither is a decision by the Riksdag required for acquisitions, divestments or close-downs that companies carry out within the direc-

tion of operations decided upon by the Riksdag. A summary of bills relating to particular companies is shown on page 104.

According to Chapter 7, section 5 of the Constitution, the prime minister has the right to delegate responsibility to the Minister for Industry, Employment and Communications in matters relating to the state ownership of companies, which make demands for a uniform owner policy or which concern board nominations.

## Current powers

The Riksdag has empowered the Government to phase out ownership of Nordea Bank AB. The Riksdag has also authorised the Government to reduce state ownership of AB Svensk Exportkredit. On the initiative of the Committee on Industry and Commerce (Näringsutskottet), the Riksdag has authorised the Government to reduce the holding in TeliaSonera AB to 0 per cent.

## Improved capital structure in state-owned companies

Following on from the Government's proposal in the Spring Budget Bill in 2003, the Riksdag has decided, in conjunction with a review of the capital structure of state-owned companies, to approve a maximum of SEK 3,000 million in the form of additional dividends from the state-owned companies being transferred to a special account at the National Debt Office for initiatives in wholly or partly-owned state-owned companies.

The Riksdag considered that there were good reasons to create an arrangement that facilitates capital restructuring in the state-owned company sphere by applying special destination, which means that the Government decides how the profits are to be used. The state should be able to act in the same way as a parent company that provides capital contributions to certain subsidiaries and finances this with funds from other subsidiaries.

In this matter, the Riksdag stated, which was repeated in the consideration of the Budget Bill in 2004, that the Govern-

Companies that have provided funds to the account in 2003	Amount (SEKm)
Förvaltningsaktiebolaget Statum	1,000
Sveaskog Holding AB	600
Vattenfall AB	190
LKAB	120
Systembolaget AB	120
V&S Vin & Sprit AB	120
Civitas Holding (Vasakronan AB)	100
Specialfastigheter Sverige AB	50
<b>Total</b>	<b>2,300</b>

Companies that have received funds from the account	Amount (SEKm)
SJ AB	1,555
Teracom AB	500
<b>Total</b>	<b>2,055</b>



Photo: Stewen Quigley

ment should report back on how the account has been financed and made use of.

In the light of this, a report was made, in accordance with the table on page 11, in the Government's Spring Budget Bill for 2004, on the companies that have contributed funds to the account and the companies that have received funds from the account.

In the Government Bill 2003/04:128 Funds from the Fund for Small Shipping, which was submitted to the Riksdag on 11 March 2004, it was proposed, inter alia, that the Riksdag approve that SEK 55 million from the Fund for Small Shipping be transferred to the special account at the National Debt Office.

In the Spring Budget Bill for 2004, the Government proposes, inter alia, that the account is to have a credit facility of at most SEK 2,000 million in 2004. If the credit is used, it is to have been repaid, including interest, with additional dividend from state-owned companies before the end of 2004.

The Government is furthermore intending to include in the Autumn Budget Bill a report on the financing and use of the account and possibly proposals on an extension in time after the end of 2004.

## ORGANISATION

**The Minister for Industry, Employment and Communications has the overall responsibility for matters entailing requirements for a uniform owner policy or which relate to board nominations.**

**The unit for state ownership at the Ministry of Industry, Employment and Communications is responsible for the major part of state-owned companies administered by the Swedish Government Offices.**

As from the year-end 2002/2003, the Government has concentrated resources and competence for administration of state ownership in a special unit at the Ministry of Industry, Employment and Communications. This has provided better prerequisites for being able to conduct a uniform owner

policy with clear objectives and guidelines for the companies.

Altogether, the Ministry of Industry, Employment and Communications administers 39 companies, 3 public enterprises, and 1 company in process of being wound-up. 25 of the companies operate under market conditions. Other ministries are responsible for administration of 14 companies (see also tables on page 102–103). These companies are administered by the respective ministry while the Minister of Industry, Employment and Communications is responsible for all of the companies administered by the Swedish Government Offices as regards matters requiring uniform owner policy or concerning board nominations.

## Reporting by the Swedish Government Offices

*The objective for external reporting by the Swedish Government Offices is to provide consistent, clear reporting with relevant comparative figures that enable the reader to evaluate how the administration of state-owned companies is being developed.*

The Riksdag originally passed a resolution in February 1982 that the Government should submit an annual report on state-owned companies.

Since August 1999, the Swedish Government Offices have also published an annual report on state-owned companies. The annual report is targeted at the general public, the media, trade unions and other stakeholders, but is also an appendix to the Government's official annual report to the Riksdag on state-owned companies.

The annual report aims to illustrate the Government's management and development of ownership matters. It includes the consolidated income statements and balance sheets since 2000, which illustrate the overall development of the state-owned companies administered by the Swedish Government Offices.

As from 2000, the Swedish Government Offices have published four interim reports per year describing the financial development of state-owned companies.

Work is in progress within the Swedish Government Offices to ensure the quality of external reporting. Moreover, the Swedish Government Offices are making a priority of the aim to publish the reports more promptly after the end of the reporting period.

## Administration expenses

Besides the special unit at the Ministry of Industry, Employment and Communications, which administers the major part of the companies, the following ministries administer companies: the Ministry of Finance, the Ministry of Agriculture, the Ministry of Culture, the Ministry of the Environment, the Ministry of Health and Social Affairs, the Ministry of Education and Science and the Ministry for Foreign Affairs. The internal administration expenses for companies managed by other ministries are not shown here, as they mainly consist of wage costs that also relate to other duties of the respective ministry.

The internal expenses of the unit for state ownership at the Ministry of Industry, Employment and Communications comprise current expenses such as salaries, travel, office supplies, etc. Purchased services mainly comprise consultants' fees for financial and legal advice as well as the production of annual reports and interim reports for state-owned companies. The Government's administration expenses for state-owned companies in 2003 amounted to SEK 36.2 (51.4) million, of which SEK 18.8 (28.4) million related to services purchased externally. Overall, total administration expenses were equivalent to approximately 0.0097 (0.015) per cent of the value of the state-owned corporate sector, which has been valued by the Ministry of Industry, Employment and Communications at between SEK 350 and 380 billion. The estimated value varies and depends on the assumptions made for each respective company.

## FRAMEWORK AND TOOLS

*The Swedish Companies Act provides the framework for companies and the articles of association specify the general direction of the company's activities.*

*The companies' special commission and activity are decided upon by the Swedish parliament, the Riksdag, regulated by law or by agreement between the company and the state.*

State-owned limited companies, as privately-owned companies, are subject to the Companies Act and there are no special rules in the Companies Act that apply to state-owned companies. According to the Companies Act, the articles of association are to specify the general direction of the company's activities.

The companies' activities are primarily governed by the resolutions of the Riksdag and other provisions for activity that may exist in law or by agreement between the state and the company. Companies active in a particular sector are subject to special sector legislation, for instance, the Postal Services Act and the Electronic Communications Act.

### The same legislation for all companies

*The state-owned companies are subject, with few exceptions, to the same legislation as privately-owned companies, such as the Companies Act, the legislation on competition, the accounting legislation and the Insider Act.*

With regard to the competition legislation, there are certain provisions focused on capital contributions from the state. The rules apply to all assistance to companies from the state, state-owned and privately-owned, and are based on EC provisions for government assistance. These rules are particularly important when the state as a shareholder needs to provide a shareholders' contribution. The rules are intended to prevent a Member State distorting competition by assistance that strengthens the competitiveness of domestic industry to the disadvantage of companies in another Member State. In the case of contributions of shareholders' capital in state-owned companies operating in the competitive market, the EC Community acquis considers that the Market Economy Investor Principle is to be applied. Normally, the market economy principle is complied with if the capital contribution is provided on conditions and terms that would also have been acceptable to a private investor. If the Member State considers at the time of the contribution, that the contribution will provide a sufficient long-term return, it is not unlawful state aid.

### Accounting for government funds

Special rules apply to companies with a turnover per year of a particular size that receive state aid in order to allow the EC Commission to obtain an insight into financial links between the state and its compa-

nies, inter alia. Open accounting is to apply to the funds provided and how they are used. The demand for separate accounting also applies for activities carried out, inter alia, by monopoly companies or other companies in a particular position, when the company is also engaged in competitive activity. The rules are contained in the transparency directive, which will be incorporated in Swedish legislation in 2005.

### Public access and secrecy

Since the state-owned companies are administered by the Swedish Government Offices, which is a government agency, a document kept and considered as received or drawn up there may be a publicly available document. On certain conditions, the contents of a public document may be kept secret. Information may be kept secret, for instance, to protect the public interest or an individual. This means that the person wishing to examine a document may make a request for access to the information, but the Swedish Government Offices must, pursuant to the Secrecy Act (1980:100), make a consideration of damage before the document can be released. The information may only be released if this can take place without damage to the state or the company that the information concerns. Certain information may be very sensitive business information. In certain cases, it could thus damage the activities of the company and



The Government's objective is that the boards should contain a high level of competence adjusted to each company's operations, situation and future challenges. The Government aims to achieve an even distribution between men and women.

the value of the company, i.e. the property of the state and the general public if the information was published.

### Insider information

Insider information is defined in the Insider Information Act (2000:1086), as information that has not been published or is not generally known, which, if released, could have a significant impact on share prices.

It is prohibited for everyone, not only for persons in leading positions, to trade with financial instruments on the securities market on the basis of information which is not generally known. It is also prohibited to disclose insider information. Persons who have disclosed or traded on the basis of insider information can be sentenced to a fine or to a maximum of two years' imprisonment.

The Act states the notification of a shareholding or change in shareholding shall be notified to the financial supervisory authority, Finansinspektionen, within five days. Finansinspektionen keeps a register of persons in positions with access to insider information, in listed limited companies. The companies are to notify the persons that have such access. The Swedish Government Offices also notifies persons with access to insider information to Finansinspektionen.

All information that Finansinspektionen has is published on the insider list on Finansinspektionen's website.

### STATE OWNERSHIP POLICY

*In the following section, the Government presents its position on the issues concerning the administration of the wholly-owned companies. The Government also intends, in conjunction with other owners, to endeavour to have these principles applied in part-owned companies.*

The following section also takes up certain principles as to how the state takes responsibility as owner in the listed companies where the state has a direct ownership share.

### THE BOARD

*The Government's objective is that the boards should contain a high level of competence adjusted to each company's operations, situation and future challenges. Board members shall always have the best interests of the company in view. The Government expects that board members have a high level of integrity and comply with the requirements for good judgment expected of representatives of the state.*

Each nomination should thus be based on the competence requirements of each company's board. It is therefore important

that the composition of the board changes in step with the development of the company and changes in the outside world to enable the company always to possess the knowledge of the industry or other knowledge directly relevant for the company. Approximately forty to sixty new board members are appointed annually by the annual general meetings of the state-owned companies.

### Liability

*Pursuant to the Swedish Companies Act (1975:1385), board members of state-owned limited companies have the same unlimited responsibility as board members of privately-owned companies.*

*The board members share a collective responsibility for the company's management and organisation.*

According to Chapter 8, section 3, of the Swedish Companies Act, the board is responsible for the company's organisation and administration of its affairs. The board shall ensure that the organisation is designed in such a way that the accounts, the administration of funds and the company's financial situation in other respects are controlled in a satisfactory way. The responsibility and duty of supervision of the board may not be transferred to any other party. This applies to all boards of limited companies regardless of owner.

#### GENDER DISTRIBUTION

Wholly and partly-owned companies <sup>1)</sup>	Women, Men,		04-05-04		03-12-31		02-12-31		01-12-31		00-12-31		
	(W)	(M)	Total	W, %	M, %								
<b>Members appointed by the Annual General Meeting</b>													
Chairman	10	42	52	17	83	16	84	13	87	13	87	7	93
Vice-chairman	7	5	12	58	42	31	69	22	78	24	76	11	89
Other ordinary members	135	177	312	43	57	45	55	43	57	43	57	36	64
Deputies	6	12	18	33	67	33	67	25	75	27	73	27	73
<b>Total members appointed by the Annual General Meeting</b>	<b>158</b>	<b>236</b>	<b>399</b>	<b>40</b>	<b>60</b>	<b>40</b>	<b>60</b>	<b>37</b>	<b>63</b>	<b>37</b>	<b>63</b>	<b>30</b>	<b>70</b>
<b>Employee representatives</b>													
Ordinary	21	57	78	-	-	25	75	21	79	22	78	17	83
Deputies	10	31	41	-	-	21	79	23	77	22	78	28	72

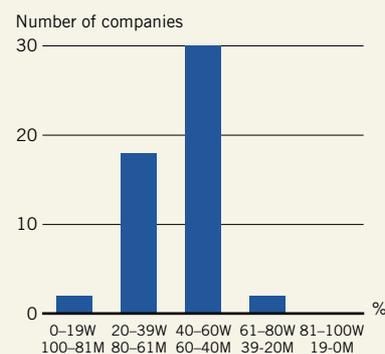
As at 4 May 2004, the proportion of women among the board members and deputies appointed at the annual general meeting of shareholders in the state-owned<sup>1)</sup> companies was 40 per cent. At the year-end 2002/03, the proportion was 40 per cent.

<sup>1)</sup> The assessment includes companies where the state's share is larger than 20 per cent.

Wholly-owned companies	Women, (W) Men, (M)		Total	04-05-04		03-05-16	
	W, %	M, %		W, %	M, %		
<b>Members appointed by the Annual General Meeting</b>							
Chairman	9	33	42	21	79	20	80
Vice-chairman	6	3	9	67	33	27	73
Other ordinary members	112	139	251	45	55	46	54
Deputies	6	10	16	38	62	33	67
<b>Total members appointed by the Annual General Meeting</b>	<b>133</b>	<b>185</b>	<b>318</b>	<b>42</b>	<b>58</b>	<b>42</b>	<b>58</b>

In the companies wholly-owned by the state, the proportion of women was 42 per cent on 4 May 2004.

#### NUMBER OF COMPANIES BY GENDER DISTRIBUTION



The gender distribution on the boards is 40-60 per cent women and men respectively in 29 of 52 companies<sup>2)</sup>, i.e. 56 per cent. In one company, SVEDAB, the board consists of 100 per cent men. In this company, the Government only appoints a chairman, Akademiska Hus is the company with the lowest share of men and highest share of women on the board (29 per cent men and 71 per cent women).

<sup>2)</sup> Where the state owns over 20 per cent.



### The composition of the board

Every board member shall have the capacity to make independent assessments of the company's activities.

The Government aims to have an even distribution between men and women.

The Government Offices are in most cases directly represented in the board of the company.

In order to be considered for a seat on the board, a high level of general competence is required within either current business activities, business development, sector knowledge, financial issues or other relevant areas. In addition, a high level of integrity and the ability to see the best interests of the company are required.

The composition of the board should also achieve a balance regarding competence, background, age and gender.

An interim target has been for the proportion of women to be at least 40 per cent in 2003. This target was achieved on 30 June 2003. At the turn of the year 2003/2004, the proportion of women was 40 (37) per cent. As at 4 May 2004, the proportion of women was 40 per cent. In the companies wholly-owned by the state, the proportion of women was 42 per cent and the proportion of men 58 per cent.

Direct owner representation in the board means, among other things, that the state's requirement for good insight into the activity is complied with. In this respect, the state acts in the same way as the main private owner of a company.

During 2003, approximately 30 officials from the Swedish Government Offices, approximately 10 women and 20 men, were board members of state-owned companies.

### Formal work plan

According to Chapter 8, section 5, of the Companies Act, the board shall annually adopt a written formal work plan.

The work plan should be produced by the whole board so that it will be a valuable basis for the direction of the board's work in the coming year.

With the intention of facilitating clarity and uniformity in responsibility and information issues between company organs in state-owned companies, the Ministry of Industry, Employment and Communications has prepared a proposal as support for the boards when drawing up and revising formal work plans. The proposal is couched in general terms and focused on a number of central questions that include contact chan-

nels between the representatives of the owners and the companies and work in committees. The proposal also includes material to support the assessment of the board.

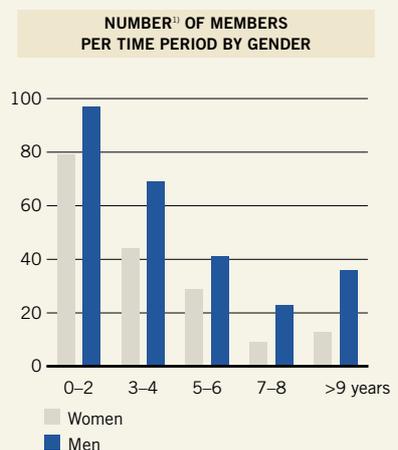
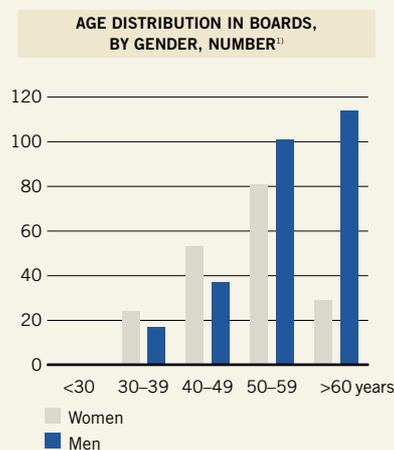
### The chairman of the board

The chairman of the board is to be elected by the annual general meeting.

The chairman of the board is to ensure that the work of the board is of high quality.

The Government therefore requires that the chairman of the board has:

- a well-developed ability to lead the work of the board,
- a continuous dialogue with responsible representatives at the respective ministry in owner issues,



<sup>1)</sup> Based on the appointments made by the annual general meeting of shareholders. Also includes companies where the state owns less than 20 per cent.

BOARD FEES <sup>1)</sup> , SEK 000s	Fee 2004 Chairman of the Board	Fee 2003 Chairman of the Board	Fee 2004 Board member	Fee 2003 Board member
<b>Large companies (5 companies)</b>				
Median	400	400	200	200
Average	434	430	226	225
Range	175–750	150–750	85–400	75–400
<b>Medium-sized companies (11 companies)</b>				
Median	200	180	100	90
Average	211	226	93	88
Range	140–450	140–660	75–120	65–120
<b>Smaller companies (13 companies)</b>				
Median	116	110	58	58
Average	114	111	56	54
Range	70–200	60–200	40–80	30–80
<b>Small-sized companies (21 companies)</b>				
Median	60	60	30	30
Average	49	43	29	26
Range	0–116	0–116	0–58	0–58
Large companies: turnover > SEK 24 billion.				
Medium-sized companies: turnover SEK 5–24 billion or with total assets of > SEK 25 billion.				
Smaller companies, turnover SEK 0.5–4 billion.				
Small-sized companies: turnover < SEK 0.5 billion.				
<sup>1)</sup> The list includes 50 limited companies where the state's share of ownership is greater than 20 per cent.				

- speaks for the company on matters of an overarching nature,
- reports on the conditions of employment of the managing director at the annual general meeting of shareholders,
- ensures that the board makes an assessment of its work,
- ensures that new board members receive a thorough introductory training about the company,
- ensures that the board is informed about the Government's owner policy and other guidelines, and
- reports on the application by the board and management of the Government's policies and guidelines in the annual report. Any discrepancies are to be explained.

### Participation

*The Government assumes that board members are well prepared and take part actively in board meetings.*

*It is important that all board members set aside sufficient time for their commissions.*

Every member is responsible for continuously obtaining such information about the company and its industry to enable the member to form an independent view on the matters and decisions dealt with by the board.

If a board member feels that he or she is no longer able to contribute to the work of the board, the board member should resign from the board on their own initiative.

### Assessment

*The boards should annually carry out a structured assessment of board work.*

It is valuable for the board to be assessed as a group although an assessment on an individual basis can also be of value. The overall assessment serves as a basis for development of the board's method of work and as a basis for the owner's nomination work.

### The size of the board

*In order to achieve effective boards, these should not be too large. The number of members should normally be six to eight.*

The intention of the Government is to only have ordinary members of the boards unless special reasons require otherwise.

In 2003, the boards of state-owned companies had 7.6 members on average including deputies. The size of the boards varies from at least 4 to at most 10 members.

### The nomination process

*The work of creating a structured and uniform nomination process aims at ensuring an efficient supply of competence to the boards of the companies.*

The overall responsibility for board nominations rests with the Minister of Industry, Employment and Communications, who is also empowered, pursuant to Chapter 7, section 5, of the Constitution (Instrument of Government) as regards board nominations in companies administered by other ministries at the Swedish Government Offices. This means that the Minister of Industry, Employment and

Communications is responsible for board nominations in all companies administered regardless of whether the Ministry of Industry, Employment and Communications or another ministry has been entrusted with the administrative responsibility.

The nomination and appointment of new members are preceded by an ongoing dialogue between the ministry responsible, the chairman of the board, other board members and any other owners.

As a rule, board members are appointed for one year at a time. A member should not belong to the same board for a longer period than eight years. The age of members should not exceed 70. The average age of members is 49 for women and 56 for men. Women have served on the board for an average period of 3.5 years and men for 4.5 years.

### Nomination committees

*Board nominations in listed companies where the state is a participant are to take place in consultation with other main owners in a nomination committee. In the listed companies where the state is an important participant, at least one member of the nomination committee should represent the state.*

The proposals of the nomination committee should be published in good time before the annual general meeting and the committee members should attend the meeting to be able to justify their choice of nominees.

The nomination committee should consist of three to five members, and the majority should represent the principal shareholders. If the annual general meeting does not consider it appropriate to take a decision on the participants in the nomination committee, the annual general meeting may instruct the chairman of the board, together with the largest owners to present the names of the members of the nomination committee when the company presents its interim report for the third quarter.

The nomination committee should also propose board fees.

### Fees

*The board members receive remuneration for the work performed and the responsibility that rests on them.*

The fees of the board are determined by the annual general meeting. Fees to board members who work in specially appointed committees under the board are also to be decided by the annual general meeting. Historically, the board fees in state-owned companies have been relatively low in comparison with privately-owned companies with the same size of turnover and number of employees. In order to increase transparency, a survey of fee levels in state-owned companies is shown in the table above.

### Committees

*Committees can be formed when there is a special need or to improve the efficiency of the work of the board.*

*The committee is to have a written work order approved by the board.*

A committee never takes over the board's collective and individual responsibility regardless of the matters which it has the task of dealing with.

An audit committee can be established to increase insight and checks of the company's accounts, financial reporting and risk management.

A remuneration committee can be established to prepare issues relating to remuneration policies, terms of employment for leading officials, etc.

### EXECUTIVE MANAGEMENT

*The managing director is always to work for the interests of the company and the shareholders. The board appoints and dismisses the managing director.*

*The managing director should not be a member of the board and the Government does not therefore elect newly-appointed managing directors to the board.*

The managing director is responsible for the day-to-day administration in accordance with the guidelines and instructions decided upon by the board. According to Chapter 8, section 3, of the Companies Act, the board shall specify the division of work between the board and the managing director in special written instructions to the managing director.

The managing director is responsible for the board receiving information in good time and for the high quality of the basis for decision-making.

The board should decide on the managing director's involvement as regards board appointments in companies outside their own group. The managing director shall obtain the consent of the board for board appointments outside their own group.

### Terms of employment

*On 9 October 2003, the Government adopted new guidelines for terms of employment and incentive programmes.*

*The boards of the companies shall, when making decisions on terms of employment, take a position on the total remuneration of the executive including pension terms and other benefits.*

*The Government recommends contribution-based pension schemes.*

Salaries and other benefits to persons in executive positions and comparable positions in state-owned companies shall be competitive but not wage-leading in comparison to other comparable companies.

The board's decisions on terms for and provision for pensions for executives are to be based on the probability and maximum cost for the company. Provisions for executive pensions are to be made during the period that the executive is active in the company. The pensions agreement shall clearly state provisions on period for earning entitlement and on the compensation on which the final pension is to be calculated.

The Parliamentary Committee on Industry and Trade decided in February 2002 to have the Parliamentary Auditors carry out a new assessment of bonus and pension benefits for executives in state-owned companies. The Parliamentary Auditors published their report in March 2003. The auditors noted there, inter alia, that most companies comply with the Government's guidelines.

### Incentive programmes

*In most case, state-owned companies should avoid incentive programmes.*

*In the special cases where incentive programmes have been decided upon, the programme should include all employed staff in the company except the head of the group/managing director.*

*Special incentive programmes intended solely for persons in executive positions should be avoided.*

In the special cases when the board decides on incentive programmes, there is

to be a direct link between the targets on which the reward in the incentive programme is to be based and the company's overall business objectives.

### AUDITORS

The auditors' task of making an independent examination of the administration by the board and the managing director and the company's annual accounts and accounting records is of crucial importance for the state as an owner.

### Appointment of auditors

*The responsibility for the appointment of auditors in state-owned companies always rests with the owner.*

The practical work of procurement is dealt with the company's accounting department, an audit committee or other appropriate function. The Swedish Government Offices owner representatives may follow all the stages of the procurement process from procurement criteria to election and assessment. The final decision is made by the owner at the annual general meeting of shareholders.

Auditors are elected according to the Companies Act for a period of office of four years. In the event of re-election of auditors, the work of the auditors is always assessed. Continuous assessments are made to correct any deficiencies and to clarify the owners' wishes.



### Dialogue with the auditors

*It is appropriate for the board and the auditors to meet at least twice a year to discuss the accounts, the administration and risk management in the companies.*

The dialogue with the auditors is to be open and it is the talks of the auditors to point out any deficiencies or problems.

The auditors should with their insight into the company's management also evaluate how the executive managements and boards live up to the Governments guidelines for external reporting and terms of employment.

The auditors and officials in the Government Office who are responsible for administration of the wholly-owned companies shall engage in a continuous dialogue.

### Ensuring independence

*With reference to the Auditors' Act (2001:883) and the responsibility placed on auditors, it is appropriate that the board form their own view of the independence of the auditors.*

The board should monitor the separate advisory commissions that the auditors may have from the management and examine the assessments made by the auditors in accordance with the analytical model of the Auditors' Act. In cases where other consultancy services make up a substantial part of

the auditors' remuneration, this circumstance should be accounted for and justified in the note that reports on the remuneration paid to auditors.

### Riksrevisionen (the state audit institution)

Riksrevisionen replaced the National Audit Office and the Parliamentary Auditors on 1 July 2003. Within the scope of the performance audit, it is able to examine activity pursued by the state in the form of limited companies. This is conditional on the activity being regulated by law or in another statutory provision or that the state has a considerable interest in the activity.

Riksrevisionen can also appoint one or more auditors to take part in the annual audit. This means that Riksrevisionen, together with other auditors, examines the companies in accordance with the provisions on auditing in the Companies Act.

### INFORMATION AND TRANSPARENCY

*For state-owned companies, the requirement for an open and professional provision of information transparency is a question of democracy since the companies are ultimately owned by the Swedish people. The Government therefore considers that these companies should be at least as transparent as listed companies.*

### External reporting

*On 21 March 2002, the Government adopted guidelines for external financial reporting.*

It is the responsibility of the board to ensure that the companies, in addition to the current accounting legislation and generally accepted accounting principles, present the annual report, the interim reports and the report on activities in appropriate parts, in accordance with the recommendations made by the Stockholm stock exchange, Stockholmsbörsens listing agreement with annexes.

There is an explicit ambition that the state-owned companies should produce a report on activities before 31 January each year as from the 2004 accounts.

From the point of view of the owner, reporting by the companies is of particular importance since it is an important control instrument in the continuous monitoring and assessment of the company.

The board is to give an account in the annual report of the application of the Government's policies and guidelines. Any discrepancies are to be explained.

Vasakronan, Lernia, OMHEX and SOS Alarm have already published their reports on activities in January.

The Government also takes a positive view of certain companies, such as Green Cargo, supplementing their normal external reporting by reporting in accordance with the Global Reporting Initiative (GRI).

### Annual general meetings

*Members of the Riksdag (Swedish Parliament, MPs) have the right to attend the annual general meetings of the companies in which the state owns at least 50 per cent of the shares and which have more than 50 employees.*

*The wholly-owned state companies should arrange some form of event in connection with the annual general meeting where the public are given an opportunity to ask questions to the management of the company.*

Annual general meetings of limited companies aim to provide shareholders with an opportunity to decide on the company's affairs in accordance with the Swedish Companies Act. The annual general meeting is thus primarily a meeting of shareholders, but there is nothing to prevent the meeting being opened to the general public, if the annual general meeting allows this.

### Notice and notification

The board is responsible for sending notice of the annual general meeting to the Riksdag's Office at the latest four weeks and at the earliest six weeks before the annual general meeting. MPs wishing to attend the meeting should notify the board of the company not later than two weeks in advance.

#### FINANCIAL REPORTS PUBLISHED ON THE WEBSITE

	Yes	No	% yes of total	Publication date average no. of days after end of report period
Interim report January–March 2003	24	25	49	37
Interim report January–June 2003	28	21	57	53
Interim report January–September 2003	26	23	53	37
Report on operations January–December 2003	18	31	37	52
Annual report 2002	40	9	82	n.app.
Annual report 2003 <sup>1)</sup>	37	12	76	n.app.

The summary includes 49 companies where the state's ownership share exceeds 20 per cent and which have a turnover in excess of SEK 24 million or which have total assets exceeding SEK 10 million. The Government Offices will monitor the companies' external reporting in 2004.

<sup>1)</sup> After review on 30 April 2004.

#### AUDIT FEES<sup>2)</sup>

COMPANIES	Audit expenses, SEK 000s	Other consultancy expenses, SEK 000s	Total, SEK 000s	Proportion audit, %	Proportion of total audit fees, %
BDO	17,594	1,000	18,594	95	6
Deloitte & Touche	22,400	21,862	44,262	51	15
Ernst & Young	53,756	35,539	89,295	60	30
KPMG	52,345	3,969	84,314	62	29
SET	2,954	341	3,295	90	1
Öhrlings					
PricewaterhouseCoopers	16,704	20,234	36,938	45	12
Other	11,362	7,614	18,976	60	6
<b>Total excluding Riksrevisionen</b>	<b>177,115</b>	<b>118,559</b>	<b>295,674</b>	<b>60</b>	<b>100</b>
Riksrevisionen	5,619	0	5,619	100	

<sup>2)</sup> The summary, which covers information from 50 companies where the state's ownership share is over 20 per cent shows that the share of the auditing fees for audit is between 45 and 95 per cent from these state-owned companies. Voksenåsen and Dom Shvetsii are not included in the survey.

To facilitate attendance by MPs, annual general meetings should be held on a Wednesday or Thursday.

Information about the time and place of the annual general meeting is to be available on the respective company's website on Internet. For reasons of planning, those wishing to attend the meeting or any other event should notify their intention to attend to the company within the stipulated time.

### The holding of the annual general meeting

*The board and auditors should attend the annual general meeting as well as the representatives of the owners. Those proposed for election to the board should also attend.*

The company management and board decide on the practical arrangements for the meeting. Depending on the size of the company, its geographical location, and the public interest, the arrangement may vary from being a local meeting to, for instance, being part of a capital market day.

However, the size of the company and the public interest that exists must be taken into consideration, since an annual general meeting and activities in conjunction with it require resources. Companies with fewer than 10 employees or with a turnover of less than SEK 24 million should therefore not normally be asked to organise special activities in conjunction with the annual general meeting. The same can also apply for larger companies in the event of there being no direct public interest.

The chairman of the board shall give an account of and justify the terms of employment of the managing director at the meeting.

### Minutes and related matters

*The companies should publish minutes of the annual general meetings on their websites. It is also appropriate to publish any speech by the managing director or chairman of the board.*

### COMPANIES AS A PART OF SOCIETY

The Government has decided that Sweden is to take the lead in the changeover to an economically, ecologically and socially sustainable development. Swedish gender equality work is to be successful and set an international example. All companies bear great responsibility in this field, not least state-owned companies.

Consideration to the environment, social issues and ethics should therefore be a self-evident part of the assessment parameters for the decisions concerning administration of state-owned companies. It is therefore an important part of state ownership policy that companies have a well-thought out strategy for dealing with these issues.

### Ethics

*Issues relating to trust are of strategic importance in a corporate perspective. It is the responsibility of the board and the management that the companies where the state has an ownership interest are taken care of in an exemplary way within the framework set by legislation.*

*The boards of state-owned companies should adopt an ethical policy.*

All boards should decide that the company is to have firmly established and common basic ethical values. There should be an action programme for how to communicate the common ethical basic values both

internationally and externally. The external reporting is to openly declare the company's common basic ethical values.

The Government hopes that the state-owned companies will pursue active work in these issues in their respective industrial organisations.

### Environmental responsibility

*The board is responsible for ensuring that the company has an environmental policy and for actively monitoring the company's contributions in matters relating to ecologically sustainable development.*



Companies with an impact on the environment need to engage in serious environmental work and have good environmental expertise to avoid environmentally-related risks and costs.

Environmental issues are of commercial and strategic importance. State-owned companies should therefore, as the rest of the business sector, strive towards an ecologically sustainable development and contribute to meeting the national environmental targets. Companies which have an impact on the environment should engage in serious environmental work and have good environmental expertise to avoid environmentally-related risks and costs. Costs can arise, partly in high costs for taking action and decontamination, and expenses due to

a deterioration in reputation among suppliers, customers and the public.

An environmental management system should be introduced in the companies that have an important direct or indirect impact on the environment.

### Global responsibility

*It is the Government's ambition that more companies, not least the state-owned companies, actively report their social and environmental commitment by joining Globalt Ansvar (Global Responsibility).*

Through Global Responsibility, the Government encourages Swedish companies to comply with the OECD guidelines for multinational companies and the principles in the UN "The Global Compact". The Global Compact includes principles relating to human rights, basic conditions of work and the environment. The OECD guidelines have been adopted by 36 governments which make common recommendations to companies in a number of important social and environmental issues, and questions relating to corruption, competition matters and consumer safety. These are the bases for the companies work on Corporate Social Responsibility (CSR). The guidelines therefore give excellent support for both private and state-owned companies.

### Gender equity

*The Government regards it as an ongoing and important task to make use of the competence and experience represented by women, not least by appointments at managerial level.*

The managements and boards of the state-owned companies should set an example in gender equality work. This applies not least when new leading executives are to be appointed.

### Diversity

*The Government considers that work with diversity is important and expects state-owned companies to take this into consideration in their activities and personnel policy.*

Increased internationalisation makes demands for high and broad expertise on the employees. The overall objective of diversity work is that the competence and experiences of all present and future staff are to be made use of in the activity. For instance, action plans should be drawn up as a tool to better take care of the human capital represented by persons from diverse cultural, ethnic and social environments, by a broader base of recruitment.

### Healthier workplaces

*All companies and workplaces have an important part to play in increasing health in working life. The Government hopes that the state-owned companies can set an example in reducing sick leave.*

In the Government declaration in 2002, the Government set the target of halving sick days by 2008. Strategies to create workplace where people can work, perform well and at the same time feel good are important for company managements. It is also an issue that should be taken up at board meetings in the same way as other matters of a strategic nature.

ETHICS <sup>1)</sup>			Proportion Yes	Proportion Yes
	Yes	No	of number of companies 2003, %	of total assets 2003, %
Ethical policy	24	28	46	78

ENVIRONMENT <sup>1)</sup>			Proportion Yes	Proportion Yes	Proportion Yes	Proportion Yes
	Yes	No	of number of companies 2003, %	of number of companies 2002, %	of total assets 2003, %	of total assets 2002, %
Environmental policy	38	14	73	73	95	97
Environmental policy adopted by the board	23	15	44	46	76	52
Makes environmental demands on suppliers	38	14	73	71	95	95
Provides employees with environmental training	29	23	56	52	79	74
Produces separate environmental report	11	41	21	23	45	56
Has an environmental management system	31	21	42	56	77	75

A review of state-owned companies<sup>1)</sup> shows that 38 companies and 73 per cent of the total assets in the state-owned companies are covered by an environmental policy. The environmental policy has been revised in 13 of the companies after 1 January 2003.

GENDER DISTRIBUTION <sup>1)</sup>				03-12-31		02-12-31		01-12-31		00-12-31	
Managing Director and executive management group	Women (W)	Men (M)	Total	W, %	M, %	W, %	M, %	W, %	M, %	W, %	M, %
				Managing Director / Director-General	7	44	51	14	86	12	88
Management group	112	312	424	26	74	23	77	25	75	n.a.	n.a.

DIVERSITY <sup>1)</sup>			Proportion Yes	Proportion Yes	Proportion Yes	Proportion Yes
	Yes	No	of number of companies 2003, %	of number of companies 2002, %	of total number of employees 2003, %	of total number of employees 2002, %
Active diversity work	39	13	75	75	91	91

91 per cent of the employees in state-owned companies<sup>1)</sup> are covered by active diversity work. The companies that state that they do not have a plan for diversity work are mainly companies with fewer than 10 employees.

<sup>1)</sup> This assessment includes companies where the state's ownership share is larger than 20 per cent.

SICK LEAVE <sup>2)</sup>	Number of companies, 2003
0-2.9%	13
3.0-4.9%	15
5.0-6.9%	8
7.0-8.9%	4
>9.0%	3

<sup>2)</sup> This assessment includes companies where the state's ownership share is larger than 20 per cent and which have over 10 employees.

# The technical infrastructure – an important part of state-owned companies

During the twentieth century, the state has been responsible for the development of the infrastructure in telecommunications, electricity production, power distribution, and rail transport. Postal services were already a concern of the state from a much earlier date. The state expanded the railway network at the end of the nineteenth century.

The prerequisites for running businesses as public authorities efficiently decreased in step with demands for increased efficiency.

Already in the 1960s, a commission recommended that the then Swedish Forest Service, which managed the state's forest and agricultural land, should be reorganised as a limited company to enable the business to operate with greater freedom of action.

Due to the changed technical and market conditions in the 1980s, there was an endeavour towards deregulation and, in some countries, privatisation. The Swedish government noted in spring 1991 that the conditions for the then public enterprises had changed. Technical development had meant that the conditions for asserting the natural monopolies had decreased. Increased internationalisation worked in the same direction. Vattenfall AB, Telia AB and Domän AB were established by incorporation of the previous public enterprises. A deregulation of the postal, telecommunications and energy markets followed. SJ was incorporated in 2000. Together, these companies represent a large part of the state's corporate holding.

A government commission is at present examining deregulations in the telecommunications, electricity, postal and other markets.

In a report in 2002 on structural reforms, the EU Commission noted that a faster process of deregulation was required in the Union. In recent years, the Member States have made a priority of the energy markets; deregulation has already come a long way in the telecommunications markets. Sweden and Finland showed the way in the postal sphere.

In its annual reports on the Swedish economy, the OECD notes that increased competition in the past 10 to 15 years has also contributed to the positive develop-

ment of the Swedish economy. Increased competition is stated as being a result of the deregulations and entry into the EU. A review of the studies made of the effects of the reforms of network industries that took place during the 1990s shows that these have led to positive effects on the whole. The deregulations of the electricity, telecommunications and train market are considered to have led to improvements in efficiency of at least 5 to 10 per cent. The access to differentiated services has increased.

## TELECOMMUNICATIONS

The telecommunications market was deregulated in 1993 when Telia was created and the National Post and Telecom Agency was made responsible for deregulation. A large number of competing operators were established. However, Telia retained the infrastructure and it is only in recent years that deregulation has had an effect there allowing other players to make full use of the network. Telia was listed on the stock exchange in 2000.

Telia is still subject by its licence, which is decided upon by the National Post and Telecom Agency, due to its position in the market, to other requirements that other operators do not have. The development of the regulatory framework in Sweden now largely accords with that decided in the EU. Before Sweden's entry into the EU, the Swedish regulatory framework was in various aspects ahead of the EU as regards deregulation. This is still the case.

Telia's, now TeliaSonera's, market share has continuously decreased. The market share among mobile operators is now approximately 45 per cent and approximately 68 per cent for fixed telecommunications. The price level of telecommunications services is low in Sweden for fixed telepho-

ny and average for mobile telephony in Europe.

## ELECTRICITY

Among the state-owned companies is Affärsverket Svenska kraftnät whose main purpose is to manage and operate the Swedish national grid and international connections. In recent years, transfers between the Nordic countries have increased and a further increase is expected in dependence on transfers of electricity between countries. This will make increased demands for investments that facilitate transfers.

Development has moved from national markets to regional and in the future the European market will be completely deregulated. Vattenfall AB, which is owned by the state, accounts for approximately 20 per cent of the Nordic electricity production. In recent years, Europe has been characterised by a wave of takeovers. Companies are differentiating their product portfolio, expanding over national boundaries, and endeavouring to make use of the scale benefits that exist. Among the factors that will have the greatest effect on the power companies in the near future are the new directives and regulations in the EU, the system of trading with emission rights and the future of nuclear power.

The Electricity Competition Commission indicated in its report in 2002 that the number of players in electricity trading is decreasing. OECD has made the assessment that the Swedish electricity market is less concentrated than in many other European countries. The deregulation of the electricity market has led to increased mobility, 45 per cent of customers have changed supplier or renegotiated their electricity price and deregulation has led to a greatly increased foreign trade with electricity. The price of electricity increased greatly in Sweden last

year although it has decreased markedly since this. Today, the price of electricity is at approximately the same level as in 1996 when electricity was deregulated.

#### **RAIL TRANSPORT**

The state owns the railway network in every European country except the United Kingdom. In many countries, the actual operation of trains, both passenger and goods trains, has been transferred to companies. In most cases, they are owned by the respective state. In Sweden, goods traffic has been deregulated while passenger services are partly deregulated.

The state-owned companies include SJ, which operates passenger services, and Green Cargo, which works with goods transport. Green Cargo's customers are demanding more and more international transport solutions. The technical prerequisites for internationalisation are still weakly developed. However, market requirements are at a high level and internationalisation is probably a crucial factor for rail transport to be able to compete effectively with other modes of transport over long distances.

#### **POSTAL SERVICES**

The Swedish postal operations have been deregulated for some ten years. The volumes of post handled are continually decreasing due to the shift to electronic means of communication. Beside Posten AB, which is state-owned, other players have been able to take significant shares only in big city areas or in the international flows. Within the EU, there is a move towards a common internal market for postal services, some restructuring and internationalisation has been initiated. A number of countries have incorporated postal undertakings and in some cases national postal companies have purchased shares in others.



Photo: Sven Erlandsson

The state-owned companies include Affärsverket Svenska kraftnät, which is responsible for managing and operating the Swedish national grid.

## The state corporate sphere in 2003

The total result for state-owned companies increased greatly in 2003 and totalled SEK 21.9 (8.6) billion. Net turnover decreased from SEK 337.5 to 298.9 billion. Shareholders' equity increased to SEK 205.3 (195.2) billion. The return on shareholders' equity increased from 4.6 to 10.9 per cent.

The consolidated accounts, which are a form of summary made without there actually being a parent company, include 52 companies or groups and public enterprises. The accounting principles and categorisation of the companies are described in the chapter on accounting principles on page 100. The results differ to some extent from that shown in the report on operations. This is due to the consolidated income statements and balance sheets drawn up containing supplementary information that was not available when the report on operations was published.

### COMPANIES IN DIFFERENT SECTORS WITH DIFFERENT TARGETS AND REQUIREMENTS

State-owned companies can in principle be divided into two groups; those operating under market conditions and requirements and companies that have special societal interests to fulfil. The first group is subject to market requirements for earnings and is evaluated accordingly. In the second group, value is primarily created by the social utility achieved by the company. The evaluation of these companies is accordingly complex.

The boundary between the two groups is not always self-evident. However, the ambition of the annual report is to make

the account of the Government's corporate commitment and the individual companies as clear as possible. The division provides a clearer and thus fairer picture of both the state-owned corporate sector as a whole and of the results and performance of the individual companies.

### IMPROVED EARNINGS

The Swedish economy was still affected by the downturn in 2003. 55 per cent of the listed state-owned companies reported a profit in 2003. After a decline in the first quarter, the Stockholm stock exchange, *Stockholmsbörsen*, moved upwards. *Affärsvärlden's* general index increased by 30 per cent in 2003.

Of the state-owned companies, 76 per cent reported a profit. 34 state-owned companies reported improved or unchanged earnings and 17 companies reported a deterioration in earnings.

Profit after tax in 2003 for state-owned companies increased by SEK 13.3 billion and totalled SEK 21.9 billion. Telia was consolidated as a subsidiary in the figures for 2002 during the period January to November 2002. As from December 2002, TeliaSonera was treated as an associated company. Profit after tax in 2001 totalled

SEK 17.4 billion and in 2000 SEK 20.5 billion.

The state's share of earnings in TeliaSonera improved in 2003 by SEK 10.0 billion. However, TeliaSonera reported a number of one-off items in 2002, which should be taken into consideration in comparisons. Profit after tax for state-owned companies, excluding TeliaSonera, improved by SEK 3.3 billion compared to 2002. Vattenfall increased its whole-year result by SEK 1.6 billion. LKAB, Sveaskog, Svenska Spel and Apoteket improved their results considerably. Altogether, these companies improved their earnings by SEK 1.6 billion.

Posten and SJ decreased their losses substantially in 2003. SJ improved its result by SEK 893 million and Posten its result by SEK 550 million. SEK, Vasakronan and Samhall were among the companies with decreased earnings in 2003 compared to 2002.

### TURNOVER

Turnover in 2003 for state-owned companies decreased by SEK 38.7 billion and totalled SEK 298.9 billion. Excluding TeliaSonera, turnover has increased steadily in recent years. The increase in turnover in 2002 is mainly explained by Vattenfall which increased its turnover by SEK 32.0



34 state-owned companies reported an improved or unchanged earnings and 17 a deterioration in earnings.

billion. The increase in 2003 is also mainly explained by Vattenfall which increased its earnings by SEK 10.9 billion. Svenska Spel and Apoteket also increased their turnover in 2003. Altogether, turnover in these companies increased by SEK 2.6 billion.

#### REDUCED GROSS INVESTMENT

Investments in 2003 for state-owned companies reduced greatly for the second year running. Gross investment totalled SEK 26.4 (67.6) billion in 2003, which is equivalent to 20 per cent of the level of investment in 2001. Investments were high in 2001 partly due a number of structural transactions such as Sveaskog's acquisition of AssiDomän. Vattenfall accounted for the major part of the reduction in 2003. The company reduced its investments by SEK 28.4 billion, which is largely explained by corporate investments, in particular in Germany in 2002.

#### DETERIORATION IN CASH FLOW

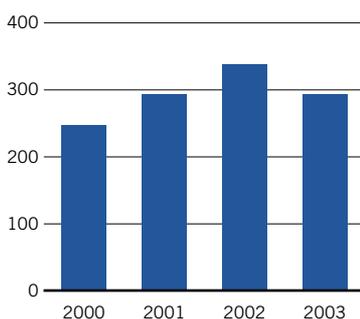
After three years of increasing cash flows for the state-owned companies, the cash flow from operating activities decreased greatly in 2003, from SEK 75.0 billion in 2002 to SEK 25.0 billion in 2003. This change is primarily explained by SEK and SBAB whose cash flow from operating activities decreased by SEK 33.0 and 6.7 billion respectively.

#### INCREASED DIVIDEND

Dividends for the financial year 2003 are expected to increase compared to 2002 and total SEK 12.3 (10.0) billion. In 2003, eight companies moreover provided additional dividend totalling SEK 2.3 billion. A total of 19 (24) companies are providing dividend for 2003. Dividends from the state-owned companies provide a considerable contribution to the state budget.

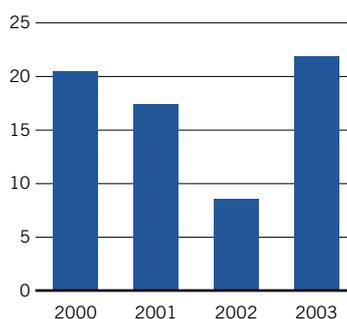
INCOME STATEMENT, SEKm				
	2000	2001	2002	2003
Net turnover	246,749	294,165	337,487	298,857
Expenses	-215,931	-274,003	-320,799	-268,759
Items affecting comparability	219	4,744	-375	-867
Profit/loss from participation rights in associated companies	1,197	7,685	143	4,260
<b>Operating profit</b>	<b>32,232</b>	<b>32,592</b>	<b>16,456</b>	<b>33,491</b>
Financial income	6,169	6,611	5,790	3,599
Financial expenses	-8,818	-13,123	-13,791	-10,514
<b>Profit before tax</b>	<b>29,583</b>	<b>26,080</b>	<b>8,454</b>	<b>26,576</b>
Tax	-5,366	-6,961	-1,604	-4,189
Minority	-3,753	-1,712	1,705	-537
<b>Net profit/loss for the year</b>	<b>20,463</b>	<b>17,406</b>	<b>8,555</b>	<b>21,850</b>
BALANCE SHEET, SEKm				
	2000	2001	2002	2003
<b>Assets</b>				
Non-interest bearing fixed assets	297,769	429,624	401,836	389,225
Interest-bearing fixed assets	294,019	311,743	297,468	299,725
Non-interest bearing current assets	73,186	82,208	69,425	66,222
Interest-bearing current assets	194,605	139,333	107,845	118,760
<b>Total assets</b>	<b>859,579</b>	<b>962,908</b>	<b>876,574</b>	<b>873,931</b>
<b>Shareholders' equity, provisions and liabilities</b>				
Shareholders' equity	161,765	176,016	195,230	205,317
Minority	23,681	38,869	11,960	10,231
Interest-bearing provisions	13,117	9,271	6,792	8,145
Non-interest bearing provisions	34,478	115,754	111,845	105,731
Interest-bearing long-term liabilities	397,850	368,248	315,371	350,052
Non-interest bearing long-term liabilities	26,090	25,670	18,723	18,163
Interest-bearing current liabilities	138,689	150,080	153,588	117,053
Non-interest bearing current liabilities	63,908	79,000	63,067	59,239
<b>Total liabilities and shareholders' equity</b>	<b>859,579</b>	<b>962,908</b>	<b>876,574</b>	<b>873,931</b>
CASH FLOW, SEKm				
	2000	2001	2002	2003
Cash flow from operating activities	47,401	50,925	75,005	25,080
Cash flow from investment activities	-83,633	-90,334	-59,767	-16,944
Cash flow from financing activities	36,725	37,723	-39,209	-9,328
OTHER INFORMATION, SEKm				
	2000	2001	2002	2003
Gross investment	89,726	128,980	67,640	26,423
Depreciation and write-downs	21,240	34,128	43,772	24,724
Turnover from government grants	21,620	22,685	24,320	24,595
Return on equity, %	12.9	10.3	4.6	10.9
Equity/assets ratio, %	20.4	22.0	18.7	19.7
Dividend	9,808	9,087	9,969	12,270
Average no. of employees	161,167	162,204	162,185	144,806
Average no. of employees including associated companies	196,758	201,059	199,302	205,528

NET TURNOVER, SEK bn



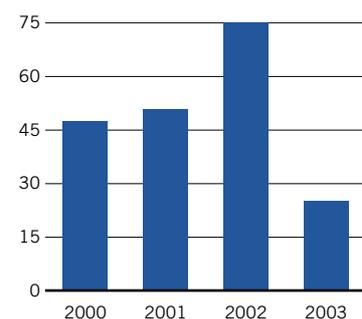
Excluding TeliaSonera, turnover has increased steadily in recent years.

NET PROFIT, SEK bn



Net profit increased by SEK 13.3 billion. The state's share of profit in TeliaSonera increased by SEK 10 billion.

CASH FLOW FROM OPERATING ACTIVITIES, SEK bn



The reduced cash flow in 2003 is primarily explained by SEK and SBAB.

# Turnover and earnings

## TURNOVER AND NET PROFIT IN COMPANIES WITH A TURNOVER OF OVER SEK 500 MILLION.

COMPANY	Turnover			Net profit		
	2001	2002	2003	2001	2002	2003
Vattenfall	69,003	101,025	111,935	4,190	7,566	9,123
TeliaSonera	57,196	59,483	82,425	1,869	-8,067	9,080
SAS	51,433	64,944	57,754	-1,064	-132	-1,415
Apoteket	29,668	32,088	33,120	-126	12	351
Posten	21,668	23,632	24,519	3,432	-788	-238
Svenska Spel	15,799	18,240	19,796	3,842	4,210	4,687
Systembolaget	18,241	19,132	19,207	133	142	138
V&S Vin & Sprit	6,788	9,093	9,294	1,009	1,265	994
Sveaskog	431	8,390	8,420	70	579	941
Samhall	9,084	8,557	8,066	-473	1	-334
LKAB	4,870	5,186	7,466	47	295	688
Green Cargo	6,303	6,170	6,192	-177	-275	-88
SJ	5,546	5,711	5,825	-49	-994	-101
Civil Aviation Administration	5,088	5,384	5,402	13	105	-37
Akademiska hus	4,057	4,240	4,413	567	495	503
Affärsverket svenska kraftnät	3,713	3,841	3,982	727	541	288
Vasakronan	2,878	2,899	2,961	1,767	454	153
Swedcarrier	3,287	2,865	2,641	-790	-449	-439
Teracom	1,618	1,783	1,876	-301	-204	23
Lernia	1,746	1,837	1,691	12	27	-60
Svensk bilprovning	1,239	1,399	1,535	-99	84	112
National Maritime Administration	1,327	1,450	1,494	-45	18	27
SBAB	1,058	1,163	1,225	388	444	519
Specialfastigheter Sverige	938	997	1,058	107	80	112
SOS Alarm Sverige	583	619	671	11	0	13
SVEDAB	559	592	621	-413	-347	-359
Svensk exportkredit	887	843	802	541	480	427
Venantius	335	509	574	878	908	517
Almi Företagspartner	536	486	534	-85	-122	-58

In 2003, 29 (28) state-owned companies had a turnover of over SEK 500 million. Of these, 7 (7) companies had a turnover in excess of SEK 10 billion. 17 (16) companies had a turnover between SEK 1 and 10 billion.

Vattenfall had the largest turnover and accounted for 37 per cent of the total turnover. Vattenfall increased its turnover, primarily as a result of acquisitions, by SEK 80.2 billion compared with 2000. TeliaSonera, SAS, Apoteket and Svenska Spel come after Vattenfall in size. These largest companies, excluding TeliaSonera, account for 76 per cent of the total turnover.

In 2003, turnover decreased for state-owned companies by 11 per cent. This is explained by TeliaSonera's turnover not being included in the summary for 2003 while Telia's turnover was included in 2002. Excluding TeliaSonera, turnover increased for state-owned companies by 5 per cent in 2003 compared to 2002. This increase in turnover is primarily explained by Vattenfall which increased its turnover by SEK 10.9 billion in 2003. Svenska Spel and Apoteket also increased their turnover in 2003. Altogether, turnover in these companies increased by SEK 2.6 billion.

In 2003, 9 (6) companies reported earnings in excess of SEK 500 million and of these 3 (3) companies had earnings in excess of SEK 1 billion. 34 state-owned companies reported an improved or unchanged result and 17 companies a deterioration in earnings. The highest earnings were reported by Vattenfall, TeliaSonera and Svenska Spel. The combined earnings of these companies totalled SEK 22.9 (3.7) billion in 2003.

Earnings of state-owned companies for the year increased by 155 per cent. The substantial increase is explained primarily by the improvement in the state's share of TeliaSonera's earnings of SEK 10.0 billion and that Vattenfall increased earnings by SEK 1.6 billion. LKAB, Sveaskog, Svenska Spel and Apoteket also increased their earnings substantially. Altogether, these companies increased their earnings by SEK 1.6 billion.

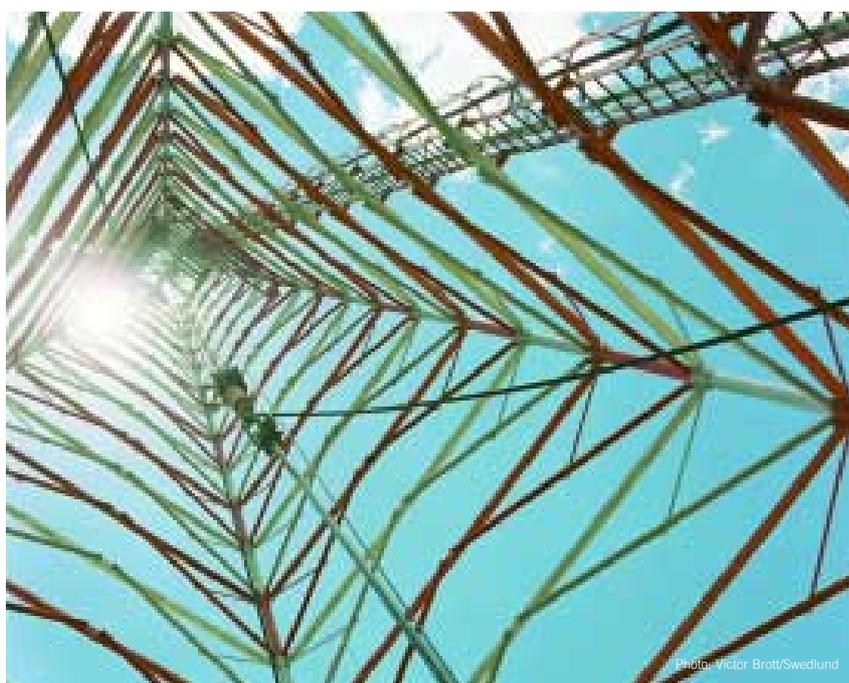


Photo: Victor Brott/Swedlund

Vattenfall increased its sales, primarily due to acquisitions, by SEK 80.2 billion compared to 2000.

# Investments

Gross investments in state-owned companies totalled SEK 26.2 (67.6) billion.

TeliaSonera's gross investments totalled SEK 12.1 billion, which, disregarding the acquisition of Sonera, is an increase of 18 per cent compared to 2002. The increase can primarily be explained by investments in fixed telephony.

Vattenfall's gross investments totalled SEK 11.4 (39.9) billion. Of these, SEK 6.6 (9.3) billion were for renewal investments in facilities while SEK 4.8 (30.7) billion were growth investments. Vattenfall Europe AG accounted for SEK 1.5 billion of the growth investments and the heating plant Värmeverket Uppsala block 5 for SEK 429 million.

Of SAS's gross investments of SEK 4.5 (9.9) billion, investments in aircraft and other air materiel accounted for 63 per cent.

Investments by Statens väg och baninvest of SEK 2.8 (3.4) billion consisted of project financing via the subsidiaries Stockholmleder AB and Göteborg trafikleder AB.

Investments by Akademiska Hus consisted mainly of new building and refurbishment. The largest construction projects in process at the turn of the year were the new building for the University College of Film, Radio, Television and Theatre in Stockholm, the refurbishment and extension of Kemikum in Uppsala and refurbishment of the Biomedical Centre in Uppsala.

Property acquisitions accounted for SEK 1 billion of gross investments by Vasakronan, which totalled SEK 1.8 (0.7) billion.

Investments by the Civil Aviation Administration decreased to SEK 1.4 (2.0) billion. This reduction means that the volume of investment has more than halved since 2001. The reduced investments are an important measure to reduce costs both in the short and long-term.

The acquisition of Frank & Schulte Fillers & Minerals and investments in locomotives have contributed to LKAB's increased gross investments.

In 2003, gross investments by Posten totalled SEK 0.9 (1.7) billion. Reduced acquisitions explain the reduction in gross investments.

The major part of the total gross investments by Specialfastigheter of SEK 0.5 (0.3) billion relate to extensions for the

## GROSS INVESTMENTS 2001–2003, SEKm

COMPANY	2001	2002	2003
TeliaSonera (45.3%)	20,735	54,438 <sup>1)</sup>	12,118
Vattenfall	43,443	39,932	11,356
SAS (21.4%)	10,850	9,919	4,488
Statens väg- och baninvest	2,765	3,360	2,800
Akademiska hus	2,832	1,907	2,014
Vasakronan	1,009	708	1,763
Civil Aviation Administration	3,224	2,081	1,358
LKAB	1,065	560	1,054
Posten	1,187	1,740	919
Svedab	118	511	561
Specialfastigheter Sverige	210	316	524
Vin & Sprit	8,539	1,170	413
Affärsverket svenska kraftnät	363	460	411
Svenska Spel	753	671	406
Systembolaget	278	225	342
National Maritime Administration	128	126	348
Sveaskog	24,944 <sup>2)</sup>	2,426	306
Green Cargo	174	570	273
Apoteket	253	260	239
Vasallen	644	439	211
Swedcarrier	7,903 <sup>3)</sup>	140	190
Teracom	807	198	163
SJ	1,291	342	101
Svensk Bilprovning (52%)	98	118	101

<sup>1)</sup> Includes acquisition of Sonera OY.

<sup>2)</sup> Includes acquisition of AssiDomän AB.

<sup>3)</sup> Includes acquisition of the public enterprise's Statens Järnvägar's property holdings.

National Prison and Probation Administration and extension and refurbishment of the Kronoberg block for the National Police Board.

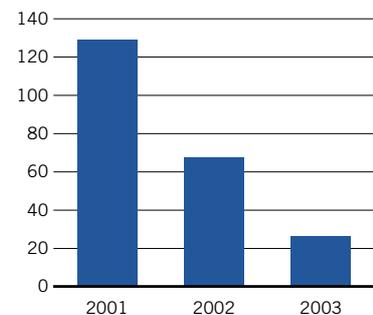
V&S Vin och Sprit's gross investment of SEK 0.4 (1.2) billion consisted mainly of capacity and environment investments in Åhus, a new logistics centre in Åbo and operational acquisitions.

Of Sveaskog's total investments of SEK 0.3 (2.4) billion, Cartonboard accounted for 59 per cent. The difference from 2002 is explained by Sveaskog then acquiring approximately 200,000 hectares of productive forest land and the sawmill operation in Korsnäs from Kinnevik.



TeliaSonera's gross investments totalled SEK 12.1 billion, which, disregarding the acquisition of Sonera, is an increase of 18 per cent compared with 2002.

## GROSS INVESTMENTS, SEK bn



Reduced acquisitions are explained by reduction in gross investments.

# Employees and international activities

In all, the average number of employees (including associated companies) was 205,528 (199,302). Of these, 40 per cent were women and 60 per cent men. Five companies, Posten, Vattenfall, SAS, TeliaSonera and Samhall had over 20,000 employees. Altogether 23 (23) companies had more than 500 employees and 18 (18) had more than 1,000 employees.

Posten, SAS, Samhall and SJ accounted for the greatest reduction in the number of employees. TeliaSonera, Vattenfall, Apoteket, LKAB, V&S Vin och Sprit and Svenska Spel accounted for the greatest increase in the number of employees. TeliaSonera's increase is accounted for by the acquisition of Sonera and Vattenfall's increase by the acquisitions in Germany.

42 per cent (approximately 33,000) of the women employed in state-owned companies were employed by Posten or SAS. The highest percentage share of women were in Apoteket where 91 per cent of the employees are women.

## REGIONAL DISTRIBUTION

State-owned companies contribute for a number of reasons to a high level of service and uniformity over the whole country. A number of the companies, for instance, ALMI Företagspartner, Lernia, Samhall and Vattenfall are present in every county. Compared to an average of all employees in Sweden, the state-owned companies are over-represented in regions such as Norrbotten, Jämtland and Östergötland. In many cases, the activities of the companies are of such a kind, for instance, LKAB and the Swedish Space Corporation, that they are located at the places where both the production assets and the expertise exist. State-owned companies therefore provide an important basis for business activities in all parts of Sweden.

Many state-owned companies have been working for a long time in fully-competitive markets. Others have, as a result of deregulation, driven on by technical and market developments, moved in recent years from being monopolies to completely competitive companies. These companies base their activities wholly on a commercial basis.

If companies have special societal interests, this is stated in their articles of association or by special sector legislation or other resolutions by the Riksdag. In such cases, there are ancillary licensing conditions or agreements where it is shown if a particular com-

pany, for instance, has a service obligation that extends to the whole country. Examples of companies with a service obligation of this kind are Svensk Bilprovning, Apoteket, Systembolaget and Posten.

## COMPANIES WITH OVER 500 EMPLOYEES

COMPANY	Average no. of employees 2003	Proportion in Sweden, %	Proportion		Change 2003–2002 no. of employees total, %	Change 2003–2002 no. of employees in Sweden, %
			W, %	M, %		
Posten	37,905	95	43	57	-4	-5
Vattenfall	35,296	23	23	77	3	0
SAS (21.4%)	34,544	26	42	58	-3	-4
TeliaSonera (45.3%)	26,188	43	42	58	52	-10
Samhall	21,941	100	43	57	-6	-6
Apoteket	11,124	100	91	9	3	3
Civil Aviation Administration	4,511	100	35	65	0	0
SJ	3,524	100	36	64	-4	-4
Green Cargo	3,512	98	12	88	-6	-6
LKAB	3,433	82	9	91	12	2
Systembolaget	3,334	100	62	38	0	0
Lernia	2,541	100	37	63	-3	-2
V&S Vin och Sprit	2,388	33	38	62	27	6
Sveaskog	2,211	98	15	85	-9	-9
Svensk bilprovning (52%)	2,111	100	11	89	-3	-3
Swedcarrier	2,098	100	8	92	-8	-8
Svenska Spel	1,677	100	50	50	37	37
Swedish Maritime Administration	1,162	100	19	81	1	1
SOS Alarm Sverige (50%)	851	100	59	41	8	8
Teracom	800	99	21	79	-9	-9
SP Sveriges Provnings- och Forskningsinstitut	593	100	24	76	2	2
Kungliga Operan	570	100	47	53	0	0
ALMI Företagspartner	501	100	44	56	-2	-2

## EMPLOYEES PER COUNTY<sup>1)</sup>

COUNTY	Average no. of employees	Proportion, %	National average <sup>2)</sup> , %
Blekinge	1,421	1	2
Dalarna	3,485	3	3
Gotland	1,222	1	1
Gävleborg	2,686	2	3
Halland	3,669	3	3
Jämtland	2,089	2	1
Jönköping	4,106	3	4
Kalmar	2,574	2	2
Kronoberg	2,232	2	2
Norrbotten	7,056	6	3
Skåne	13,744	11	12
Stockholm	30,697	24	22
Södermanland	2,584	2	3
Uppsala	4,490	4	3
Värmland	3,374	3	3
Västerbotten	3,694	3	3
Västernorrland	4,707	4	3
Västmanland	3,234	3	3
Västra Götaland	19,224	15	17
Örebro	3,423	3	3
Östergötland	6,045	5	4
<b>Total</b>	<b>125,807</b>	<b>100</b>	<b>100</b>

<sup>1)</sup> The summary includes companies where the state's ownership share is over 20 per cent. However, corresponding information for the Civil Aviation Administration, SAS and Sveaskog is not available.

<sup>2)</sup> Source Statistics Sweden.

The Government views very positively the fact that state-owned companies are represented throughout the country. In this way, the state-owned companies contribute in a natural way to improve the balance between

different regions with different prerequisites. This circumstance favours regional development through the country. In the light of this, it is therefore important that state-owned companies, within the frame-

work of the respective company's market prerequisites also take into consideration the significance of the activity in a regional perspective.



#### INTERNATIONAL ACTIVITIES

Both sales and the number of employees abroad increased in 2003 in state-owned companies. The number of employees abroad was 72,070 (60,400) which corresponded to 35 (30) per cent of the total number of employees. Four companies have more than half of their employees abroad. Vattenfall has 77 per cent and TeliaSonera has 74 per cent of their employees outside Sweden.

International sales totalled SEK 136,184 (104,098) million. Vattenfall and TeliaSonera together accounted for 85 per cent of international sales.

#### INTERNATIONAL SALES AND EMPLOYEES ABROAD

COMPANY	International sales, SEKm			Employees abroad		
	2001	2002	2003	2001	2002	2003
Vattenfall	38,641	67,686	74,739	15,667	26,265	27,302
SAS (21.4%)	n.app.	n.app.	n.app.	21,725	26,188	25,633
TeliaSonera	12,741	16,998	40,641	4,057	4,684	14,867
Posten	336	2,792	2,708	710	1,658	1,898
V&S Vin & Sprit	5,437	7,494	7,759	762	1,134	1,602
LKAB	3,399	3,581	5,651	280	286	622
Sveaskog	0	3,797	3,114	0	56	52
Sweroad	68	73	71	40	45	48
Sveriges Rese- och Turistråd	0	0	0	22	22	23
Swedesurvey	93	91	86	16	15	10
Teracom	0	63	6	4	8	10
Lernia	6	9	0	0	2	0
Affärsverket Svenska kraftnät	101	100	82	3	2	3
Swedish Space Corporation	325	313	294	1	1	0
Swedcarrier	46	56	49	0	1	0
Imego	11	0	0	0	0	0
Apoteket	16	22	32	0	0	0
Samhall	1,174	1,013	895	0	0	0
SP Sveriges Provnings- och Forskningsinstitut	58	58	57	0	0	0
Svenska Skogsplantor	20	0	n.app.	0	0	n.app.
AssiDomän	7,412	n.app.	n.app.	2,406	n.app.	n.app.
Svenska Lagerhus	0	n.app.	n.app.	7	n.app.	n.app.
AO Dom Shvetsii	20	n.app.	n.app.	2	n.app.	n.app.
<b>Total</b>	<b>62,743</b>	<b>103,238</b>	<b>136,184</b>	<b>45,702</b>	<b>60,367</b>	<b>72,070</b>

# Dividend

Dividends from the state-owned companies provide a substantial contribution to the state budget. Dividends from the financial year 2003 which were decided at the annual general meeting in 2004 are expected to total approximately SEK 12.3 (10.0) billion. In 2003, eight companies also provided additional dividend totalling SEK 2.3 billion to an account at the National Debt Office. The funds in this account have been provided to Teracom and SJ as additional capital (read more on page 10).

In all 19 (24) companies have provided dividends. Svenska Spel is tax-exempt and distributes the whole of its earnings. One portion is paid as a contribution to the Swedish Sports Confederation and the National Board for Youth Affairs and the other paid to the state. The companies that have increased their dividend include Svenska Spel, Vattenfall, TeliaSonera, Nordea Bank, Sveaskog, LKAB, Apoteket and SBAB.

Svenska Spel, Vattenfall, Nordea Bank, TeliaSonera and Sveaskog account for almost 90 per cent of the total dividends.

More information on the companies' dividend policy can be found in the presentation of the respective company (page 34 pp).

## STATE'S SHARE OF COMPANY DIVIDENDS, SEKm

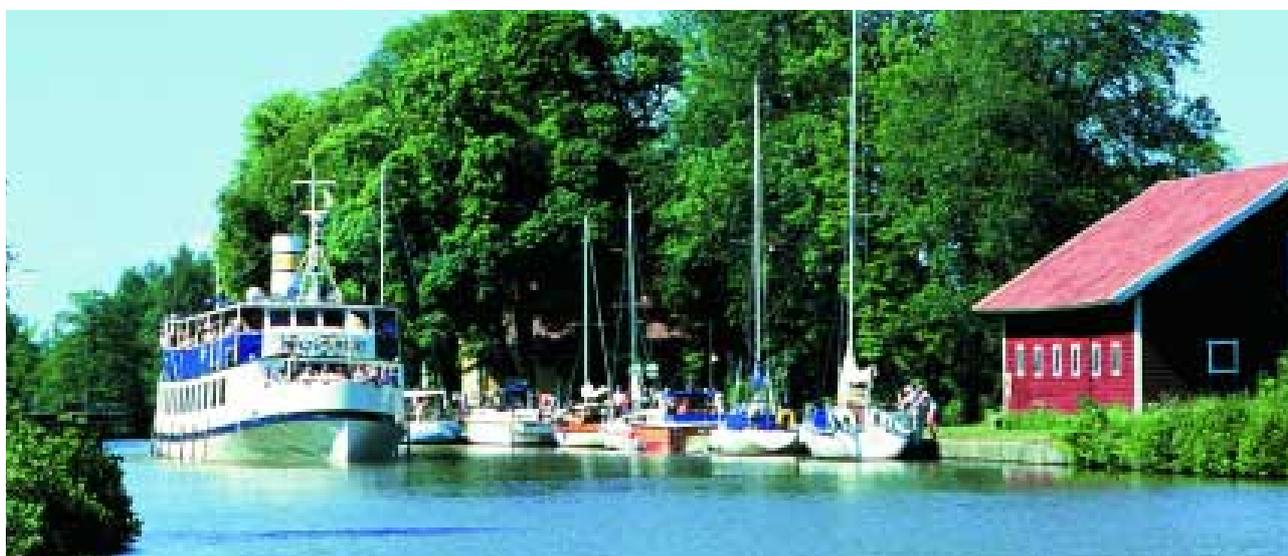
COMPANY	1999	2000	2001	2002 <sup>1)</sup>	2003 <sup>2)</sup>
Svenska Spel <sup>3)</sup>	3,563	3,561	3,806	4,210	4,509
Vattenfall	1,500	990	1,030	1,485	2,400
TeliaSonera (45.3%)	1,470	1,060	424	847	2,118
Nordea Bank (19.0%)	949	1,084	1,140	1,134	1,239
Sveaskog	0	0	0	296	355
V&S Vin & Sprit	230	455	500	500	350
Affärsverket Svenska kraftnät	814	496	474	356	309
LKAB	231	231	231	231	281
Akademiska hus	600	200	270	245	250
SBAB	89	103	120	137	143
Apoteket	100	100	0	100	117
Systembolaget	50	80	80	80	80
Specialfastigheter Sverige	60	116	54	40	56
Vasallen	0	8	13	17	38
Civitas Holding	164	165	537	216	9
Swedish Maritime Administration	0	8	0	6	7
Kasernen Fastigheter	2	3	3	10	4
SOS Alarm Sverige (50%)	3	4	2	2	3
AB Svensk Bilprovning	0	0	0	0	2
AB Svensk Exportkredit	225	259	233	0 <sup>4)</sup>	0
Civil Aviation Administration	0	52	4	35	0
Lernia	0	0	6	9	0
OMHEX (6.9%)	32	48	8	8	0
SweRoad	0	0	0	2	0
Swedish Space Corporation	9	0	2	1	0
Svenska Lagerhus	7	0	0	0	n.app.
Swedfund International	0	112	36	0	0
SAS AB (21.4%)	141	158	0	0	0
Svenska Skogsplantor	3	2	0	0	n.app.
Teracom	0	13	0	0	0
Förvaltningaktiebolaget Statum	11,400	300	114	0	0
AssiDomän	230	200	0	n.app.	n.app.
<b>Total</b>	<b>21,498</b>	<b>9,808</b>	<b>9,087</b>	<b>9,969</b>	<b>12,270</b>

<sup>1)</sup> Additional dividend has moreover been paid into the special account at the National Debt Office by Vattenfall (SEK 190 million), Sveaskog (SEK 600 million), V&S Vin & Sprit (SEK 120 million), LKAB (SEK 120 million), Systembolaget (SEK 120 million), Specialfastigheter (SEK 50 million), Civitas Holding (SEK 100 million). Statum also provided a dividend of SEK 1,000 million to the account.

<sup>2)</sup> Refers to recommend dividend.

<sup>3)</sup> Svenska Spel's profit is distributed in its entirety. SEK 1,010 (910) million of the company's profit of SEK 4,687 (4,210) million was distributed to organisations.

<sup>4)</sup> SEK decided on a directed issue of SEK 1,240 million to ABB in connection with the state acquiring 35 per cent of the outstanding shares.



Dividends from the state-owned companies provide a substantial contribution to the state budget.

# Companies operating under market conditions

Companies operating under market conditions are characterised by one or both of these criteria:

- They operate in a fully competitive market.
- The owner, the state, makes market requirements for earnings and return based on the risk profile.
- Assessment of companies in this group is made annually and presented on the respective company page (34 pp).

All companies in this group are to have relevant and clearly communicated financial objectives. The objectives are set on the basis of market requirements. Targets are also to be set for financial risks and dividend policy. During the last five years, the Government's administration has focused on a financial transformation of the companies in order to maximise shareholder value. This means that the target for the return on equity is to exceed the estimated capital

cost taking into consideration the risk in the company. The state normally has a determining influence in companies operating under market conditions. In this way, a process is facilitated to set the financial targets based on a dialogue between owner and company. The intention is for the owner, board and management to assume a shared responsibility for working towards these targets.

The targets are set through a process where

- The board instructs the executive management to produce appropriate targets for profitability, capital structure and dividend in a dialogue with the owner on the basis of strategy and business plan.
- The board proposes these targets to the annual general meeting of shareholders.
- The owner formally adopts the targets at the annual general meeting of shareholders.

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## Overview 2003

Profit after tax for companies operating on market conditions increased greatly in 2003 and totalled SEK 17.1 (3.9) billion. Net turnover decreased in 2003 and totalled SEK 202.6 (243.9) billion. Shareholders' equity increased to SEK 179.9 (170.7) billion. The return on shareholders' equity increased from 2.4 to 9.7 per cent.

Companies operating on market conditions consist of 30 companies, 27 of which are included in the consolidated accounts. The summary on page 102 pp shows the companies that belong to this group. In the consolidated accounts for 2002, Telia was consolidated as a subsidiary in the period January to November 2002. As from December 2002, TeliaSonera was treated as an associated company.

Profit after tax for 2003 increased by SEK 13.1 billion compared to 2002. The substantial increase in profit is mainly explained by the improvement of the state's share of profit in Telia Sonera by SEK 10 billion. However, TeliaSonera reported a number of non-recurring items in 2002, which should be taken into account in comparisons with 2003. Other companies reported an improvement in result by SEK 3.1 billion. Vattenfall accounted for SEK 1.6 billion of this improvement. LKAB and Sveaskog improved their result considerably in 2003. Posten and SJ reduced their losses in 2003 compared to 2002.

In the group companies operating on market conditions, 19 companies reported a profit and the major part of the companies improved their results. Of a total of 27 companies, 17 companies reported an improved result corresponding to SEK 12.9 billion, while 10 companies reported a deterioration in result, equivalent to SEK -1.3 billion.

Turnover decreased by 17 per cent in 2003 compared to 2002. Turnover increased by 7 per cent for companies operating on market conditions, excluding TeliaSonera. The major part of the increase derives from Vattenfall, which increased its turnover by SEK 10.9 billion. Approximately 60 per cent of the turnover derives from Germany and

Poland, while approximately 40 per cent is from the Nordic countries. Posten and LKAB also reported large increases in turnover.

### TARGETS AND TARGET FULFILMENT

An annual assessment is made of the companies in this group, which is presented in the report on activities on the respective company page (34 pp), which forms part of the Government's document presented to the Riksdag.



Net profit in 2003 increased by SEK 13.1 billion compared with 2002.

### GROSS INVESTMENTS

The level of investment was high in 2001 due to a number of structural transactions such as Sveaskog's acquisition of Assi-Domän. In 2002, the level of investment decreased to approximately half of the level for 2001. In 2003, the companies have continued to decrease their investments. Gross investments decreased by 67 per cent compared to 2002 and totalled SEK 19.6 (59.6) billion. Vattenfall reduced its investments in 2003 by SEK 28.4 billion. Company investments in Germany in particular in 2002 are an important explanation for this difference. Posten, V&S Vin & Sprit, Sveaskog and Green Cargo also reduced their investments considerably in 2003. LKAB reported a considerably higher level of investment in 2003 compared to 2002, which is due to company acquisition. Akademiska hus and Vasakronan are also among the companies that increased their investments.

### CASH FLOW

The operating cash flow<sup>1)</sup> of the companies increased greatly in 2002 due to reduced investments. In 2003, the cash flow from operating activities decreased and totalled SEK 17.4 (67.0) billion. The large change is mainly explained by SEK and SBAB whose cash flow from operating activities decreased by SEK 33.0 and SEK 6.7 billion respectively. SEK 11.1 billion of this change is explained by TeliaSonera not being included in the figures for 2003 although it was included at SEK 11.1 billion in 2002. Vattenfall reported a continued strong cash flow. The cash flow from operating activities totalled SEK 18.2 (20.1) billion. The companies that increased their cash flow in

<sup>1)</sup> Cash flow from operating activities and investment activities.

2003 include Venantius, V&S Vin&Sprit, and Teracom. They increased their cash flow from operating activities by SEK 2,310,561 and 197 million respectively.

#### TURNOVER AND EARNINGS

**Vattenfall's** turnover increased by 11 per cent in 2003 and totalled SEK 111,935 (101,025) million. This increase is primarily explained by higher electricity income in the Nordic countries and in Germany and the fact that the Polish company GZE was consolidated as from January 2003 and the German company Bewag is included for the whole of 2003 instead of for 11 months as in 2002. Vattenfall's earnings in 2003 increased by 21 per cent to SEK 9,123 (7,566) million. The improvement in operating profit is almost wholly explained by cost savings and higher electricity prices in Germany and by a considerable improvement in profit in Poland. Net financial income improved by SEK 440 million. The financial position was considerably improved. Investments have been low and it has been possible to use the strong cash flow to repay loans. Net debt was reduced by over SEK 8 billion to SEK 66.9 billion. The return on shareholders' equity was 20.2 (19.1) per cent in 2003 and 13.6 per cent in the past five-year period.

**Posten's** turnover in 2003 totalled SEK 24,519 (23,632) million. The loss in 2003 was SEK -238 (788) million, of which provisions for restructuring amounted to SEK -544 (801) million. The loss is due partly to one-off payments in the form of provisions for rationalisations in the terminal network and cuts in the central administration, and because Posten has not succeeded to a suf-

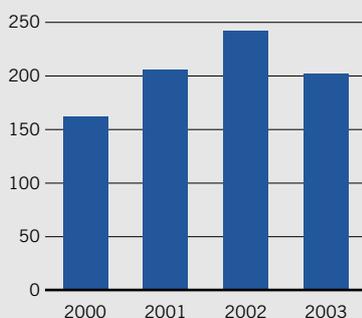
INCOME STATEMENT, SEKm	2000	2001	2002	2003
Net turnover	163,746	207,401	243,925	202,610
Expenses	-138,933	-191,580	-232,865	-178,219
Items affecting comparability	-287	4,961	-355	-692
Profit/loss from participation rights in associated companies	1,184	7,539	76	4,073
<b>Operating profit</b>	<b>25,711</b>	<b>28,321</b>	<b>10,782</b>	<b>27,772</b>
Financial income	4,678	5,180	5,229	3,132
Financial expenses	-7,360	-10,880	-12,228	-9,005
<b>Profit before tax</b>	<b>23,028</b>	<b>22,621</b>	<b>3,783</b>	<b>21,899</b>
Tax	-4,839	-7,055	-1,623	-4,371
Minority	-3,633	-1,734	1,748	-473
<b>Net profit/loss for the year</b>	<b>14,557</b>	<b>13,832</b>	<b>3,909</b>	<b>17,055</b>

BALANCE SHEET, SEKm	2000	2001	2002	2003
<b>Assets</b>				
Non-interest bearing fixed assets	253,587	381,503	352,524	339,181
Interest-bearing fixed assets	287,864	302,917	284,803	284,822
Non-interest bearing current assets	58,675	67,673	55,559	52,670
Interest-bearing current assets	182,342	127,382	95,474	105,514
<b>Total assets</b>	<b>782,468</b>	<b>879,475</b>	<b>788,360</b>	<b>782,187</b>
<b>Shareholders' equity, appropriations and liabilities</b>				
Shareholders' equity	136,835	152,007	170,650	179,911
Minority	23,164	38,400	11,479	9,692
Interest-bearing appropriations	8,658	4,999	2,762	2,756
Non-interest bearing appropriations	32,880	114,430	110,425	104,802
Interest-bearing long-term liabilities	372,784	335,691	280,088	312,697
Non-interest bearing long-term liabilities	22,273	22,890	15,854	15,841
Interest-bearing current liabilities	135,283	145,981	148,140	110,737
Non-interest bearing current liabilities	50,591	65,077	48,962	45,751
<b>Total liabilities and shareholders' equity</b>	<b>782,468</b>	<b>879,475</b>	<b>788,360</b>	<b>782,187</b>

CASH FLOW, SEKm	2000	2001	2002	2003
Cash flow from operating activities	39,497	44,161	66,976	17,412
Cash flow from investment activities	-78,652	-82,286	-52,694	-11,722
Cash flow from financing activities	39,904	37,019	-39,331	-7,487

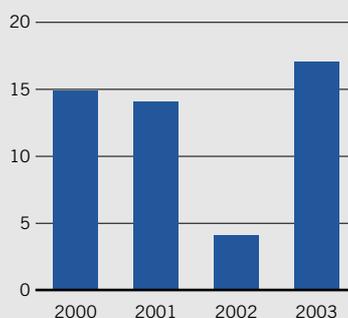
OTHER INFORMATION, SEKm	2000	2001	2002	2003
Gross investment	83,123	122,788	59,576	19,612
Depreciation and write-downs	18,587	31,061	40,864	21,695
Turnover relating to grants from the state	400	257	456	454
Return on shareholders' equity, %	10.8	9.6	2.4	9.7
Equity/assets ratio, %	20.1	21.4	17.5	18.6
Dividend	5,382	4,685	5,373	7,244
Average no. of employees	107,287	111,588	112,384	95,670
Average no. of employees, including associated companies	128,187	139,225	148,455	156,121

NET TURNOVER, SEK bn



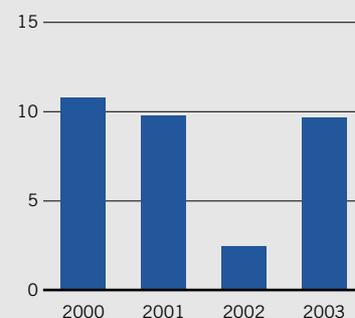
Excluding TeliaSonera, turnover increased by 7 per cent.

NET PROFIT, SEK bn



The substantial increase in profit is mainly explained by the improvement in the state's share of earnings in TeliaSonera by SEK 10 billion.

RETURN ON SHAREHOLDERS' EQUITY, %



Return on shareholders' equity increased by 7.3 percentage points in 2003.

ficient extent in adapting its expenses to reduced letter volumes and decreasing cash transactions. Posten reported an operating profit of SEK 78 million, an improvement of SEK 781 million, which is primarily explained by increased income and cost-saving measures. The return on shareholders' equity was negative in 2003 and 2002.

**V&S Vin & Sprit's** turnover increased in 2003 by 2 per cent to SEK 9,294 million. Turnover was negatively affected to the extent of approximately SEK 800 million due to the fall in the exchange rate of the US dollar in 2003. The volume of sales increased by 21 per cent during the year, of which 18 percentage points were due to acquisition and 3 percentage points to organic growth. Earnings in 2003 decreased from SEK 1,265 to 994 million, which is a reduction of 27 per cent. The US dollar affected earnings negatively by SEK 500 million. The return on shareholders' equity was 22.8 (32.0) per cent in 2003.

**Sveaskog's** turnover was SEK 8,420 million, which was on a level with the preceding year. The turnover of the forestry business increased due to higher volume. Turnover was affected by the forestry operations being transferred to Sveaskog's partly-owned company Setra Group, even though previous intra-group timber deliveries from the forestry business are now reported as external sales. The first half of 2003 was good for the Swedish sawmill industry due to a continued high level of demand and a low level of supplies from certain competing countries. In the second half of the year, some weakening took place, primarily for fir products. Sveaskog's earnings in 2003 increased by SEK 362 million to SEK 941 million. Property sales accounted for SEK 207 million of the increase. The return on shareholders' equity totalled 7.4 (4.7) per cent in 2003. The strengthening of the krona, increased production and the build-up of stocks on some export markets are dampening expectations for 2004.

**SBAB's** net interest income increased by 7 per cent in 2003 compared to the previous year and totalled SEK 1,253 million. The foremost explanations for the improved net interest income are continued good new lending in the private market, restructuring of the loan portfolio in the corporate market and good results for lending activities. Earnings increased by 17 per cent in 2003 and totalled SEK 519 (444) million. This is SBAB's best ever result. In the past four years, the improvement in earnings has amounted to 82 per cent. The return on shareholders' equity was 11.0 (10.1) per cent in 2003.

**Green Cargo's** turnover increased to SEK 6,192 (6,170) million in 2003. Efficiency improvements led to earnings improving by SEK 187 million in 2003 to SEK -88 (-275) million. Despite increased volumes and increased pension premium of SEK 41 million, total costs were largely unchanged compared to 2002. The logistics operations also contributed to the increase in earnings and all larger subsidiaries and associated companies showed better results in 2003 compared to 2002. The return on shareholders' equity was negative in 2003.

**Teracom's** turnover increased by 3 per cent to SEK 1,876 (1,814) million. This increase related primarily to income from digital TV subscriptions and from data and telecommunications. There was a further increase in the growth of Boxer's sales of digital TV services to consumers in 2003 to a total of over 200,000 subscribers (140,000) at the end of the year. Radio and TV transmissions for public service and commercial companies accounted for 50 per cent of the turnover. The group transformed the result from a loss of SEK 204 million in 2002 to a profit of SEK 23 million in 2003. The increase in income, improved efficiency and a lower rate of investment underlay the first positive result since 2000. The return on shareholders' equity was 2.5 (neg) per cent in 2003.

**SJ's** turnover increased to SEK 5,825 (5,711) million. The parent company's dominant source of income, its own services, including travellers with county transport cards on SJ trains, increased by 3 per cent in 2003. The result included items affecting comparability, primarily one-off items for staff reduction of SEK -89 million, totalled SEK -101 (-994) million, which was an improvement of SEK 893 million from last year. During the year, SJ has also been charged with additional pension costs to SPV of SEK -50 million. SJ is endeavouring to build its operations on a solid financial basis. As part of this, a programme to improve earnings has been adopted, which is to improve the result by SEK 700 million when it has full effect from 2006. The return on shareholders' equity was negative in 2003 and 2002.

**Svensk Exportkredit's (SEK)** net interest income was SEK 758 (798) million and earnings totalled SEK 428 (480) million. The reduction in earnings was mainly due to interest expense for new subordinated capital and the effect of the increased dividend, both related to the change of ownership in 2003. An increase in administration costs and depreciation of non-financial assets also had a negative effect. In 2003, SEK achieved

a total volume of new customer-related financial solutions of SEK 23.2 (17.9) billion, which is the second highest volume ever. New long-term credits totalled SEK 19.0 (13.4) billion. Export credits accounted for the greatest increase compared to 2002 with a total volume of SEK 6.1 (0.9) billion. The return on shareholders' equity totalled 13.6 (12.9) per cent in 2003. SEK has experienced improved rating and lower borrowing costs after the change of ownership.

**LKAB's** turnover in 2003 totalled SEK 7,466 (5,186) million. Over SEK 1,000 million of this increase in turnover derives from acquired companies in the industrial minerals sector. Higher iron ore prices of approximately 10 per cent and an increased level of deliveries of approximately 2 Mt, each contributed to turnover by approximately SEK 500 million. Earnings in 2003 totalled SEK 688 (295) million. The steel industry has been buoyant in 2003. Growth was strongest in China where rails production increased by over 21 per cent. The world's total raw iron production increased by almost 8 per cent and was record high at 655 (608) million tonnes (Mt). A new record level was also noted for iron ore. In 2003, the seaborne iron ore trade increased by 40 Mt and China accounted for the major part of the increase in imports. LKAB's deliveries totalled 21.6 (19.6) Mt, of which pellets accounted for 67 (68) per cent of the total deliveries. The return on shareholders' equity was 7.8 (3.5) per cent in 2003.

**Akademiska Hus** operating income totalled SEK 4,413 (4,240) million. The market share of Akademiska Hus in university and higher education premises was 68 per cent. Earnings in 2003 totalled SEK 503 (495) million. The improvement in earnings is primarily due to increased rental income and reduced write-downs. The increase in rental income has arisen through index adjustments of existing agreements, taking into use of new and refurbished buildings, and two major acquisitions in Kalmar. The average remaining term of the leases was 6.6 years at the turn of the year and the average lease term 10 years. The return on shareholders' equity was 6.9 (6.9) per cent in 2003.

**Vasakronan's** rental income totalled SEK 2,961 (2,899) million. The rental increase in renegotiated and new leases was 4 (48) per cent.

The downturn led to lower rental levels and increased vacancies. The vacancy ratio increased to 10 (7) per cent of the rental income. Earnings in 2003 totalled SEK 153

(454) million. Earnings totalled SEK 701 (470) million, excluding earnings from property sales of SEK 587 million, write-downs of properties and participation rights in associated companies of SEK -1,135 million. The market value of the properties decreased by 2 per cent in 2003. The return on shareholders' equity was 1.7 (5.0) per cent in 2003.

**TeliaSonera's** earnings increased by 39 per cent to SEK 82,425 (59,483) million. Profit after tax in 2003 increased greatly and totalled SEK 9,080 (-8,067) million.

TeliaSonera is included in the consolidated accounts with the state's share of profit after tax of SEK 4,177 (-5,581) million. There has been a high level of growth in mobile telephony and Internet. The negative trend in fixed telephony for private customers in Sweden has been reversed and the inflow of preference customers was positive at the end of the year. The merger of Telia and Sonera has now been successfully completed. Return on shareholders equity was 8.2 (negative) per cent in 2003.

**SAS's** turnover decreased by 11 per cent in 2003 and totalled SEK 57,754 (64,944) million. The loss after tax was SEK -1,470 (-450) million. SAS is included in the consolidated accounts with the state's share of the loss after tax of SEK -303 (-28) million. The negative result mainly derives from the first quarter of the year. The third and fourth quarters entailed some stabilisation but could not compensate for the loss in the spring. The return on shareholders' equity was negative in 2003 and 2002.



Photo: Niklas Alm

Nineteen of the companies in the group of companies operating under market conditions reported a profit and the major part of the companies improved their earnings.



## AKADEMISKA HUS

Akademiska Hus was created in 1992 in connection with the reorganisation of the National Board of Public Buildings. The main task of the company is to offer Swedish universities and other institutes of higher education purpose-built and sound premises for education and research. The company is also responsible as manager for maintaining the substantial financial and cultural value of the properties. The owner, the state, takes a long-term approach to ownership of Akademiska Hus.

### OPERATIONS

Akademiska Hus is one of Sweden's largest property companies and the largest owner and manager of university premises in Sweden. The market share in university cities is 76 per cent and 31 per cent on average for small and medium-sized institutions of higher education. Akademiska Hus has increased its property holdings from 1.3 million sq.m. in 1992 to 3.2 million sq.m. in 2003 through successive acquisitions and an extensive programme of construction. Akademiska Hus invests exclusively for its own management and ownership of the properties.

### FINANCES

Akademiska Hus's rental income amounted in 2003 to SEK 4,364 (4,199) million. Profit before tax was SEK 710 (687) million. The lettable area totalled 3.26 (3.24) million sq.m. at the turn of the year and the vacancy ratio was 1.8 (1.8) per cent. The book value of the properties, excluding constructions in process, was SEK 24,412 (23,778) million at the turn of the year 2003/2004. The internally assessed market value was approximately SEK 36,100 (36,475) million. In 2003, net investments in properties totalled SEK 1,877 (1,743) million. At

the turn of the year, a number of major projects were in process, the largest of which are the new construction for the University College of Film, Radio, Television and Theatre and the reconstruction and extension of Kemikum and the Bio-medical Centre in Uppsala.

### OBJECTIVE

The activities of Akademiska Hus are governed by objectives in four areas: customer benefit, profitability, satisfied staff and reduced impact on the environment. Customer benefit is measured, among other ways by the Customer Satisfaction Index, (NKI) which measures, among other things, property management, personal service and how projects are handled. Staff satisfaction is measured by a staff survey in accordance with the Staff Satisfaction Index (NMI). Akademiska Hus's profitability target is for the return on average shareholders' equity to correspond to the five-year government bond rate plus 2.5 per cent over a business cycle and for the equity/assets ratio to be 25 per cent.

### DIVIDEND POLICY

The Group's dividend target is that 50 per cent of the net profit for the year should be distributed to the owner.

### ASSESSMENT

The equity/assets ratio was 27.4 per cent at the end of 2003. Return on shareholders' equity was 6.9 per cent as last year. The financial objectives were accordingly achieved. In 2003, Akademiska Hus's NKI index for the group increased from 65 to 67. The average cost of premises for the higher education sector has in principle been unchanged (approximately 14 per cent) since the company was established, despite substantial investment.



Chairman: Claes Ljungh



MD: Joakim Ollén

INCOME STATEMENT, SEKm	2003	2002
Rental income	4,364	4,199
Other management income	49	41
Operating and maintenance costs	-1,840	-1,701
Other operating expenses, including depreciation	-1,064	-1,056
Other income	95	120
<b>Operating profit</b>	<b>1,604</b>	<b>1,604</b>
Net financial income	-894	-917
Tax	-207	-192
<b>Net profit/loss for the year</b>	<b>503</b>	<b>495</b>

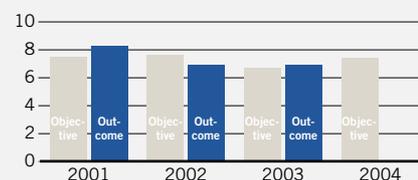
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	26,211	25,264
Non-interest bearing current assets	761	863
Interest-bearing current assets	467	1,611
<b>Total assets</b>	<b>27,439</b>	<b>27,737</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	7,506	7,249
Interest-bearing appropriations	163	158
Non-interest bearing appropriations	745	659
Interest-bearing long-term liabilities	13,957	15,523
Interest-bearing current liabilities	2,837	1,867
Non-interest bearing current liabilities	2,230	2,282
<b>Total liabilities and shareholders' equity</b>	<b>27,439</b>	<b>27,737</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	1,591	1,575
Cash flow from investment activities	-1,894	-1,766
Cash flow from financing activities	-840	-147

KEY RATIOS	2003	2002
Return on equity (average), %	6.9	6.9
Return on total assets (average), %	5.9	6.0
Return on capital employed (average), %	6.6	6.7
Return on operating capital (average), %	6.8	7.0
Equity/assets ratio, %	27.4	26.1

OTHER, SEKm	2003	2002
Proposed dividend	250	245
Gross investment	2,014	1,907
Depreciation and write-downs	983	993
Average no. of employees	430	427
Sick leave, %	5.2	5.4
Share owned by state, %	100	100

### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 23% / Men 77%
Management group	Women 15% / Men 85%
Board of directors	Women 71% / Men 29%
Environmental policy	YES
Environmental management system	ISO 14001 (in process)

### Board of directors and auditors 2003/2004

**Chairman:** Claes Ljungh. **Board members:** Charlotte Axelsson, Sigbritt Franke, Marianne Förander, Birgitta Kantola, Lennart Nilsson and Veronika Rundkvist Nihlén. (Christina Rogestam resigned in autumn 2003. Veronika Rundkvist Nihlén resigned and Maj-Charlotte Wallin was appointed as a member of the board and Claes Ljungh as chairman at the annual general meeting of shareholders in 2004). **Employee representatives:** Sveinn Jonsson and Parzin Seradji. **Auditors:** Peter Gustafsson, Deloitte & Touch AB and Jonas Hellström, Riksrevisionen (Swedish state audit institution).



Chairman: Gunnar Lundberg

MD: Risto Koppeli

## A/O Dom Shvetsii

A/O Dom Shvetsii manages one property – Sverige Huset (Sweden House) in St Petersburg.

### OPERATIONS

A/O Dom Shvetsii is a Russian limited company owned by Skanska (49 per cent), the Swedish state (36 per cent) and the City of St Petersburg (15 per cent). A/O Dom Shvetsii owns Sverige Huset (the building consists of a block) and has

the right of disposal of the site for 49 years, approximately 5,000 sq.m. lettable area. The largest tenant is the Swedish Consulate-General.

### ASSESSMENT

A/O Dom Shvetsii's operations are wholly dependent on the level of demand for premises in St Petersburg. Today, the occupancy ratio at Sweden Huset is 100 per cent.

INCOME STATEMENT, RURm	2003	2002
Net turnover	63	65
Operating expenses	-17	-18
<b>Operating profit</b>	<b>45</b>	<b>47</b>
Other income	32	1
Other expenses	-10	-29
Financial expenses	-14	-17
<b>Profit before tax</b>	<b>53</b>	<b>2</b>
Tax	-2	0
<b>Net profit/loss for the year</b>	<b>51</b>	<b>2</b>

BALANCE SHEET, RURm	2003	2002
<b>Assets</b>		
Fixed assets	83	83
Current assets	18	8
<b>Total assets</b>	<b>101</b>	<b>91</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	-270	-321
Long-term liabilities	358	406
Current liabilities	13	6
<b>Total liabilities and shareholders' equity</b>	<b>101</b>	<b>91</b>

### Board of directors and auditors 2003/2004

**Chairman:** Gunnar Lundberg. **Board members:** Kirill V Avdeev, Carl-Johan Gunnarsson, Monica Lundberg, Fredrik Wirdenius. (Carl-Gunnar Gunnarsson and Kirill V Avdeev resigned and Sten Luthman and Alexander Sergeevich were appointed at the annual general meeting of shareholders in 2004). **Auditors:** KPMG.

No fee was paid to the chairman of the board of directors. The fee to board members elected at the annual general meeting was USD 2,400 (2,400) in 2004.



Green Cargo AB was established in 2001 in conjunction with the incorporation of the public enterprise Statens järnvägar (Swedish State Railways). The company then took over part of the public enterprise's previous goods operations on the railway. Deregulation of goods transport by rail and the increased internationalisation where geographical borders are becoming less and less important has led to new conditions for players in the industry. Customers are demanding increasingly international, cost-effective integrated transport solutions.

#### OPERATIONS

Green Cargo accounts for just under 20 per cent of Sweden's total transport performance, and for almost 80 per cent of goods transport by rail. Its customers are to be found in Nordic base industry where forest, steel and paper predominate. A considerable proportion of customers operate both within and outside Sweden. Green Cargo works together with other logistics companies in Europe in international commissions. The largest export flows go to Germany, Italy, Denmark, Norway and France.

The wagon-load system which accounts for approximately 70 per cent of the company's sales of rail shipments is adapted for customers who require high-capacity shipments, high frequency and high reliability over long distances in Sweden and Norway. System trains which are adapted to transport large volumes in regular flows between agreed fixed destinations account for just under 30 per cent of turnover in rail transport. In addition to rail transport, Green Cargo also operates so-called third party logistics operations and lorry transport. The company also carries out combined transport in Norway and Sweden in CargoNet A/S (previously NSB's freight operations), in which Green Cargo has a 45 per cent stake.

#### FINANCES

The Group's sales were largely unchanged and totalled SEK 6,192 (6,170) million. Income after financial items was SEK -88 (-195) million. Despite measures to increase efficiency, a positive result was not achieved, which is primarily explained by the cyclical downturn and increased pension premiums. A slightly increase net debt resulted in a deterioration in net financial items.

Gross investments totalled SEK 273 (570) million. Investments have mainly related to maintenance investments for locomotives and wagons. An investment has also been made in a locomotive maintenance workshop.

#### OBJECTIVE AND DIVIDEND POLICY

The owner's aim is for Green Cargo to be a profitable and successful logistics company, which is based on sustainable development and acts in a business-like and commercial way in all respects. The company must tangibly improve its result and provide its owner, the Swedish state with a market return on invested capital.

An investigation is taking place into the company's financial objectives, which is expected to be completed in 2004.

#### ASSESSMENT

An extensive programme of measures has improved efficiency and the result tangibly during the year. The operating loss decreased from SEK -116 million to SEK -2 million. The improvement in result is primarily due to efficiency improvements. However, the level of the result is not satisfactory. The development of the result combined with additional planned efforts contribute to cautious optimism about going into profit this year.

Performance areas such as Customer, Safety and Environment was good in comparison with last year. Punctuality for freight trains was high and the customer index increased.



Chairman: Karl-Gunnar Holmqvist

MD: Jan Sundling

INCOME STATEMENT, SEKm	2003	2002
Net turnover	6,192	6,170
Expenses	-6,202	-6,289
Items affecting comparability	3	-
Profit/loss from participations in associated companies	8	3
<b>Operating profit</b>	<b>-2</b>	<b>-116</b>
Financial income	25	36
Financial expenses	-111	-115
<b>Profit before tax</b>	<b>-88</b>	<b>-195</b>
Tax	-1	-89
Minority	1	9
<b>Net profit/loss for the year</b>	<b>-88</b>	<b>-275</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	1,760	1,740
Interest-bearing fixed assets	261	259
Non-interest bearing current assets	870	909
Interest-bearing current assets	261	408
<b>Total assets</b>	<b>3,153</b>	<b>3,316</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	358	467
Minority	7	6
Interest-bearing appropriations	23	28
Non-interest bearing appropriations	36	46
Interest-bearing long-term liabilities	1,508	1,523
Non-interest bearing long-term liabilities	0	1
Interest-bearing current liabilities	175	160
Non-interest bearing current liabilities	1,046	1,085
<b>Total liabilities and shareholders' equity</b>	<b>3,153</b>	<b>3,316</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	197	-15
Cash flow from investment activities	-149	-412
Cash flow from financing activities	-82	-111

KEY RATIOS	2003	2002
Return on equity (average), %	neg	neg
Return on total assets (average), %	0.8	neg
Return on capital employed (average), %	1.2	neg
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	11.6	14.3

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	273	570
Depreciation and write-downs	216	199
Average no. of employees	3,512	3,614
Sick leave, %	7.0	8.0
Share owned by state, %	100	100

Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 12% / Men 88%
Management group	Women 18% / Men 82%
Board of directors	Women 29% / Men 71%
Environmental policy	YES
Environmental management system	ISO 14001

#### Board of directors and auditors 2003/2004

**Chairman:** Karl-Gunnar Holmqvist. **Board members:** Christer Bådholm, Kristina Rennerstedt, Björn Mikkelsen, Peter Sandberg, Jan Sjöqvist, Birgitta Strömberg, Carl-Viggo Östlund. (Peter Sandberg resigned at the annual general meeting in 2004). **Employee representatives:** Stefan Bieder, Peter Lundmark. **Auditors:** Björn Sundkvist, Deloitte & Touche and Per Redemo, Riksrevisionen (Swedish state audit institution).

The fee to the Chairman of the Board is SEK 220,000 (220,000) in 2004. Fees to board members elected at the annual general meeting total SEK 100,000 (90,000) in 2004.



The Riksdag decided to set up the Institute for Microelectronics in 1998 in accordance with a proposal from a committee of enquiry on a technical research institute in Göteborg. Imego is a research institute in Göteborg that engages in self-initiated and commissioned research focused on microelectronics-based systems.

#### OPERATIONS

Imego engages in operations as a wholly-owned state company to facilitate its collaboration with the business sector to commercialise the results of the institute's research and its work on developing new products and processes from idea to complete prototype. Instead of investing in production equipment, Imego creates strong relations with suppliers with production capacity. Imego will continue to make major investments in software, equipment for electric verification and laboratories for micro-mechanics, optics, magnetism and chemistry.

The need for sensor systems increases. The market potential for micromechanics is considered to be greater than for microelectronics. Products where micromechanics are used include nozzles for printers, read and write heads for hard disk drives, pressure sensors, accelerometers for airbags, gyron, micromirrors for projectors and simpler medical diagnostic equipment.

#### FINANCES

The basis for operations is a government grant of SEK 20 million. The largest projects financed by government grants have been to develop sensor systems based on

magnetic nanoparticles, micromechanic systems for movement measurement and systems for optic decoding. Income from external projects was over SEK 19 million in 2003. The external income derives from some 20 projects where the largest project is a product in the leisure sector. Other large projects during the year have been carried out together with Saab Bofors Dynamics and SCA. Collaboration also takes place with CanAg and Fixturlaser within the framework of Imego's small enterprise programme.

#### DIVIDEND POLICY

According to the articles of association, the company's profit is to be used to promote the company's objectives of engaging in research with the focus on micro-electronic based systems and developing new products and processes from idea to complete product.

#### OBJECTIVE

The company aims to establish collaboration with companies and institutes of higher education in the area of micro-electronics, micromechanics and sensor systems. A financial target is for the income from commissions to exceed the government grants.

#### ASSESSMENT

The company received quality certification in April 2000 (ISO 9001). Imego aims to recruit internationally experienced staff and 14 per cent of the staff are of foreign origin with both industrial and academic experience. The company is still in a build-up phase. Income from commissions amounts, however, almost to the same level as the government grants.



Chairman: Christina Ullenius

MD: Bill Brox

INCOME STATEMENT, SEKm	2003	2002
Net turnover	39	38
Expenses	-50	-53
<b>Operating profit</b>	<b>-11</b>	<b>-15</b>
Financial income	1	2
<b>Profit before tax</b>	<b>-10</b>	<b>-13</b>
<b>Net profit/loss for the year</b>	<b>-10</b>	<b>-13</b>

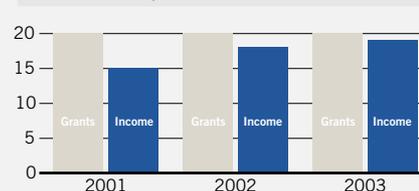
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	15	17
Non-interest bearing current assets	11	8
Interest-bearing current assets	33	47
<b>Total assets</b>	<b>59</b>	<b>72</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	54	63
Non-interest bearing current liabilities	5	9
<b>Total liabilities and shareholders' equity</b>	<b>59</b>	<b>72</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-7	-17
Cash flow from investment activities	-6	-6

KEY RATIOS	2003	2002
Return on equity (average), %	neg	neg
Return on total assets (average), %	neg	neg
Return on capital employed (average), %	neg	neg
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	91.5	87.5

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	6	6
Depreciation and write-downs	8	8
Average no. of employees	35	38
Sick leave, %	2.0	2.0
Share owned by state, %	100	100

GRANTS/INCOME, SEKm



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 26% / Men 74%
Management group	Women 0% / Men 100%
Board of directors	Women 50% / Men 50%
Environmental policy	YES
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Christina Ullenius. **Board members:** Börje Johansson, Gunnar Landgren, Göran Netzler, Aina Nilsson, Daniel Sandström, Lena Torell, Christina Ullenius. (Mauritz Sahlin resigned and Christina Ullenius was elected as new chairman by a government decision of 11 March 2004. Aina Nilsson also resigned and Sylvia Lindgren and Peter Möller were appointed as new board members). **Deputy:** Katrin Persson. **Auditor:** Per Wardhammar, Öhrlings PricewaterhouseCoopers. **Deputy auditor:** Kent Andersson.



Kasernen was established in 1990 with Diös properties AB as the majority owner and the state as a partner. In December 1991, the state acquired all shares in Kasernen as a consequence of the government reform of provision of premises.

#### OPERATIONS

Kasernen shall own, let, and manage property with the primary intention of providing student housing, hotel rooms and permanent dwellings primarily for employees of the Swedish Armed Forces.

In all, the Group manages five blocks of rented apartments with approximately 500 apartments. On 31 July 2003, the subsidiary Fastighets AB Kasernen in Kristinehamn was merged with the parent company. In 2003, the subsidiary Fastighets AB Kasernen in Halmstad acquired an area of land adjacent to land already owned at a purchase price of just over SEK 1.6 million.

Kasernen Fastighets AB has been assessed to have too little operations to draw up environmental plans and an environmental management system.

#### OBJECTIVE

Kasernen shall offer quality and practical premises primarily intended for employees of the Swedish Armed Forces.

#### ASSESSMENT

Depending on the resolution of the Riksdag in a new defence resolution in

autumn 2004, the company's rental income can decrease or increase depending on the changes made by the Armed Forces.

#### FINANCES

Income after financial items totalled SEK 16.5 (30.5) million. The change in earnings is due to the sale of the subsidiary Fastighets AB Kasernen in Stockholm which produced a capital gain of SEK 22.4 million.

#### OBJECTIVE

The owner's explicit requirement and prerequisites is that the company should have an equity/assets ratio of 25 per cent, calculated on adjusted shareholders' equity. Return on adjusted shareholders' equity is to correspond to the five-year government bond rate plus 2.5 percentage points. The group's dividend target shall be 50 per cent of net profit/loss for the year. Consideration shall be taken to the company's financial situation in decisions on dividend.

#### ASSESSMENT

In 2003, Kasernen has complied with the financial and other objectives set by the owner for the company. Kasernen's forecast for 2004 is that profit after net financial income, before any income from property sales, will decrease due to a reduced number of property sales.



Chairman: Christer Alvimur



MD: Arne Lorentzon

INCOME STATEMENT, SEKm	2003	2002
Rental income	22	22
Operating expenses	-2	-2
Maintenance expenses	-1	-1
Depreciation	-4	-4
<b>Gross profit</b>	<b>15</b>	<b>15</b>
Personnel costs	-3	-3
Items affecting comparability	8	22
<b>Operating profit</b>	<b>20</b>	<b>34</b>
Net financial income	-3	-3
<b>Profit before tax</b>	<b>17</b>	<b>31</b>
Tax	-5	-11
<b>Net profit/loss for the year</b>	<b>12</b>	<b>20</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	178	182
Non-interest bearing current assets	7	7
Interest-bearing current assets	12	16
<b>Total assets</b>	<b>197</b>	<b>205</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	102	100
Non-interest bearing appropriations	6	6
Interest-bearing long-term liabilities	80	91
Non-interest bearing current liabilities	9	8
<b>Total liabilities and shareholders' equity</b>	<b>197</b>	<b>205</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	10	-1
Cash flow from investment activities	7	28
Cash flow from financing activities	-21	-22

KEY RATIOS	2003	2002
Return on equity (average), %	11.9	22.0
Return on total assets (average), %	10.4	15.3
Return on capital employed (average), %	11.3	16.5
Return on operating capital (average), %	11.0	16.4
Equity/assets ratio, %	51.8	48.8
Area of premises, 000 sq.m.	25	33
Book value properties, SEKm	178	182

OTHER, SEKm	2003	2002
Proposed dividend	4	10
Gross investment	2	1
Depreciation and write-downs	5	4
Average no. of employees	3	3
Share owned by state, %	100	100



Ethical policy	.NO
Equal opportunities policy	.NO
Employees	Women 33% / Men 67%
Management group	Women 40% / Men 60%
Board of directors	Women 40% / Men 60%
Environmental policy	.NO
Environmental management system	.NO

#### Board of directors and auditors 2003/2004

**Chairman:** Christer Alvimur. **Board members:** Björn Andersson, Lena Jönsson, Arne Lorentzon, Monica Lundberg. **Auditor:** Per Wardhammar, Öhrlings PricewaterhouseCoopers.

The fee to the Chairman of the Board is SEK 60,000 (60,000) in 2004. Fees to board members elected at the annual general meeting total SEK 30,000 (30,000) in 2004.



In 1993, the AMU group was reorganised from a public authority to a limited company. The company aims to produce and sell courses on the open market. The AMU group changed its name to Lernia AB in 2000.

**OPERATIONS**

Lernia is Sweden's largest company in the field of skills provision and engages in skills development and manning. Lernia offers certification and licensing, etc. in a number of professions. Lernia also offers skills development and operations development for companies and organisations. Moreover, the company offers primary, secondary and upper secondary level adult education, vocational upper secondary education and courses in Swedish for immigrants. Lernia Bemanning is market leading in the field of industry, technology and logistics. Lernia trains 30,000 participants per year and leases 3,200 persons to industrial companies.

**FINANCES**

Lernia's net turnover decreased in 2003 by SEK 146 million to SEK 1 691 million, primarily due to a substantial downturn in the market for labour market training and sale of the subsidiary Lernia Hadar AB as at 31 March 2003. Operating profit decreased by SEK 83 million to SEK -51 million. The loss after financial items and tax was SEK -60 (27) million. The deterioration in earnings is due to restructuring costs to adapt the activity to a lower volume in labour market training. Moreover, the value of the shareholding in Att Veta AB was written down to SEK 1. In 2003, Lernia reported a negative return on shareholders' equity (9.3 per cent). The equity/assets ratio totalled 45 (50) per cent.

<sup>1)</sup> LAN, County labour market board.

**OBJECTIVE**

From 2003, the financial targets over a business cycle entail a return on shareholders' equity after standard tax of a minimum of 13 per cent, an operating margin of at least 4 per cent and an equity/assets ratio of 40-50 per cent.

**DIVIDEND POLICY**

Lernia's dividend policy means that capital in excess of the capital requirement, defined as shareholders' equity sufficient to carry out a restructuring of the activity that corresponds to the company's operating risk in the short run, is to be distributed to the owner.

**ASSESSMENT**

Competition in the educational market continued to be tough and profitability low in 2003. Lernia's market share on the LAN<sup>1)</sup> market was 37 per cent. Competition was characterised by a number of small players.

Lernia Bemanning has a market share of 20 per cent.

Lernia has not achieved its profitability target although the target for the equity/assets ratio has been achieved. To achieve the objective, it is considered necessary to continue the focus on increased flexibility of production, increased customer orientation and focused growth. A new regional organisation has been introduced during the year to respond better to the market situation. For instance, the number of regions in Skills development has been reduced from ten to six by mergers. The company's flexibility and efficiency has been improved. It is also positive that Lernia Bemanning's position in the market has been confirmed during the year and that operations are showing growth in an otherwise stagnant market.



Chairman: Tomas Eneroth

MD: Ingemar Alserud

INCOME STATEMENT, SEKm	2003	2002
Net turnover	1,691	1,837
Expenses	-1,681	-1,805
Items affecting comparability	-61	0
<b>Operating profit</b>	<b>-51</b>	<b>32</b>
Financial income	3	3
Financial expenses	-11	-8
<b>Profit before tax</b>	<b>-60</b>	<b>27</b>
<b>Net profit/loss for the year</b>	<b>-60</b>	<b>27</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	156	156
Non-interest bearing current assets	240	332
Interest-bearing current assets	156	117
<b>Total assets</b>	<b>524</b>	<b>605</b>

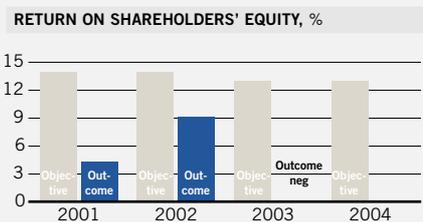
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	236	305
Non-interest bearing appropriations	56	10
Non-interest bearing current liabilities	232	290
<b>Total liabilities and shareholders' equity</b>	<b>524</b>	<b>605</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	53	69
Cash flow from investment activities	-5	-35
Cash flow from financing activities	-9	-6

KEY RATIOS	2003	2002
Return on equity (average), %	neg	9.2
Return on total assets (average), %	neg	6.1
Return on capital employed (average), %	neg	11.9
Return on operating capital (average), %	neg	16.7
Equity/assets ratio, %	45.0	50.4

OTHER, SEKm	2003	2002
Proposed dividend	0	9
Gross investment	16	39
Depreciation and write-downs	26	29
Average no. of employees	2,541	2,606
Sick leave, %	5.7	5.9
Staff satisfaction <sup>1)</sup> , %	71.0	70.0
Share owned by state, %	100	100

<sup>1)</sup> A 7-grade scale where the index constitutes a percentage rate corresponding to an average value of 5 on the scale.



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 37% / Men 63%
Management group	Women 25% / Men 75%
Board of directors	Women 57% / Men 43%
Environmental policy	YES
Environmental management system	ISO 14001

**Board of directors and auditors 2003/2004**

**Chairman:** Tomas Eneroth. **Board members:** Viktoria Aastrup, Sven-Runo Bergqvist, Karin Kronstam, Margareta Lewin, Annika Lundius, Anna-Stina Nordmark-Nilsson. (Anna-Stina Nordmark-Nilsson resigned and Göran Sevebrant was appointed at the annual general meeting of shareholders in 2004). **Employee representatives:** Inge Lindroth, Lena Lundberg. **Deputy employee representatives:** Olle Eriksson, Anders Lindell. **Auditors:** Stefan Holmström, KPMG and Bertil Forsslundh, Riksrevisionen (state audit institution). **Deputy auditor:** Henrik Söderhielm, Riksrevisionen.

The fee to the Chairman of the Board is SEK 150,000 (150,000) in 2004. Fees to board members elected at the annual general meeting of shareholders is SEK 75,000 (70,000) in 2004.



Since it was established in 1890, LKAB, has contributed to the shaping of Sweden's industrial history. The ore deposits at Luossavaara and Kiirunavaara had been known for a long time. However, it was first at the end of the nineteenth century that the ore deposits in the north became of commercial interest when a new method of producing steel from phosphorous-rich ore had been invented. The state became a partner in LKAB in 1907 and the company has been wholly state-owned since 1957.

#### OPERATIONS

LKAB's operations are, based on Malmfälten, to produce and supply refined iron ore products and services to the world market which create added value for its customers. Other closely-related products and services based on LKAB's expertise and which support the main operations can be included in the operations.

#### FINANCES

2003 was dominated by a very high level of demand. The net turnover of the LKAB group increased in 2003 by 44 per cent to SEK 7,466 (5,186) million. Over SEK 1,000 million of the increase in turnover came from companies acquired in the industrial minerals sector. The price of iron ore was increased by approximately 10 per cent, which led to an increase in turnover of approximately SEK 500 million. The increased level of deliveries of approximately two billion tonnes also meant an increase in turnover of approximately SEK 500 million. Operating profit improved by SEK 630 million and totalled SEK 923 (293) million. Financial income and expense decreased to SEK 52 million net. The deterioration is primarily explained by exchange rate losses and a lower return on interest-bearing investments. Income after financial items increased by SEK 579 million to SEK 975 million. Return on shareholders' equity was 7.8 per cent and the equity/assets ratio was 73 per cent.

#### OBJECTIVE

LKAB's overall objective for 2003 has been the focus on quality, service and cost effi-

ciency. Quality work in LKAB is the company's most important instrument for continued competitiveness and profitability also during downturns. LKAB is working on a strongly competitive market and must accordingly continually improve its cost efficiency.

LKAB's overall financial objective is sustainable profitability. The long-term target for return on operating assets is 10 per cent, corresponding to 11 per cent on shareholders' equity after tax measured over a business cycle. The target has been set in the light of the industry being capital intensive and cyclically sensitive. The equity/assets ratio is to be at least 50 per cent.

#### DIVIDEND POLICY

Dividend is to be 30–50 per cent of net profit in the long term and adapted to the average level of profit over a business cycle.

#### ASSESSMENT

Viewed as a result of internal measures combined with an improved market situation, LKAB has asserted itself well in 2003 on a highly consolidated and competitive market.

LKAB is investing over 1 per cent of net sales on research and development. The overall objective is to safeguard the competitiveness of the company's product portfolio.

In 2003, LKAB reached the set target for return on operating assets but not on shareholders' equity. The company has a very good equity/assets ratio. In the 2002 financial year, LKAB distributed an additional dividend of SEK 120 million in addition to the ordinary dividend of SEK 231 million. In the 2003 financial year, LKAB distributed a dividend of SEK 281 million to the owner.

In 2004, an even better result is forecast and likewise profitability. Work on reducing production disruptions and increasing production volume without any tangible major investments is continuing during 2004.



Chairman: Björn Sprängare



MD: Martin Ivert

INCOME STATEMENT, SEKm	2003	2002
Net turnover	7,466	5,186
Expenses	-6,543	-4,893
<b>Operating profit</b>	<b>923</b>	<b>293</b>
Financial income	182	185
Financial expenses	-129	-81
<b>Profit before tax</b>	<b>975</b>	<b>396</b>
Tax	-286	-96
Minority	-1	-5
<b>Net profit/loss for the year</b>	<b>688</b>	<b>295</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	6,782	6,803
Interest-bearing fixed assets	121	123
Non-interest bearing current assets	2,490	1,712
Interest-bearing current assets	2,944	3,045
<b>Total assets</b>	<b>12,337</b>	<b>11,683</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	9,004	8,673
Minority	4	3
Interest-bearing appropriations	908	902
Non-interest bearing appropriations	1,300	1,254
Interest-bearing long-term liabilities	2	2
Non-interest bearing current liabilities	1,119	850
<b>Total liabilities and shareholders' equity</b>	<b>12,337</b>	<b>11,683</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	1,226	1,184
Cash flow from investment activities	-976	-573
Cash flow from financing activities	-351	-346

KEY RATIOS	2003	2002
Return on equity (average), %	7.8	3.5
Return on total assets (average), %	9.2	4.1
Return on capital employed (average), %	11.3	5.0
Return on operating capital (average), %	13.9	4.5
Equity/assets ratio, %	73.0	74.3

OTHER, SEKm	2003	2002
Proposed dividend	281	231
Additional dividend	-	120
Gross investment	1,054	560
Depreciation and write-downs	1,049	994
Average no. of employees	3,433	3,078
Sick leave, %	6.3	6.0
Share owned by state, %	100	100



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 9% / Men 91%
Management group	Women 0% / Men 100%
Board of directors	Women 22% / Men 78%
Environmental policy	YES
Environmental management system	ISO 14001

#### Board of directors and auditors 2003/2004

**Chairman:** Björn Sprängare. **Board members:** Christer Berggren, Stina Blombäck, Lars-Åke Helgesson, Hans Christer Olson, Carl Wilhelm Ros, Ursula Tengelin, Egil M. Uillebø. (Per Ola-Eriksson was appointed at the annual general meeting of shareholders in 2004).

**Employee representatives:** Tomas Nilsson, Bertil Thornberg, Karl Wikström. **Deputy employee representatives:** Hans Fångvall, Tomas Kohkoinen, Torsten Tornéus. **Auditors:** Roland Nilsson och Annicka Brännström, KPMG Bohlins.



Posten AB was created in 1994 after the Riksdag decided to open up the Swedish postal market for free competition and in conjunction with this to reorganise the previous Post Administration as a limited company.

#### OPERATIONS

Posten operates in the markets for administrative communications, direct advertising and logistics services. Posten's markets extend from the flows of physical letters and parcels to services that combine physical and electronic flows and, to some extent, wholly electronic services. Geographically, Sweden is the main market. Through its subsidiaries and partners, Posten is also able to provide services to its customers internationally. According to its licensing conditions for engaging in postal operations in Sweden, Posten is required to provide a letter and parcels service for the whole of the community. By law, Posten is also at present obliged to provide a daily, nationwide cash service.

#### FINANCES

Posten's net turnover increased in 2003 by SEK 887 million to SEK 24,519 million, primarily as a result of price adjustments. The operating loss was SEK -278 million. The loss is due partly to one-off payments in the form of provisions for rationalisations in the terminal network and cuts in the central administration, and because Posten has not succeeded to a sufficient extent in adapting its costs to reduced volumes of letters and decreasing cash transactions. The cash flow for financing activities was negative at SEK -524 million, which is an improvement by SEK 1 289 million, mainly due to reduced investments. The negative result led to the equity/assets ratio decreasing by 1 percentage point to 18 per cent.

#### OBJECTIVE

According to previous statements, Posten is to achieve a return on adjusted shareholders' equity defined as risk-free interest plus risk supplement. According to the same statement, the equity/assets

ratio was to be 30 per cent. At the annual general meeting of shareholders in 2004, these objectives were replaced by a profitability target of 10 per cent of net profit in relation to average book value, assuming a minimum equity/assets ratio of 25 per cent, and the target that the equity/assets ratio should be at least 25 per cent. It is expected that the financial targets will be achieved at the latest by the end of 2006, whereupon the objectives will be evaluated and possibly revised.

#### DIVIDEND POLICY

The dividend policy has not previously been specified in detail. At the annual general meeting of shareholders in 2004, it was established that Posten is to pay a dividend of 40 per cent of the net profit taking into consideration the company's financial position and capital requirements.

#### ASSESSMENT

Today, Posten is in quality terms one of the world's foremost suppliers of letter services. Through Posten's new service network, customers have increased access to Posten's services. Continued information about and development of the new service network is considered to be necessary, however, in order to increase clarity and quality. There is increased competition in the areas of activities that Posten operates in. Posten's profitability and financial position are not satisfactory. Posten must undertake the required measures to strengthen the company's profitability and financial position. This is essential to retain competitiveness and a financial position without the risk of additional capital being required from the owner. Cost-effectiveness is considered to be too low at present to achieve long-term profitability. The government's requirement for a basic cash service has also had a highly negative impact on the company's profitability. The company has initiated and carried out a number of measures, both on the costs and income side, to strengthen the company's profitability and trademark. This work must continue in future.



Chair: Marianne Nivert



MD: Erik Olsson

INCOME STATEMENT, SEKm	2003	2002
Net turnover	24,519	23,632
Expenses	-24,256	-24,317
Items affecting comparability	-539	732
Profit/loss from participations in associated companies	-2	-18

<b>Operating profit</b>	<b>-278</b>	<b>29</b>
Financial income	108	197
Financial expenses	-83	-157
<b>Profit before tax</b>	<b>-253</b>	<b>69</b>
Tax	20	-865
Minority	-5	8
<b>Net profit/loss for the year</b>	<b>-238</b>	<b>-788</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	5,558	5,942
Non-interest bearing current assets	3,607	3,751
Interest-bearing current assets	3,496	4,170
<b>Total assets</b>	<b>12,662</b>	<b>13,863</b>

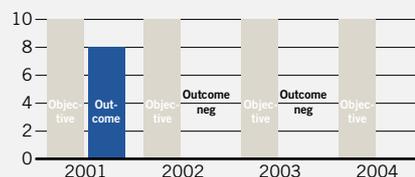
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	2,308	2,587
Minority	20	12
Interest-bearing appropriations	366	343
Non-interest bearing appropriations	3,532	3,752
Interest-bearing long-term liabilities	898	555
Non-interest bearing long-term liabilities	103	60
Interest-bearing current liabilities	582	1,124
Non-interest bearing current liabilities	4,853	5,430
<b>Total liabilities and shareholders' equity</b>	<b>12,662</b>	<b>13,863</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	281	-22
Cash flow from investment activities	-805	-1,791
Cash flow from financing activities	100	-550

KEY RATIOS	2003	2002
Return on equity (average), %	neg	neg
Return on total assets (average), %	neg	1.4
Return on capital employed (average), %	neg	3.8
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	18.4	18.7

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	919	1,740
Depreciation and write-downs	1,076	984
Average no. of employees	37,905	39,554
Sick leave, %	8.8	n.a.
Share owned by state, %	100	100

#### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 43% / Men 57%
Management group	Women 29% / Men 71%
Board of directors	Women 57% / Men 43%
Environmental policy	YES
Environmental management system	ISO 14001

#### Board of directors and auditors 2003/2004

**Chair:** Marianne Nivert. **Board members:** Mats Abrahamsson, Jonas Iversen, Jan Kvarnström, Ulla Litzén, Katarina Molin, Christina Ragsten-Petersson. **Employee representatives:** Åke Kihlberg, Alf Mellström, Kjell Strömbäck. **Auditors:** Stefan Holmström, KPMG and Curt Öberg, Riksrevisionen (state audit institution).



The company was established in 2001 when the public enterprise Statens Järnvägar (Swedish State Railways) was incorporated. After incorporation, Statens järnvägar's passenger services are operated by SJ AB. The company then took over the public enterprise's rail passenger services. In 2003, SJ received additional capital of SEK 1,555 million. In 2003, SJ initiated a programme to improve earnings. At the end of the year, the board decided to invest a half billion kronor to refurbish the X2000 trains.

#### OPERATIONS

SJ develops, produces and sells travel services directly based on train travel in collaboration with other parties. The services offered include interregional, regional and local services and day and night services. SJ is to offer attractively priced travel for travellers within and outside Sweden, to enable them to carry out their planned activities during the journey and on arrival in the best way. The company operates in two markets where the competition situation differs, train services provided by SJ itself and as a contractor for various county transport companies (contract services).

The company's market share is 55 per cent of the total market for rail passenger services in Sweden and the market share for long-distance train travel is 90 per cent.

The downturn has had a negative effect on travel and prices have been pushed down by competition from falling air travel prices. A large number of international train operators have become established in Sweden in the recent period.

#### FINANCES

Income totalled SEK 5,825 (5,711) million. The loss after net financial income was SEK -101 (-994) million. Restructuring expenses have totalled SEK 89 million and over 300 persons have been made redundant.

<sup>1)</sup> All key ratios comply with the recommendations of the Swedish Society of Financial Analysts.

In December 2002, the company's board of directors drew up a balance sheet for liquidation purposes in accordance with the Companies Act. At an extraordinary shareholders' meeting in January 2003, it was decided to make use of a period of respite of eight months to investigate the possibilities of restoring the capital of SJ. In June, the Government provided an undertaking of a capital contribution totalling SEK 1,555 million. In August an extraordinary shareholders' meeting decided that operations were to continue. The capital contribution was paid in December 2003.

#### OBJECTIVE

The owner's long-term financial requirement on SJ is a return on shareholders' equity after tax of at least 30 per cent, a return on shareholders' equity of 13 per cent over a business cycle, a debt/equity ratio of at most 1 and an interest coverage ratio of 2<sup>1)</sup>.

#### DIVIDEND POLICY

Ordinary dividend is to be at least a third of the annual profit, when the target for the equity/assets ratio has been met. Furthermore, an additional dividend is to be paid when required to achieve an effective capital structure.

#### ASSESSMENT

Satisfied customers are of crucial importance for SJ to be a profitable and competitive travel company with a stable position in a changing transport market. In 2003, the company has made great efforts to improve service, quality and punctuality. In 2003, the company also introduced a travel time guarantee and a decision was taken on substantial investments in refurbishment of the high-speed trains. SJ has also worked intensively with internal work to achieve added value and cost savings.

It is of exceptional importance that SJ continues its ongoing programme of measures in accordance with the set timetable. The company must also be prepared for changes in the market.



Chairman: Ulf Adelson



MD: Jan Forsberg

INCOME STATEMENT, SEKm	2003	2002
Net turnover	5,825	5,711
Expenses	-5,575	-5,511
Items affecting comparability	-77	-912
Profit/loss from participations in associated companies	1	0
<b>Operating profit</b>	<b>174</b>	<b>-712</b>
Financial income	126	130
Financial expenses	-401	-412
<b>Profit before tax</b>	<b>-101</b>	<b>-994</b>
<b>Net profit/loss for the year</b>	<b>-101</b>	<b>-994</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	294	6,416
Interest-bearing fixed assets	5,377	1,523
Non-interest bearing current assets	24	558
Interest-bearing current assets	1,310	639
<b>Total assets</b>	<b>7,005</b>	<b>9,136</b>

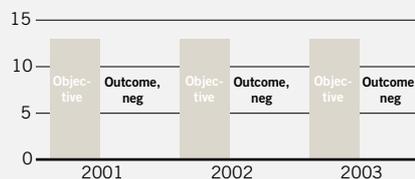
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	1,324	-149
Interest-bearing appropriations	95	90
Non-interest bearing appropriations	1,291	1,516
Interest-bearing long-term liabilities	2,797	6,059
Non-interest bearing current liabilities	1,498	1,620
<b>Total liabilities and shareholders' equity</b>	<b>7,005</b>	<b>9,136</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	143	251
Cash flow from investment activities	-99	-308
Cash flow from financing activities	27	202

KEY RATIOS	2003	2002
Return on equity (average), %	neg	neg
Return on total assets (average), %	3.7	neg
Return on capital employed (average), %	5.8	neg
Return on operating capital (average), %	25.3	neg
Equity/assets ratio, %	18.9	neg

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	101	342
Depreciation and write-downs	550	490
Average no. of employees	3,524	3,631
Sick leave, %	9.0	10.0
Share owned by state, %	100	100

#### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 36% / Men 64%
Management group	Women 20% / Men 80%
Board of directors	Women 33% / Men 67%
Environmental policy	YES
Environmental management system	OWN

#### Board of directors and auditors 2003/2004

**Chairman:** Ulf Adelson. **Board members:** Monica Caneman, Roland Fahlin, Peter Fallenius, Eva Halvarsson, Björn Mikkelsen, Bo Severed, Ingela Tuvegran. (Eva Halvardsson and Bo Severed resigned at the annual general meeting of shareholders in 2004). **Employee representatives:** Lena Aldenmark, Nils-Gunnar Nyholm, Tomas Winäs. **Auditors:** Jan Berntsson, Deloitte & Touche and Filip Cassel, Rikskrevisionen (state audit institution).

The fee to the Chairman of the Board is SEK 220,000 (220,000) in 2004. Fees to board members elected at the annual general meeting total SEK 100,000 (90,000) in 2004.



Specialfastigheter was created in 1997 by Vasakronan AB with the intention of owning and managing properties built for special purposes. The shares of the company were subsequently distributed to the state in 1998. The company is to be owned by the state in the long-term.

### OPERATIONS

Through its subsidiaries, the company owns properties intended for special purposes, for instance, rescue services training schools, correctional facilities and community youth homes. The major tenants are the National Prison and Probation Administration, the National Police Board, the Swedish Armed Forces, the Swedish Rescue Services Agency, state special schools and the National Board of Institutional Care.

A number of construction projects have been started to reduce the shortage of places in the penal care system. During the year, Specialfastigheter have completed approximately 150 new penal care places. An extensive extension and refurbishment of the Kronoberg block in Stockholm for the National Police Board is also in process.

### FINANCES

Specialfastigheter's rental income for 2003 totalled SEK 991 (943) million. The group's profit after net financial expenses totalled SEK 158 (111) million in 2003. The increase in earnings is due partly to changed accounting principles for interest on construction loans and partly to a reduction in maintenance costs. Specialfastigheter's rental portfolio is characterised by long-term leases with government agencies. The average remaining term in the rental portfolio is approximately ten years. The properties' book value is approximately SEK 5 billion.

### OBJECTIVE

Specialfastigheter is to own and manage special properties for public authorities in the long-term, with a view to obtaining a return on the total capital in accordance with the owner's requirements. Specialfastigheter's activities are to be

conducted in such a way as to meet the needs of the agencies that lease and use the premises.

The focus of the special property operations should be to support the agency that uses the special properties in its operations. The company is to endeavour to achieve an open and active dialogue with tenants in matters concerning the premises. An important objective for the company is to optimise customer benefit, by providing maximum benefit at a given rent level. The company's return on average shareholders' equity should correspond to the five-year government bond rate plus 2.5 percentage points, over a business cycle.

### DIVIDEND POLICY

The group's dividend policy is to have the target of distributing 50 per cent of the net profit for the year. In decisions on dividends, consideration is to be given to the company's financial position.

### ASSESSMENT

The company's equity/assets ratio at the end of 2003 was 22 per cent. Return on shareholders' equity was 8.8 per cent. Specialfastigheter has accordingly met the owner's financial targets. In the 2003 NKI measurement (satisfied customer index), Specialfastigheter scored 78 points out of a possible total of 100. The best-rated commercial property owner had 76 points. The company's target for the next measurement, which will take place in 2005, is 79 points.

The number of inmates in penal care institutions has increased greatly in recent years, at the same time as the Government has demanded that the National Prison and Probation Administration make savings. The future construction of penal care buildings will therefore be focused on larger institutions and fewer units.

The greatest challenge in the coming years is to cope with capacity expansion for the company's biggest customers, at the same time as increasing efficiency in property management.



Chairman: Eva-Britt Gustafsson

MD: Curt Bylund

INCOME STATEMENT, SEKm	2003	2002
Rental and management income	1,058	997
Operating and maintenance expenses	-439	-442
Property tax	-20	-20
<b>Operating profit</b>	<b>599</b>	<b>535</b>
Depreciation	-236	-222
Administration	-37	-36
Property sales	1	5
<b>Operating profit</b>	<b>327</b>	<b>282</b>
Net financial income	-169	-170
<b>Profit before tax</b>	<b>158</b>	<b>111</b>
Tax	-46	-31
<b>Net profit/loss for the year</b>	<b>112</b>	<b>80</b>

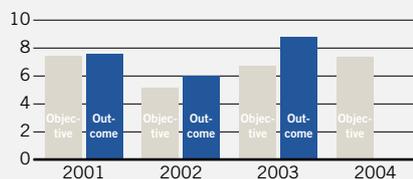
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	5,588	5,297
Non-interest bearing current assets	94	211
Interest-bearing current assets	239	213
<b>Total assets</b>	<b>5,921</b>	<b>5,721</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	1,297	1,275
Non-interest bearing appropriations	102	100
Interest-bearing long-term liabilities	3,404	2,590
Interest-bearing current liabilities	600	1,274
Non-interest bearing current liabilities	518	482
<b>Total liabilities and shareholders' equity</b>	<b>5,921</b>	<b>5,721</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	491	315
Cash flow from investment activities	-515	-299
Cash flow from financing activities	50	62

KEY RATIOS	2003	2002
Return on equity (average), %	8.8	6.7
Return on total assets (average), %	5.7	5.0
Return on capital employed (average), %	6.3	5.5
Return on operating capital (average), %	6.5	5.7
Equity/assets ratio, %	21.9	22.3
Area of premises, 000 sq.m	980	977
Book value, properties, SEKm	5,067	5,037

OTHER, SEKm	2003	2002
Proposed dividend	56	40
Additional dividend	-	50
Gross investment	524	316
Depreciation and write-downs	237	223
Average no. of employees	98	93
Sick leave, %	2.9	3.1
Share owned by state, %	100	100

### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 17% / Men 83%
Management group	Women 17% / Men 83%
Board of directors	Women 50% / Men 50%
Environmental policy	YES
Environmental management system	OWN

### Board of directors and auditors 2003/2004

**Chairman:** Eva-Britt Gustafsson. **Board members:** Curt Bylund, Marianne Förander, Claes Kjellander, Håkan Lennersand, Carina Wång, Ingmar Ziegler. (Håkan Lennersand resigned at the annual general meeting of shareholders in 2004). **Employee representatives:** Thord Cling, Hans Hansson. **Auditors:** Hans Åkervall, KPMG and Jonas Hällström, Riksrevisionen (state audit institution).

The fee to the Chairman of the Board is SEK 120,000 (110,000) in 2004. Fees to board members elected at the annual general meeting total SEK 60,000 (60,000) in 2004.



From 1 July 1985, SBAB (the Swedish National Housing Finance Corporation) took over the task of financing government housing loans, which until then had been financed through the state budget. The company financed loans that had been decided upon by the National Housing Board and the county housing boards. SBAB is a housing loan institution, which is independent of the banks, and is to contribute to competition and diversity in the market in an efficient and profitable way.

#### OPERATIONS

SBAB is now the leading challenger in the mortgage market, with approximately 230,000 customers and a market share of 7.7 per cent of the private market and approximately 10,000 customers and a market share of 18.3 per cent of the corporate market. SBAB offers mortgages through the internet and by telephone. Approximately 65 per cent of the private customers apply for loans through the Internet, which is one of the reasons why SBAB can offer one of the market's lowest mortgage rates. SBAB's strategy for growth is a continued investment in private customers and tenant-owner associations and competitive borrowing in and outside Sweden.

#### FINANCES

The operating profit for 2003 increased by 17 per cent to SEK 721 (618) million. Underlying this improvement in earnings was an increase in new lending in the private market, continued good results for borrowing operations, restructuring of the property portfolio and very low net loan losses, SEK 28 (74) million.

The operating profit is the best ever since SBAB started operations in 1985. In the past four years, earnings have improved by 82 per cent.

#### OBJECTIVE

The return on the average shareholders' equity shall correspond to the five-year government bond rate plus 5 percentage points, over a business cycle, at present 9.7 per cent.

For customers, to achieve the mortgage industry's most satisfied customers.

For personnel, to become a certified "investor in people" company.

To achieve the highest stock of confidence in the industry.

#### DIVIDEND POLICY

The dividend target is to be a third of the annual profit.

#### ASSESSMENT

Return on shareholders' equity was 11 per cent and other targets were reached or surpassed.



Chairman: Claes Kjellander



MD: Eva Cederbalk

INCOME STATEMENT, SEKm	2003	2002
Net interest income	1,253	1,175
Net commission	-30	-15
Other operating income	2	3
<b>Total operating income</b>	<b>1,225</b>	<b>1,163</b>
General administration expenses	-414	-415
Other operating expenses	-55	-44
Depreciation	-12	-12
<b>Profit before loan losses</b>	<b>744</b>	<b>692</b>
Loan losses, net	-28	-74
Change in value of property taken over	5	0
<b>Profit before tax</b>	<b>721</b>	<b>618</b>
Tax	-202	-173
Minority	0	-1
<b>Net profit/loss for the year</b>	<b>519</b>	<b>444</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	984	1,508
Interest-bearing fixed assets	126,482	135,009
Non-interest bearing current assets	611	720
Interest-bearing current assets	3,777	581
<b>Total assets</b>	<b>131,854</b>	<b>137,818</b>

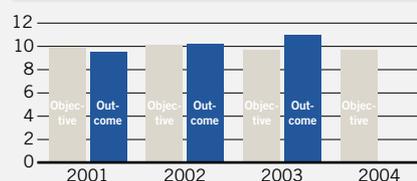
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	4,926	4,544
Minority	198	149
Non-interest bearing appropriations	246	212
Interest-bearing long-term liabilities	37,130	22,005
Interest-bearing current liabilities	86,932	108,747
Non-interest bearing current liabilities	2,422	2,161
<b>Total liabilities and shareholders' equity</b>	<b>131,854</b>	<b>137,818</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	4,528	11,267
Cash flow from investment activities	-38	-13
Cash flow from financing activities	-4,420	-11,221

KEY RATIOS	2003	2002
Return on equity (average), %	11.0	10.2
New lending, SEKm	21,888	15,144
I/C ratio excl loan losses	2.5	2.5
Capital adequacy ratio, %	10.2	10.0

OTHER, SEKm	2003	2002
Proposed dividend	143	137
Gross investment	40	14
Depreciation and write-downs	12	12
Average no. of employees	353	388
Sick leave, %	4.0	4.4
Share owned by state, %	100	100

#### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	YES
Equal opportunities plan	YES
Employees	Women 51% / Men 49%
Management group	Women 27% / Men 73%
Board of directors	Women 38% / Men 62%
Environmental policy	YES
Environmental management system	OWN

#### Board of directors and auditors 2003/2004

**Chairman:** Claes Kjellander. **Vice Chairman:** Christina Ragsten Pettersson. **Board members:** Jan Berg, Per-Erik Granström, Kerstin Grönwall, Lars Linder Aronsson, Christer Malm, Michael Thorén. (Christer Malm resigned and Helena Levander was appointed at the annual general meeting of shareholders in 2004). **Employee representative:** Anders Blom. **Auditors:** Per Bergman, KPMG and appointed by Finansinspektionen, Hans Lindén, Öhrlings Pricewaterhouse Coopers.



Chairman: Claes Ånstrand

MD: Viktoria Aastrup

## Förvaltningsaktiebolaget Statum

Förvaltningsaktiebolaget Statum's was called SIB-Invest AB until April 1993. At this time, Statum was owned by Förvaltningsaktiebolaget Fortia in liquidation. In conjunction with the termination of Fortia's liquidation in 1993, certain shareholding in Fortia was transferred to the state as a directly-owned company and some shares, primarily in jointly-owned companies, were transferred to Statum. The Statum group consisted of the operating companies SIB-Realrenting and Eriksbergs Förvaltningsaktiebolag, and the dormant company Sibtec.

Assets also existed in the form of holdings in Jaerdaler A/S in bankruptcy, Sara Orient Hotels Ltd, Paralog i konkurs AB, Partnerinvesteringar i Göteborg AB, Nynäskombinatet NYKOMB AB, Pharmacia AB, SSAB Svenskt Stål AB, Ncb AB, Cementa AB and Celsius Industrier AB.

### OPERATIONS

Statum is a management company with the task of managing certain shareholdings. The Statum group manages shares in the subsidiaries Statsföretag and preference shares in the Swedish Space Com-

pany (Svenska Rymdaktiebolaget) with a nominal value of SEK 350 million. Statum also holds treasury bills to an amount of almost SEK 200 million. During 2003, Statum underwent some restructuring and the holding in Sveaskog was distributed to the owner, i.e. the Swedish state. At the same time, Fortia changed its name to Förvaltningsaktiebolaget Statum and Förvaltningsaktiebolaget Statum to Sveaskog Holding AB. Aktiebolaget Fortia has since then been registered as a secondary name for Förvaltningsaktiebolaget Statum. The company has been administered by the Ministry of Industry, Employment and Communications.

### FINANCES

Statum as a management company has no income from operations and operating profit is accordingly negative. Profit after net financial income totalled SEK 19.9 million from interest income and dividend from financial assets.

There is no dividend policy since the dividend requirement from the owner varies from year to year. In 2003, Statum distributed SEK 1 billion to its owner, the state.

INCOME STATEMENT, SEKm	2003	2002
Net turnover	0	0
Expenses	0	0
<b>Operating profit</b>	<b>0</b>	<b>0</b>
Financial income	20	1
Financial expenses	0	0
<b>Profit before tax</b>	<b>20</b>	<b>1</b>
Tax	-6	0
<b>Net profit/loss for the year</b>	<b>14</b>	<b>1</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Interest-bearing fixed assets	350	350
Non-interest bearing current assets	0	0
Interest-bearing current assets	192	956
<b>Total assets</b>	<b>542</b>	<b>1,306</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	537	1,306
Non-interest bearing current liabilities	6	0
<b>Total liabilities and shareholders' equity</b>	<b>542</b>	<b>1,306</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	25	0
Cash flow from investment activities	760	0
Cash flow from financing activities	-784	0

KEY RATIOS	2003	2002
Return on equity (average), %	1.6	0.1
Return on total assets (average), %	2.2	0.2
Return on capital employed (average), %	2.2	0.2
Return on operating capital (average), %	9.1	neg
Equity/assets ratio, %	98.9	100

OTHER, SEKm	2003	2002
Proposed dividend	0	1,000
Gross investment	0	350
Depreciation and write-downs	0	0
Average no. of employees	1	1
Share owned by state, %	100	100

Ethical policy	NO
Equal opportunities policy	NO
Employees	Women 100% / Men 0%
Management group	Women 100% / Men 0%
Board of directors	Women 60% / Men 40%
Environmental policy	NO
Environmental management system	NO

### Board of directors and auditors 2003/2004

**Chairman:** Claes Ånstrand. **Board members:** Viktoria Aastrup, Fredrik Ahlén, Lars Johan Cederlund, Eva Halvarsson, Margareta Gårdmark Nylén. (Viktoria Aastrup will resign at the annual general meeting of shareholders for 2004, which takes place on 14 June). **Auditors:** Göran Tidström, Öhrlings PricewaterhouseCoopers and Roland Nilsson, KPMG.

The fee to the Chairman of the Board is SEK 0 (0) in 2004. Fees to board members elected at the annual general meeting total SEK 15,000 (15,000) in 2004.

# SVEASKOG

Sveaskog is Sweden's largest forest owner with 4.6 million hectares of forested land. The company owns AssiDomän Cartonboard, a cartonboard factory in Frövi and is a joint owner of Sweden's largest sawmill company Setra AB. The company is owned by Sveaskog Holding AB, which is wholly owned by the Swedish state.

## OPERATIONS

Sveaskog has a leading position in the Swedish timber market and supplies approximately 20 per cent of the total consumption in Sweden. Forestry and timber sales are based on a holding of productive forested land, which comprises approximately 3.5 million hectares. In some cases, deliveries are made under supply agreements with various industries that extend over one or several years. Operations are concentrated in central and northern Sweden.

Sveaskog carries out an environmentally-oriented forestry and gives priority to conservation on 20 per cent of the productive forested land. Sveaskog continuously creates eco parks where the company engages in modified forestry with the focus on people and nature.

Sveaskog's sales of forested land to natural persons has accelerated in 2003. Sveaskog has concluded an agreement with the Environmental Protection Agency on the conditions for providing replacement land to individuals in those cases where replacement land is required on acquisition by the state of land for creating nature reserves.

In 2003, Sveaskog, together with LRF and Mellanskog, established a sawmill company under the name of Setra Group AB. The owners merged their interests in sawmills, further refinement of wooden products and distribution of construction products in this company. Sveaskog owns 50 per cent of the shares in Setra.

On 1 April 2003, Sveaskog took over the state-owned Svenska Skogsplanter AB.

This business is producing a profit after a financial reconstruction and change work.

## FINANCES

Sveaskog's net sales were SEK 8,420 (8,390) million. Net profit for the year was SEK 941 (579) million. SEK 207 million of the increase in profit was increased capital gains on property sales. The return on shareholders' equity was 7.4 (4.7) per cent. During 2003, Sveaskog paid an ordinary dividend of SEK 296 million and an additional dividend of SEK 600 million. The board has proposed a dividend of SEK 355 million for the financial year 2003.

## OBJECTIVE

Sveaskog's forests are to be managed in an exemplary way, both from the point of view of production and the environment. Sveaskog is to achieve a total return on a par with other comparable operations in competitive conditions. The operating profit from current operations (excluding property sales) shall be at least 5 per cent on the tied-up capital (operating capital) over a business cycle. The interest coverage ratio shall not be less than 2.0. The debt/equity ratio is to be approximately 1.0.

## DIVIDEND POLICY

Ordinary dividend is to be equivalent to at least 50 per cent of net profit over a business cycle. Sveaskog's consolidation requirements and financial position otherwise are to be taken into consideration.

## ASSESSMENT

Sveaskog's profitability is good. Sveaskog's conservation work has been recognised. The objectives with regard to return, forestry and property sales have been achieved. The Government makes the assessment that Sveaskog has complied with the objectives set for the company.



Chairman: Bo Dockered



MD: Lars Sköld

INCOME STATEMENT, SEKm	2003	2002
Net turnover	8,420	8,390
Expenses	-6,857	-7,129
<b>Operating profit</b>	<b>1,563</b>	<b>1,261</b>
Financial income	30	47
Financial expenses	-546	-542
<b>Profit before tax</b>	<b>1,047</b>	<b>766</b>
Tax	-106	-187
<b>Net profit/loss for the year</b>	<b>941</b>	<b>579</b>

<sup>1)</sup> Pro forma.

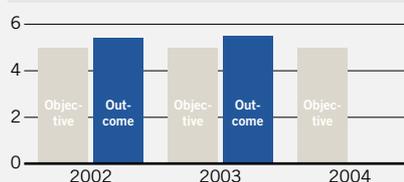
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	23,950	24,525
Interest-bearing fixed assets	521	1
Non-interest bearing current assets	2,592	2,376
Interest-bearing current assets	319	336
<b>Total assets</b>	<b>27,382</b>	<b>27,238</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	12,715	12,727
Interest-bearing appropriations	841	856
Non-interest bearing appropriations	2,471	2,487
Interest-bearing long-term liabilities	6,738	6,895
Non-interest bearing long-term liabilities	7	6
Interest-bearing current liabilities	2,904	2,407
Non-interest bearing current liabilities	1,706	1,860
<b>Total liabilities and shareholders' equity</b>	<b>27,382</b>	<b>27,238</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	697	1,317
Cash flow from investment activities	158	-2,341
Cash flow from financing activities	-872	-5,201

KEY RATIOS	2003	2002
Return on equity (average), %	7.4	4.7
Return on total assets (average), %	5.8	4.5
Return on operating capital (average), %	5.5	5.4
Interest coverage ratio	2.9	2.4
Debt/equity ratio	0.8	0.8
Equity/assets ratio, %	46.4	46.7
Total land area, million ha	4.6	4.6
Book value, forest, SEKm	20,783	21,015

OTHER, SEKm	2003	2002
Proposed dividend	355	296
Additional dividend	-	600
Gross investment	306	2,426
Depreciation and write-downs	323	365
Average no. of employees	2,211	2,433
Sick leave, %	4.9	5.9
Share owned by state, %	100	100

## REPORTED RETURN FROM OPERATING ACTIVITIES, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 14% / Men 86%
Management group	Women 0% / Men 100%
Board of directors	Women 63% / Men 37%
Environmental policy	YES
Environmental management system	ISO 14001/FSC

## Board of directors and auditors 2003/2004

**Chairman:** Bo Dockered. **Board members:** Håkan Ahlqvist, Lars Johan Cederlund, Åsa Domeij, Lena Johansson, Birgitta Johansson-Hedberg, Christina Liffner, Åsa Tham. **Employee representatives:** Pelle Eriksson, Roland Johanson, Rolf Sellbrand. **Deputy employee representatives:** Karl-Åke Kjellberg, Sture Persson. **Auditors:** Torbjörn Köhler and Torsten Lyth, Ernst & Young.

The fee to the Chairman of the Board is SEK 450,000 (660,000) in 2004. Fees to board members elected at the annual general meeting total SEK 120,000 (120,000) in 2004.

# SEK

AB Svensk Exportkredit (SEK) was created jointly by the state and the Swedish commercial banks in 1962. In July 2000, the ownership situation was changed when the state's ownership share was increased to 65 per cent. Since June 2003, the state has been sole owner of SEK. SEK provides medium and long-term credits for Swedish export transactions and for investment. Furthermore, SEK offers its clients capital market products and financial advisory services.

## OPERATIONS

SEK shall promote the development of Swedish business and the Swedish export industry as well as participating in Swedish international financing operations on a commercial basis. The commercial operations are to be operated in such a way that SEK is always regarded as a first-class borrower. Consequently, SEK is selective in its choice of business and its chief priority is to have a high credit rating. In this way, the cost of borrowing will be lower. SEK is developing into a more proactive and customer-focused company.

SEK administers the Swedish system for state-aided export credits at fixed interest rates (known as the CIRR system) and the state's development assistance credit system on behalf of the Swedish state. The volume of transactions in the state-aided system partly depends on the international interest-rate level and the state of the international economy.

New financial solutions are being continuously developed in the market, which necessitates that SEK develops new services.

## FINANCES

In 2003, profit before tax totalled SEK 595.3 (664) million. Administration expenses increased by 13.9 per cent primarily due to investments in business operations and an IT project. Return on shareholders' equity was 13.6 (12.9) per cent.

The total credit portfolio with outstanding credits decreased during the period by 7.0 per cent to SEK 60.9 billion. This reduction was primarily due to exchange rate differences due to the weakening of the dollar. SEK's rating for borrowing in Swedish and foreign currency is Aa1 from Moody's and AA+ from Standard & Poors. The capital adequacy ratio was 16.6 per cent, compared with 17.0 per cent the previous year.

## OBJECTIVE

SEK provides medium and long-term credits for Swedish export transactions and for investments. SEK's objective is to promote Swedish business and the export industry and Swedish trade and to participate in international financing activities on a commercial basis. SEK is focusing on increasing the range of products and adapting activities to customer needs. Operations are to be conducted so as to provide a satisfactory return on invested capital.

## DIVIDEND POLICY

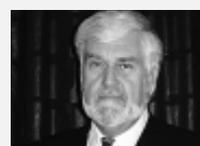
SEK's dividend policy aims at generating a market return on shareholders' equity in the long-term at the same time as the company is always to have risk capital which complies with the legal requirements by a broad margin. In June 2003, SEK 1,240 million was paid through a directed issue to ABB. At the same time, the Swedish state purchased ABB's shares in SEK. In conjunction with the change of ownership, the Government declared that SEK would have a restrictive dividend policy for a period in the light of the reduction of core capital in conjunction with the above-mentioned dividend.

## ASSESSMENT

Despite the downturn, SEK has succeeded in maintaining a good return. At the same time, the restrictive risk policy is being maintained, which has also led to SEK not incurring any loan losses. The capital adequacy ratio has remained high, even after the directed issue to ABB in 2003.

## Board of directors and auditors 2003/2004

**Chairman:** Björn Wolrath. **Board members:** Karin Apelman, Christina Liffner, Claes de Neergaard, Marianne Nivert, Anders Wenström. (Marianne Nivert resigned and Helena Levander and Risto Salander were appointed at the annual general meeting of shareholders in 2004).  
**Deputy:** Per Östensson. **Auditors:** Gunnar Abrahamson (appointed by Finansinspektionen), Staffan Kjellström, Caj Nackstad. A new auditor is Per Bergman who replaces the two former auditors in 2004. Gunnar Abrahamsson continues as auditor appointed by Finansinspektionen.  
**Deputy auditor:** Anders Linér, Göran Raspe. From 2004, Anders Linér will be the only deputy auditor.



Chairman: Björn Wolrath



MD: Peter Yngwe

INCOME STATEMENT, SEKm	2003	2002
Net interest income	758	798
Net commissions	-4	12
Remuneration from the S-system	30	33
Net financial transactions	12	-1
Other operating income	6	1
<b>Total operating income</b>	<b>802</b>	<b>843</b>
General administration expenses	-190	-166
Depreciation non-financial assets	-15	-8
Other operating expenses	-1	-5
<b>Operating profit</b>	<b>595</b>	<b>664</b>
Tax	-168	-185
<b>Net profit/loss for the year</b>	<b>428</b>	<b>480</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Treasury bonds	4,459	6,009
Lending to credit institutions	17,570	12,985
Lending to the general public	23,202	26,048
Bonds and other interest-bearing securities	95,299	79,394
Non-financial assets	202	178
Other assets	7,979	4,526
Prepaid expenses and accrued income	3,391	3,399
<b>Total assets</b>	<b>151,801</b>	<b>132,539</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Liabilities to credit institutions	2,546	612
Borrowing from the general public	29	33
Securities issued	129,990	111,968
Other assets	9,979	10,548
Prepaid income and accrued expenses	2,909	2,989
Appropriations	394	399
Subordinated liabilities	3,001	2,225
Shareholders' equity	2,952	3,765
<b>Total liabilities and shareholders' equity</b>	<b>151,801</b>	<b>132,539</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-19,448	13,607
Cash flow from investment activities	-39	-46
Cash flow from financing activities	19,488	-13,561

KEY RATIOS	2003	2002
Return on equity (average), %	13.6	12.9
Return on total assets (average), %	0.4	0.5
Tier 1 capital, SEKm	3,395	3,963
Capital base, SEKm	5,953	5,671
Tier 1 capital ratio, %	9.5	11.9
Capital adequacy ratio, %	16.6	17.0

OTHER, SEKm	2003	2002
Proposed dividend	0	1,240
Gross investment	47	47
Depreciation and write-downs	16	8
Average no. of employees	124	113
Sick leave, %	2.8	4.5
Share owned by state, %	100	64.7

Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 48% / Men 52%
Management group	Women 0% / Men 100%
Board of directors	Women 43% / Men 57%
Environmental policy	YES
Environmental management system	NO



The Swedish Space Corporation (Rymdbolaget) provides space-related technical expertise by development of space systems and airborne systems, launching rockets and balloons and control and reception of data from satellites. The major part of operations takes place at Esrange in Norrbotten.

#### OPERATIONS

The space industry is characterised by a low level of demand and consolidation among suppliers. The satellite control and data reception that the Swedish Space Corporation engages in at Esrange near Kiruna is expansive. Other operations at Esrange depend on the researchers who use the resources obtaining financing for their activities. The activities at Esrange are based on longer agreements with some European countries. Esrange has no equivalent in Europe due to its location close to the North Pole, the large landing area over land and easy access.

The development of space systems that takes place in Solna is highly dependent on orders from the Swedish National Space Board, and from the European space organisation, ESA. In 2003, the Space Corporation has very successfully concluded the development and commissioning of the moon probe Smart 1 on its way to the moon. Smart 1 was built on behalf of ESA. Access to new projects is at present limited.

In 2003, the Space Corporation owned half of the shares in Nordiska Satellit AB. In February 2001, the Space Corporation entered into an agreement with the other owner Société Européenne des Satellites (SES) to take over half of the Space Corporation's ownership of NSAB. The Space Corporation will continue to control and monitor NSAB's satellites from Esrange.

#### FINANCES

Turnover totalled SEK 430.4 (447) million. The net profit for the year was SEK 41.3 (37.1) million. The return on shareholders' equity was 5.7 (5.5) per cent. A slack order inflow and a weaker result from operations are anticipated in 2004.

#### OBJECTIVE

The development of space systems is expanding and accounting for a larger share of sales outside ESA/The Space Board. Esrange has maintained its position as a leading facility for launching probe rockets and balloons. Communication and control services for satellites are being developed based on the current activities at Kiruna. The objective is partly to reinforce the market position for reception and processing of data from polar satellites, to enter into partnerships for satellite control and to develop consultancy activities in the field.

The financial objective is to provide a sustainable return of 11 per cent on adjusted shareholders' equity.

#### DIVIDEND POLICY

A dividend of 35 per cent of net profit exceeding SEK 10 million is to be paid.

#### ASSESSMENT

The Swedish Space Corporation has successfully completed its largest commission to date in space systems, namely the development of the moon probe Smart 1. In 2004, ownership in NSAB has been reduced a substantial capital gain can be anticipated. The financial targets were not achieved in 2003 and further business development will be required in 2004 as well as countering a weak order inflow. The Space Corporation has resources to utilise and develop the expertise that has been built up in the company.



Chairman: Lennart Lübeck

MD: Claes-Göran Borg

INCOME STATEMENT, SEKm	2003	2002
Net turnover	419	447
Expenses	-380	-448
Profit/loss from participations in associated companies	17	49
<b>Operating profit</b>	<b>56</b>	<b>48</b>
Financial income	8	12
<b>Profit before tax</b>	<b>64</b>	<b>60</b>
Tax	-23	-23
<b>Net profit/loss for the year</b>	<b>41</b>	<b>37</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	113	116
Interest-bearing fixed assets	421	413
Non-interest bearing current assets	71	80
Interest-bearing current assets	250	233
<b>Total assets</b>	<b>855</b>	<b>842</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	736	696
Non-interest bearing appropriations	14	11
Non-interest bearing current liabilities	105	135
<b>Total liabilities and shareholders' equity</b>	<b>855</b>	<b>842</b>

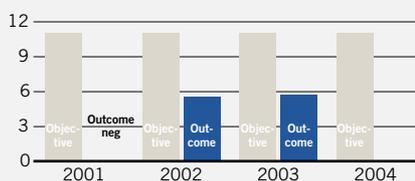
CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	50	98
Cash flow from investment activities	-32	-12
Cash flow from financing activities	-1	-2

KEY RATIOS	2003	2002
Return on equity (average), %	5.7	5.5
Return on total assets (average), %	7.5	7.2
Return on capital employed (average), %	8.9	8.8
Return on operating capital (average), %	67.8	neg
Equity/assets ratio, %	86.1	82.7

OTHER, SEKm	2003	2002
Proposed dividend	20.8 <sup>1)</sup>	1.4
Gross investment	31	27
Depreciation and write-downs	21	26
Average no. of employees	299	295
Sick leave, %	3.0	3.4
Share owned by state, %	100	100

<sup>1)</sup> Distributed to Statnum.

#### RETURN ON SHAREHOLDERS' EQUITY, %

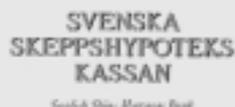


Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 26% / Men 74%
Management group	Women 0% / Men 100%
Board of directors	Women 57% / Men 43%
Environmental policy	NO
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Lennart Lübeck. **Board members:** Birgitta Ahlqvist, Lars Johan Cederlund, Katja Elväng, Kerstin Fredga, Maria Köhler, Per-Erik Mohlin. **Employee representatives:** Gunnar Florin, Carl-Ivar Mörtberg. **Deputy employee representatives:** Christer Colliander, Lennart Jonasson. **Auditors:** Evy Jakobsson, Öhrlings PricewaterhouseCoopers and Göran Selander, Riksrevisionen (state audit institution).

The fee to the Chairman of the Board is SEK 100,000 (100,000) in 2004. Fees to board members elected at the annual general meeting total SEK 50,000 (40,000) in 2004.



The Swedish Ships Mortgage Bank (bank) was established in 1929 with the task of facilitating finance for Swedish shipping companies and contributing to the renewal of the Swedish merchant fleet. The activities of the bank are subject to the Swedish Ships Mortgage Bank Act (1980:1097). The bank is not a limited company but a form of association of its own with a status under public law. The Government appoints the board of directors and auditors and grants the board discharge from liability.

#### OPERATIONS

The bank is required to contribute to the renewal and modernisation of the Swedish merchant fleet. The bank finances shipping operations which are Swedish-owned or foreign-owned with substantial Swedish interests and primarily advances long-term loans against security in Swedish or foreign ships. The bank conducts its operations on fully commercial terms and in competition with other credit institutions. The bank is also commissioned by the government to administer the affairs of the Board for Shipping Support.

#### FINANCES

The earnings of the Swedish Ships Mortgage Bank decreased by SEK 4 million to SEK 64 million. The falling dollar exchange rate has had an effect. The interest-rate situation has also entailed a decreased return on the statutory reserve. The statutory reserve totals SEK 1,076 (1,011) million. The bank granted SEK 900 (1,500) million new loans and loan payments totalled SEK 885 (976) million. At the end of 2003, the loan stock was SEK 4,610 (4,896) million. Total assets were SEK 5,640 (5,849) million.

Return on shareholders' equity was 6.3 (7.2) per cent and the equity/assets

ratio increased from 17.3 to 19.1 per cent. The capital adequacy ratio increased to 22.5 (20.2) per cent.

#### OBJECTIVE

The bank shall be the first and natural choice for financing for shipping companies. Through, inter alia, continued active marketing, the bank's share of the total market is to be increased. This is to take place by high demands on a businesslike approach and a good balance between competitiveness and profitability. The bank should be able to offer shipping companies attractive and favourable financial solutions.

The target for the bank's activities in 2004 includes a capital adequacy ratio of at least 12 per cent and an equity/assets ratio of at least 10 per cent. The bank pays no dividend. The bank's position is strong, enabling considerable expansion.

#### DIVIDEND POLICY

In view of the nature of the bank's activities, there is no dividend policy.

#### ASSESSMENT

The shipping industry is characterised by large variations in demand. Through efficient management of operations with few employees, the bank has contributed to the renewal and modernisation of the Swedish merchant fleet through attractive financial solutions. The market share is continuing to increase. At present, the market share of the bank is approximately 18 per cent. The affairs of the Board for Shipping Support have been administered in an efficient way.

The bank has complied with the financial objectives set for its operations by a broad margin. In 2003, the bank had no loan losses and no doubtful credits.

The bank has not had any loan losses since its start in 1929.



Chairman: Pehr G Gyllenhammar

MD: Birgitta Wickenberg Karlsson

INCOME STATEMENT, SEKm	2003	2002
Net turnover	167	249
Expenses	-103	-181
<b>Operating profit</b>	<b>64</b>	<b>68</b>
<b>Profit before tax</b>	<b>64</b>	<b>68</b>
<b>Net profit/loss for the year</b>	<b>64</b>	<b>68</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Interest-bearing fixed assets	5,591	5,802
Non-interest bearing current assets	43	44
Interest-bearing current assets	6	3
<b>Total assets</b>	<b>5,640</b>	<b>5,849</b>

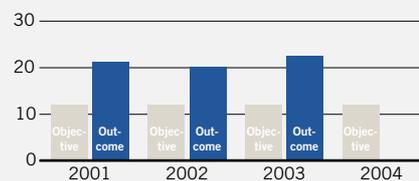
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	1,076	1,011
Interest-bearing long-term liabilities	4,550	4,822
Non-interest bearing current liabilities	14	16
<b>Total liabilities and shareholders' equity</b>	<b>5,640</b>	<b>5,849</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	64	70
Cash flow from investment activities	0	0
Cash flow from financing activities	0	0

KEY RATIOS	2003	2002
Return on equity (average), %	6.3	7.2
Return on total assets (average), %	1.1	1.2
Tier 1 capital, SEKm	1,076	1,011
Capital base, SEKm	1,076	1,011
Tier 1 capital ratio, %	22.9	20.2
Capital adequacy ratio, %	22.5	20.2
Equity/assets ratio, %	19.1	17.3

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	8	9
Share owned by state, %	100	100

#### CAPITAL ADEQUACY RATIO, %



Ethical policy	NO
Equal opportunities policy	NO
Employees	Women 63% / Men 37%
Management group	Women 100% / Men 0%
Board of directors	Women 36% / Men 64%
Environmental policy	NO
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Pehr G Gyllenhammar. **Vice Chairman:** Anna-Lisa Engström. **Board members:** Tomas Abrahamsson, Christer Berggren, Torsten Engwall, Åsa Kastman Heuman, Folke Patriksson. **Deputy:** Siv Axelsson, Ture Axelsson, Lars Höglund, Anders Lindström, Inger Lundin, Agneta Rodosi, Bo Severed. **Auditors:** Lena Möllerström, KPMG Bohlins and Christoper Onajin, Ministry of Finance.

# SWEDCARRIER

AB Swedcarrier is a holding company that was established at the turn of the year 2000/2001 in conjunction with the incorporation of the public enterprise Statens Järnvägar and its division into separate companies. On 31 December 2003, the Swedcarrier group consisted of the wholly owned subsidiaries Jernhusen AB, EuroMaint AB, SweMaint AB as well as Nordwaggon, which was jointly owned with Electrolux.

## OPERATIONS

Swedcarrier's long-term business objective is to streamline the Jernhusen real estate company into a value-added player in transport properties such as stations, workshops, offices and storage buildings and to realise market values in other subsidiaries through sales.

Jernhusen offers transport properties, in particular to players in the travel and transport market. EuroMaint develops and produces technical system services and maintenance of railway rolling stock. SweMaint is a supplier of maintenance services for goods trucks in the Swedish market. Nordwaggon is a logistics company in the rail sector that offers goods truck management, customised transport solutions and modern railway trucks for goods transport. The company is owned in equal shares by Swedcarrier and Electrolux.

## FINANCES

Net loss for the calendar year 2003 totalled SEK -439 (-449) million. Sales in the remaining activities have decreased by 9 per cent. Profit excluding items affecting comparability and goodwill amortisation (EBIT) deteriorated in Jernhusen, SEK 265 (293) million and in SweMaint SEK 17 (20) million. EuroMaint EBIT improved in EuroMaint by SEK 27 million to SEK -21 million.

## OBJECTIVE

The Swedcarrier group's activities are to provide a competitive return in comparison with equivalent external companies. In the case of Jernhusen, the development of net operating income and the long-term development earnings are used as a measure of

the efficiency of the day-to-day administration. The efficiency of the engineering companies (EuroMaint and SweMaint) is assessed on the basis of the development of the operating margin. In the long-term, the group's capital structure is to be such that the visible equity/assets ratio exceeds 30 per cent and the interest coverage ratio should amount to at least two times. The group's loan at the National Debt Office is to be replaced by market financing as soon as possible.

## DIVIDEND POLICY

The group's dividend policy is that at least 50 per cent of the net earnings for the year should be distributed. However, consideration is to be taken to the group's investment plans, capital structure, liquidity and financial position in other respects.

## ASSESSMENT

The increased train travel that is now taking place in Sweden is positive in the long-term for the group's activities. At the same time, the railway industry is at present characterised by low profitability and there is a great demand for efficiency improvements and structural measures. The real estate market in the big city regions and in the rest of Sweden has continued to slacken during the period and rental levels have fallen. Demand and rental levels are stable in stations and workshops, however.

EuroMaint's market has reduced markedly during the year, in particular reconstruction of goods trucks. EuroMaint is therefore reducing the number of employees by over 300 and concentrating its activities to larger units and fewer locations. SweMaint's market, goods truck maintenance, has also decreased. SweMaint is adapting its activities to the changed conditions and has been able to increase its market share to 65 per cent.

The total loan frame of the Swedcarrier group at the National Debt Office decreased at the turn of the year 2003/2004 from over SEK 6 billion to just under SEK 3 billion. Jernhusen has market financed the larger part of its loans.



Chairman: Katja Elväng

INCOME STATEMENT, SEKm	2003	2002
Net turnover	2,641	2,865
Expenses	-2,853	-2,577
Items affecting comparability	-164	-483
Profit/loss from participations in associated companies	1	-1
<b>Operating profit</b>	<b>-375</b>	<b>-196</b>
Financial income	14	10
Financial expenses	-250	-292
<b>Profit before tax</b>	<b>-611</b>	<b>-478</b>
Tax	172	30
Minority	0	-1
<b>Net profit/loss for the year</b>	<b>-439</b>	<b>-449</b>

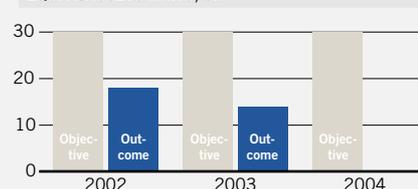
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	6,318	6,839
Interest-bearing fixed assets	9	8
Non-interest bearing current assets	918	976
Interest-bearing current assets	81	125
<b>Total assets</b>	<b>7,326</b>	<b>7,948</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	990	1,429
Minority	7	7
Interest-bearing appropriations	49	71
Non-interest bearing appropriations	85	188
Interest-bearing long-term liabilities	5,368	5,447
Interest-bearing current liabilities	133	52
Non-interest bearing current liabilities	694	754
<b>Total liabilities and shareholders' equity</b>	<b>7,326</b>	<b>7,948</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-10	98
Cash flow from investment activities	129	-20
Cash flow from financing activities	-140	-13

KEY RATIOS	2003	2002
Return on equity (average), %	neg	neg
Return on total assets (average), %	neg	neg
Return on capital employed (average), %	neg	neg
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	13.6	18.1

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	190	140
Depreciation and write-downs	635	441
Average no. of employees	2,098	2,279
Sick leave, %	5.8	6.4
Share owned by state, %	100	100

## EQUITY/ASSETS RATIO, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 8% / Men 92%
Management group	Women 0% / Men 100%
Board of directors	Women 50% / Men 50%
Environmental policy	YES
Environmental management system	NO

## Board of directors and auditors 2003/2004

**Chairman:** Katja Elväng. **Board members:** Conny Andersson, Lena Apler, Rolf Lydahl, Bertil Persson, Bosse Wallin. (Conny Andersson, Lena Apler, Bertil Persson and Bosse Wallin resigned and Stig Holm and Eva Halvarsson were appointed at the annual general meeting of shareholders in 2004). **Employee representatives:** Jan Andersson, Örjan Ersson, Bertil Hallén. **Auditors:** Tommy Mårtensson, Deloitte & Touche and Bertil Forsslundh, Riksrevisionen (state audit institution).



Swedesurvey AB sells and markets Swedish expertise abroad in the field of landscape and real estate systems, and geographical information including surveying and mapping and compatible operations. The company was created in 1993 by an incorporation of the international contract operations within the National Land Survey and the Central Board for Real Property Data. Resources from the National Land Survey are mainly used in operations.

#### OPERATIONS

The company conducts consultancy operations within the framework of institutional collaboration, aimed in particular at transferring knowledge and developing foreign land survey organisations and other geographical information. The consultancy assignments are the core of the export of services and are an important means of entry to other commissions of a more commercial kind. Export of services takes place in close collaboration with the National Land Survey and is an important part of Swedesurvey's profile as a supplier of a holistic concept with expertise in different areas of surveying activities. The company's services are provided on commercial terms with financing directly from customers or through bilateral/multilateral organisations. Its most important markets are Eastern Europe and Africa, although they also carry out activities in the Balkans, in Asia and Latin America. There are a few competing companies in the Nordic area. Competitors are primarily companies from other European countries, the United States, Australia and Canada.

#### FINANCES

Operations in 2003 have developed more weakly than expected. The development of the company's core activity, institu-

tional collaboration, has been particularly weak and turnover has fallen by almost 20 per cent compared with 2002. The reason for the decline is partly that the turbulent situation in the world in spring 2003 led to both ongoing and planned projects being delayed. The lower sales led to a reduction in profit before tax of SEK 1 (4.6) million and operating margin to 1 (5) per cent. However, the company's order situation developed positively in 2003. The company's order stock totalled just over SEK 130 million at the end of the year. During the year, over 30 new commissions were secured at a total contract value of SEK 110 million.

#### OBJECTIVE

The objective is to remain a leading knowledge-related company within property systems and geographical information that develops and increases exports of Swedish services in prioritised areas/markets. In 2003, the aim was to increase sales by at least SEK 100 million and achieve a result of at least SEK 4 million.

#### DIVIDEND POLICY

There is no dividend policy.

#### ASSESSMENT

Several new operational targets for 2003 were met with the exception of the financial targets – sales and profit. New markets with good development potential were opened up for the company's activities. During the year, the company has participated in some 15 competitive tenders. In 2003, the company has carried out tendering activities in over 35 countries outside Sweden. Through the activity that the company engages in, Swedesurvey contributes to a great extent to a better global and local environment.



Chairman: Stig Jönsson

MD: Sture Pettersson

INCOME STATEMENT, SEKm	2003	2002
Net turnover	86	91
Expenses	-86	-87
<b>Operating profit</b>	<b>0</b>	<b>4</b>
Financial income	1	1
<b>Profit before tax</b>	<b>1</b>	<b>5</b>
Appropriations	1	-1
Tax	0	-2
<b>Net profit/loss for the year</b>	<b>1</b>	<b>3</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	2	2
Non-interest bearing current assets	31	37
Interest-bearing current assets	39	41
<b>Total assets</b>	<b>71</b>	<b>80</b>

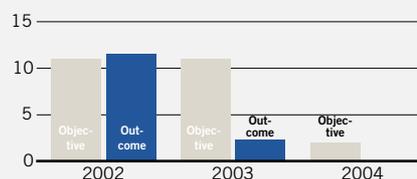
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	36	35
Untaxed reserves	7	7
Interest-bearing appropriations	3	3
Interest-bearing current liabilities	6	7
Non-interest bearing current liabilities	20	28
<b>Total liabilities and shareholders' equity</b>	<b>71</b>	<b>80</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-2	6
Cash flow from investment activities	0	0
Cash flow from financing activities	0	1

KEY RATIOS	2003	2002
Return on equity (average), %	2.1	7.7
Return on total assets (average), %	1.5	6.5
Return on capital employed (average), %	2.2	10.5
Return on operating capital (average), %	1.0	44.8
Equity/assets ratio, %	57.3	50.3

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	0	0
Depreciation and write-downs	0	1
Average no. of employees	34	36
Sick leave, %	3.0	3.0
Share owned by state, %	100	100

#### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 38% / Men 62%
Management group	Women 20% / Men 80%
Board of directors	Women 50% / Men 50%
Environmental policy	YES
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Stig Jönsson. **Board members:** Annika Christiansson, Christina Gustavsson, Lars Jeding, Tormod Kristiansen, Anna Sander. (Joakim Ollén and Anna Sander resigned and Stig Jönsson was appointed as Chairman and Monica Lagerqvist as board member at the annual general meeting of shareholders in 2004). **Employee representatives:** Magdalena Andersson, Ulf Bjälkefors. **Auditors:** Jan Olof Lindberg, Öhrlings PricewaterhouseCoopers and Örjan Måhlberg, Riksrevisionen (state audit institution).



Swedish National Road Consulting AB (SWEROAD) was established in 1981 as a subsidiary of the National Road Administration. SWEROAD is a wholly-owned state company which is administered by the National Road Administration.

#### OPERATIONS

SWEROAD carries out consultancy services outside Sweden, mainly for public authorities in the road and transport sector, traffic safety and institutional development. The services are provided on commercial terms with financing directly from the customer or through national and multilateral development assistance. Operations are carried out in close collaboration with the National Road Administration.

Operations have taken place during the year in some twenty countries in Eastern Europe (Albania, Armenia, Moldova and Russia), South and Central America (Costa Rica), Africa (including Ethiopia, Lesotho, Malawi, Mozambique

and South Africa), the Middle East (including the United Arab Emirates, Jordan and Lebanon) and Asia (India, Laos and Sri Lanka). SWEROAD also administers foreign staff for some Swedish public authorities.

#### FINANCES

SWEROAD's invoicing in 2003 totalled SEK 73.3 (75.5) million. The gross margin increased slightly to 17 (18) per cent. The company's operating profit before tax totalled SEK 3.3 (4) million and SEK 2.5 (2) million after tax. The company had an equity/assets ratio of 72 (59) per cent.

#### ASSESSMENT

Despite a generally weak market, operations in 2003 developed as expected and SWEROAD took 38th position among the 300 largest Swedish architect, technical consultant and industrial consultant groups (Source: Industrial Overview 2003 – Swedish Technology and Design).



Chairman: Gunnel Färm



MD: Roberto G Bauducco

INCOME STATEMENT, SEKm	2003	2002
Net turnover	73	75
Expenses	-73	-73
<b>Operating profit</b>	<b>1</b>	<b>3</b>
Financial income	3	1
<b>Profit before tax</b>	<b>3</b>	<b>4</b>
Appropriations	0	-1
Tax	0	-1
<b>Net profit/loss for the year</b>	<b>2</b>	<b>2</b>

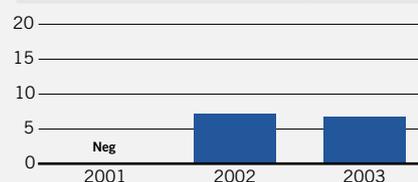
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	2	1
Non-interest bearing current assets	19	23
Interest-bearing current assets	36	34
<b>Total assets</b>	<b>57</b>	<b>57</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	36	35
Untaxed reserves	7	6
Non-interest bearing current liabilities	14	16
<b>Total liabilities and shareholders' equity</b>	<b>57</b>	<b>57</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	3	-2
Cash flow from investment activities	3	-8
Cash flow from financing activities	-2	0

KEY RATIOS	2003	2002
Return on equity (average), %	6.8	7.2
Return on total assets (average), %	6.0	6.9
Return on capital employed (average), %	8.5	10.9
Return on operating capital (average), %	11.9	93.1
Equity/assets ratio, %	71.8	69.5

OTHER, SEKm	2003	2002
Proposed dividend	0	2
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	64	60
Sick leave, %	10.5	10.0
Share owned by state, %	100	100

#### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 13% / Men 87%
Management group	Women 33% / Men 67%
Board of directors	Women 60% / Men 40%
Environmental policy	YES
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Gunnel Färm. **Vice Chairman:** Bo Henrikson. **Board members:** Anders Alvemo, Malin Kärre, Susanne Lindh. (Anders Alvemo, Malin Kärre and Susanne Lindh resigned and Jan Colliander, Lena Erixon and Kajsa Lindståhl were appointed at the annual general meeting of shareholders in 2004). **Employee representative:** Rolf Lindquist. **Deputy employee representative:** Monica Lindberg. **Auditors:** Ulla Nordin Buisman, Öhrlings PricewaterhouseCoopers and Bertil Forsslundh, Riksrevisionen (state audit institution).

The fee to the Chairman of the Board is SEK 78,600 (78,600) (two price base amounts) in 2004. Fees to board members elected at the annual general meeting of shareholders total SEK 39,300 (39,300) in 2004 (one price base amount).



Teracom AB, which was previously part of the National Telecommunications Administration has been an independent commercial company since 1992. Teracom is an important TV and radio distributor in Sweden. The group distributes programme channels such as SVT, TV4, SR and many more radio and TV channels to Swedish households. Approximately 99.8 per cent of the Swedish population can now receive broadcasts and transmissions. Teracom also serves an important function as a channel of communication to the Swedish people at times of increased preparedness for emergency situations.

#### OPERATIONS

Teracom's core activity is to engage in broadcasting and transmission of radio and TV programmes. The company can also develop, market and carry out other services, which are compatible with its core operations. Teracom's services are based on a nationwide TV and radio network and a national service organisation. The group includes the companies Boxer TV-Access AB, Teracom Mobil Links AB, Outside Broadcasting AB and Quadra-com Wireless AB.

#### FINANCES

Net profit totalled SEK 24 (-204) million and turnover increased by 3 per cent to SEK 1,876 million. Return on shareholders' equity was 2.1 (neg) per cent. The equity/assets ratio increased to 40.9 from 21.9 per cent, this increase being primarily explained by a capital contribution of SEK 500 million from the state.

#### OBJECTIVE

The return for the Teracom group shall be related to the standardised profit after net financial income in relation to average adjusted shareholders' equity. As from 2003, the return target for the part of activity exposed to competition was in the long-term to amount to a level corresponding to the five-year bond rate plus 5 per cent. The profitability target for the part of activity not exposed to

competition, which was to apply for each particular year, was to amount to a level corresponding to the five-year bond rate plus 2 per cent. The combined target for 2003 was 6.75 per cent on a government bond rate of 4 per cent. In spring 2004, it was decided that the target for the equity/assets ratio was to be 40 per cent and that return on shareholders' equity was to be 10 per cent in the long-term.

#### DIVIDEND POLICY

The dividend policy target only refers to the part of activity subject to competition. Dividend over a business cycle is to correspond to a third of profit after net financial income with a deduction for standard tax. In 2004, it was decided that dividend was to amount to 40-60 per cent of net profit. This is conditional on the conditional shareholders' contribution being repaid.

#### ASSESSMENT

Teracom received SEK 500 million in a capital contribution during the year to strengthen the company's finances. In the past few years, Teracom has carried out a programme of measures that enabled the company to achieve a positive result in 2003. In 2004, it is expected that the result will further improve. In 2004, the number of viewers via the digital terrestrial network is expected to increase by 50 per cent to 300,000.

The Teracom group has achieved the financial targets set by the board for 2003. Total return on shareholders' equity was 2.1 (neg) per cent. Return on adjusted shareholders' equity relating to the part exposed to competition was negative, while return on adjusted shareholders' equity for the part of capital assigned to the part of operations not exposed to competition complied with the owner's demands. The company continued to invest in the transition to digital TV. Boxer TV-Access AB increased its customer stock by 43 (40) per cent to just over 200,000 subscribers.

Chairman: Håkan Tidlund

tf MD: Göran Arvedahl

INCOME STATEMENT, SEKm	2003	2002
Net turnover	1,876	1,814
Expenses	-1,821	-1,951
Items affecting comparability	0	-50
<b>Operating profit</b>	<b>55</b>	<b>-187</b>
Financial income	10	11
Financial expenses	-62	-95
<b>Profit before tax</b>	<b>4</b>	<b>-271</b>
Tax	-12	3
Minority	32	64
<b>Net profit/loss for the year</b>	<b>24</b>	<b>-204</b>

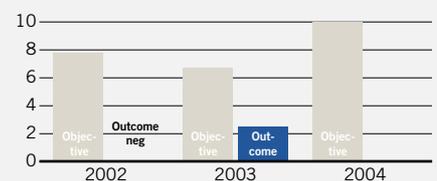
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	2,383	2,599
Non-interest bearing current assets	441	404
Interest-bearing current assets	82	28
<b>Total assets</b>	<b>2,906</b>	<b>3,031</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	1,181	661
Minority	7	3
Interest-bearing appropriations	100	87
Non-interest bearing appropriations	331	366
Interest-bearing long-term liabilities	633	1,262
Interest-bearing current liabilities	32	175
Non-interest bearing current liabilities	622	477
<b>Total liabilities and shareholders' equity</b>	<b>2,906</b>	<b>3,031</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	441	244
Cash flow from investment activities	-137	-154
Cash flow from financing activities	-248	-92

KEY RATIOS	2003	2002
Return on equity (average), %	2.5	neg
Return on total assets (average), %	2.2	neg
Return on capital employed (average), %	3.1	neg
Return on operating capital (average), %	2.7	neg
Equity/assets ratio, %	40.9	21.8

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	162	198
Depreciation and write-downs	367	427
Average no. of employees	825	997
Sick leave, %	3.3	4.0
Share owned by state, %	100	100

#### RETURN ON SHAREHOLDERS' EQUITY, %

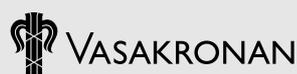


Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 22% / Men 78%
Management group	Women 40% / Men 60%
Board of directors	Women 50% / Men 50%
Environmental policy	YES
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Håkan Tidlund. **Board members:** Mino Akhtarzand, Björn Björnsson, Helena Dyrssen, Ingrid Engström, Tobias Henmark, Claes Ljungh, Annika Nilsson. **Employee representatives:** John-Olof Blomkvist, Peter Howe. **Deputy employee representatives:** Stig-Arne Celin, Claes-Göran Persson. **Auditors:** Anders Wiger, Ernst & Young and Karin Holmerin, Riksrevisionen (state audit institution).

The fee to the Chairman of the Board is SEK 150,000 (150,000) in 2004. Fees to board members elected at the annual general meeting total SEK 70,000 (70,000) in 2004.



Since the National Board of Properties was reorganised in 1992, Vasakronan is a commercial property company which manages premises, primarily offices in Stockholm, Göteborg, Malmö, Lund and Uppsala. Vasakronan is owned by Civitas Holding AB, which is turned owned by the state. Civitas Holding AB does not engage in any activities of its own.

### OPERATIONS

Vasakronan manages 1,922 million square metres of premises in 171 properties. Vasakronan gets a top rating in measurements of satisfied customers. Vasakronan Service Partner offers an expanded range of services to tenants.

During the year, properties for SEK 2.7 billion have been sold and one property has been acquired for SEK 1.1 billion. After the turn of the year, the block Gamen in Stockholm has been exchanged for one of the Hötorgshusen buildings in an agreement with the City of Stockholm.

The ten largest tenants account for 28 per cent of the rental income. Government tenants account for 35 per cent of the rental income. In 2003, the rental market in Stockholm has been weak. The vacancy ratio in Vasakronan has increased overall from 7 to 10 per cent of rental income during the year.

### FINANCES

Earnings from management before capital gains and write-downs increased to SEK 585 (617) million. Due to sales and increased vacancies, a lower result is anticipated for 2004.

At the end of the year, the book value of properties was SEK 21.8 billion. The market value was assessed as SEK 31.4 billion, a decrease of SEK 2.7 billion, SEK 1.2 billion of which relates to comparable property holdings. Otherwise, the reduction depends on sales.

In 2003, Vasakronan paid an ordinary dividend of SEK 537 million and an

additional dividend of SEK 100 million. A dividend of SEK 9 million has been recommended for the 2003 financial year.

### OBJECTIVE

Vasakronan's financial target is set to produce a combination of high total return, high dividend capacity, high growth capacity and financial stability. Growth in adjusted shareholders' equity reflects Vasakronan's total return in a clear way. The profitability target is a return on shareholders' equity which corresponds to the risk-free equity plus 5 percentage points.

The non-financial target is for the main stakeholders, for instance, customers, the capital market, shall view Vasakronan as Sweden's leading property manager.

### DIVIDEND POLICY

A dividend corresponding to 3 per cent of adjusted shareholders' equity, although dividend is to amount to 50 per cent of profit after financial expenses and standard tax.

### ASSESSMENT

Vasakronan's position in the local tenancy market continues to be strong. The property holding is well allocated and tenants are satisfied according to the joint industry surveys made. Knowledge about the company in the target groups is at a high level.

A cyclical downturn, in particular in Stockholm is reflected in increasing vacancies and falling rents for new leases. This has also led to a need for writing down the value of the properties, which has affected the reported result negatively. The financial position continues to be strong.

The profitability target for 2003 was 9.0 per cent while the return was -4.7 per cent. In the past five years, the return has been 8.5 per cent on average.



Chairman: Egon Jacobsson



MD: Håkan Bryngelson

INCOME STATEMENT, SEKm	2003	2002
Rental and administration income	2,961	2,899
Operating/maintenance expenses	-1,068	-1,017
<b>Operating profit</b>	<b>1,893</b>	<b>1,882</b>
Other operating expenses, including depreciation	-701	-638
<b>Operating profit</b>	<b>1,192</b>	<b>1,294</b>
Profit/loss from participations in associated companies	-443	-14
Net financial income	-712	-679
Tax and minority shares	116	-147
<b>Net profit/loss for the year</b>	<b>153</b>	<b>454</b>

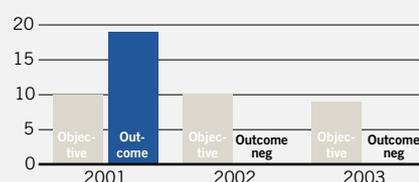
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	22,630	23,788
Interest-bearing fixed assets	2,350	2,092
Non-interest bearing current assets	1,611	1,181
Interest-bearing current assets	425	444
<b>Total assets</b>	<b>27,016</b>	<b>27,505</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	8,953	9,116
Minority	10	0
Appropriations	975	720
Interest-bearing liabilities	14,054	15,332
Non-interest bearing liabilities	3,024	2,337
<b>Total liabilities and shareholders' equity</b>	<b>27,016</b>	<b>27,505</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	1,175	1,218
Cash flow from investment activities	372	-1,687
Cash flow from financing activities	-1,594	548

KEY RATIOS	2003	2002
Rental income (SEK), sq.m. (average)	1,430	1,390
Book value, properties, SEKm	21,452	22,191
Interest coverage ratio, multiples	2.5	2.6
Return on capital employed (average), %	3.9	5.9
Yield, %	5.5	7.0
Return on equity (average), %	1.7	5.0
Equity/assets ratio, %	33.2	33.1

OTHER, SEKm	2003	2002
Proposed dividend	9	216
Additional dividend	-	100
Acquisition of properties, SEKm	1,010	15
Sales of properties, SEKm	2,630	0
Average no. of employees	364	336
Sick leave, %	4.0	4.0
Share owned by state, %	100	100

### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 37% / Men 63%
Management group	Women 17% / Men 83%
Board of directors	Women 33% / Men 67%
Environmental policy	YES
Environmental management system	ISO 14001

### Board of directors and auditors 2003/2004

**Chairman:** Egon Jacobsson. **Vice Chairman:** Lars V Kylberg. **Board members:** Håkan Bryngelson, Lars Johan Cederlund, Hans Dahlgren, Georg Danell, Gerd Engman, Birgitta Kantola, Christina Ragsten-Pettersson. (Christina Ragsten-Pettersson and Gerd Engman resigned and Eva-Britt Gustafsson and Chistina Liffner were appointed at the annual general meeting of shareholders in 2004). **Employee representatives:** Ronny Bergström, Marianne Gustafsson. **Auditors:** Göran Tidström, Öhrlings PricewaterhouseCoopers. Ernst & Young were appointed as auditors at the annual general meeting of shareholders in 2004.



Chairman: Sten Olsson

MD: Jan-Peter Jonsson



Vasallen was established in 1997 with the task, working together with municipalities and the local business sector, of developing and improving redundant defence properties in order to eventually sell them on commercial terms. The Government made the assessment that this would produce the highest return rather than a fast divestment of the properties in their existing condition.

#### OPERATIONS

Vasallen owns 17 former defence facilities at 16 locations from Kiruna in the north to Ystad in the south. Every facility is organised as a subsidiary. At the turn of the year, the group's five largest tenants were the Armed Forces, the Mid-Sweden University, the Police, the National Laboratory of Forensic Science and the Municipality of Uddevalla. During the year, Vasallen was also able to develop defence industrial properties. In addition, all shares in the subsidiary for conversion of municipal housing were distributed to the state.

#### FINANCES

Vasallen's turnover increased in 2003 to SEK 344 (294) million and profit after net financial income totalled SEK 105 (49) million. Investments decreased to SEK 211 (439) million, partly due to reduced demand for premises. The market value of administrative properties totalled SEK 1.5 (1.5) billion. Administrative properties refers to properties where the value has been enhanced with a view to generating rental income or an increase in value, and correspond to just under a third of Vasallen's lettable area. Other properties are not included in the property value.

#### OBJECTIVE

Vasallen's objective is to enhance the value of the property holdings and to obtain

a high level of rental income in order for the properties to be attractive for acquisition in the commercial market. The overall financial objective is for Vasallen's return on shareholders' equity over a value enhancement cycle to correspond to the five-year government bond rate plus 2.5 per cent. An enhancement cycle is assumed to be 10 years and is defined as the average period it takes to acquire, develop, enhance the value of a defence property and sell it. Every subsidiary is to achieve an operating profit after three years of operations and a profit after net financial income after five years of operations.

#### DIVIDEND POLICY

The objective is for dividend to be 30–50 per cent of profit after deductions for tax.

#### ASSESSMENT

The weak economic development in 2003 has led to a lower letting rate and the postponement of planned projects. To date, the required return for the group has not been achieved, which is explained by Vasallen being in a build-up phase to date. The company's equity/assets ratio decreased from 92 to 82, which was due to the dividend paid SEK 517 (13) million. The satisfied customer index (NKI) in 2003 was 78, compared to 75 the previous year. Most of the subsidiaries that Vasallen has owned for more than three years have achieved a net operating profit. Four of the six subsidiaries that have been owned for more than five years have achieved a profit after net financial income. During 2004, the Riksdag is expected to take a position on further defence cuts, which will probably lead to Vasallen acquiring new facilities.

INCOME STATEMENT, SEKm	2003	2002
Rental income	339	289
Other management income	5	5
Operating, maintenance, etc.	201	182
<b>Operating profit</b>	<b>143</b>	<b>112</b>
Depreciation	-56	-45
<b>Gross profit</b>	<b>87</b>	<b>67</b>
Other administration and similar	-53	-50
Sale of properties	57	9
<b>Net operating profit</b>	<b>91</b>	<b>26</b>
Net financial income	14	23
<b>Profit before tax</b>	<b>105</b>	<b>49</b>
Tax	-30	-20
<b>Net profit/loss for the year</b>	<b>75</b>	<b>29</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	1,979	1,843
Non-interest bearing current assets	152	154
Interest-bearing current assets	48	437
<b>Total assets</b>	<b>2,179</b>	<b>2,434</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	1,787	2,229
Non-interest bearing appropriations	24	15
Interest-bearing current liabilities	170	0
Non-interest bearing current liabilities	198	190
<b>Total liabilities and shareholders' equity</b>	<b>2,179</b>	<b>2,434</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	94	64
Cash flow from investment activities	-136	-424
Cash flow from financing activities	-348	-16

KEY RATIOS	2003	2002
Return on equity (average), %	3.7	1.3
Return on total assets (average), %	4.6	2.1
Return on capital employed (average), %	5.1	2.3
Return on operating capital (average), %	4.9	1.6
Equity/assets ratio, %	82.0	91.6
Area of premises, 000 sq.m	793	825
Book value, properties, SEKm	1,811	1,646
Letting ratio, %	65	66

OTHER, SEKm	2003	2002
Proposed dividend	38	17
Additional dividend	-	500
Gross investment	211	439
Depreciation and write-downs	56	45
Average no. of employees	88	80
Sick leave, %	3.2	2.1
Share owned by state, %	100	100

Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 34% / Men 66%
Management group	Women 40% / Men 60%
Board of directors	Women 25% / Men 75%
Environmental policy	YES
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Sten Olsson. **Board members:** Jan-Peter Jonsson, Marianne Förander, Agneta Rodosi, Bo Netz, Lars Johnsson, Holger Wästlund, Lena Hedlund. (Agneta Rodosi resigned and Jens Engvall was appointed at the annual general meeting of shareholders in 2004).

**Employee representatives:** Ann Eriksson, Richard Westling. **Auditor:** Per Wardhammar, Öhrlings PricewaterhouseCoopers.



Vattenfall AB (VAB) was established in 1992 after a Riksdag resolution in 1991 on incorporation where the main motive was to make the management of the state's capital more efficient, and to make possible competition on the same terms as competitors, and to make use of business opportunities abroad. The Riksdag has furthermore resolved that VAB is to be operated in a commercial manner and to fulfil market return and dividend requirements. Within the framework of commercial operations, VAB is to devote special attention to renewable energy and new production technology.

#### OPERATIONS

VAB produces, distributes and sells electricity and heating primarily in Sweden, Finland, Germany and Poland. VAB, with a vision of becoming a leading European power company, has a market share of approximately 20 per cent in the Nordic countries, approximately 17 per cent in Germany and is the fifth largest electricity company in Europe. In 2003, the European power companies have focused on improving profitability and the financial position and the value of acquired acquisitions decreased by approximately 70 per cent to approximately SEK 150 billion during the year. Electricity prices increased during the year by 32 per cent in Sweden, and by 31 per cent in Germany. The holdings in Song Networks Holding and A-Trains were sold.

#### FINANCES

VAB concentrated its efforts on improving its profitability during the year. In Poland, the company has reversed a negative trend and is now reporting a positive result. In Germany, work was intensified on achieving cost savings. By the end of the year, total costs had been reduced by approximately SEK 3.4 billion. Operating profit in the Nordic countries was largely unchanged in relation to 2002. Return on reported shareholders' equity was 20 per cent, return over a five-year period is 14 per cent. Profit after tax increased by 21 per cent

to SEK 9.1 billion, at the same time as the company increased dividend to its owner by 62 per cent to SEK 2.4 billion, the highest in the company's history.

#### OBJECTIVE

The owner's long-term objective is that VAB should produce a return of 15 per cent on reported shareholders' equity<sup>1)</sup> and that the interest coverage ratio should be a multiple of 3.5–5. VAB's operational target is to be number one for the customer, the environment and the economy.

#### DIVIDEND POLICY

The dividend policy is to maintain a long-term stable dividend, which normally amounts to a third of the result. VAB's dividend share has been 33 per cent over a five-year period.

#### ASSESSMENT

VAB is well on the way to complying with the financial targets and for the first time since 1997 VAB created value by the operating profit being higher than the average cost of capital. Dividend increased markedly and it should be possible to increase the dividend level as a share of net profit in the coming years. VAB suffers, as does the whole of the industry, from poor confidence on the part of the public and it is important that the company continues to take measures to improve confidence. The company has increased investments in the electricity networks to increase the quality of reliability of supply, approximately 44,000 remote readable electricity meters have been installed and the company has abolished advance charging. Investments in the renewal programme for Swedish hydroelectric power have been initiated and a total of SEK 6 billion has been invested. VAB has decided on a new policy for wind power that is considered to lead to increased investments. VAB is investing in renewable energy and has taken responsibility for the changeover of the Swedish energy system. However, it should improve its accounting and communication around the measures that have been undertaken.



Chairman: Dag Klackenbergh

MD: Lars G. Josefsson

INCOME STATEMENT, SEKm	2003	2002
Net turnover	111,935	101,025
Expenses	-97,482	-87,452
Items affecting comparability	263	447
Profit/loss from participations in associated companies	580	-657
<b>Operating profit</b>	<b>15,296</b>	<b>13,363</b>
Financial income	2,267	3,010
Financial expenses	-5,203	-6,386
<b>Profit before tax</b>	<b>12,360</b>	<b>9,987</b>
Tax	-2,831	-1,763
Minority	-406	-658
<b>Net profit/loss for the year</b>	<b>9,123</b>	<b>7,566</b>

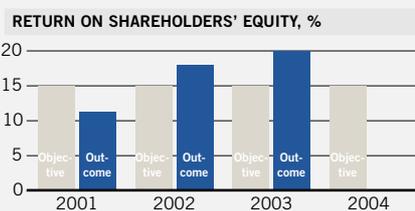
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	211,636	217,123
Interest-bearing fixed assets	4,567	527
Non-interest bearing current assets	30,620	32,565
Interest-bearing current assets	18,142	26,061
<b>Total assets</b>	<b>264,965</b>	<b>276,276</b>

Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	52,506	45,129
Minority	9,379	9,960
Interest-bearing appropriations	84	99
Non-interest bearing appropriations	91,800	97,479
Interest-bearing long-term liabilities	69,845	67,158
Non-interest bearing long-term liabilities	2,236	1,588
Interest-bearing current liabilities	15,702	27,582
Non-interest bearing current liabilities	23,413	27,281
<b>Total liabilities and shareholders' equity</b>	<b>264,965</b>	<b>276,276</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	18,191	20,103
Cash flow from investment activities	-8,350	-35,558
Cash flow from financing activities	-10,329	3,464

KEY RATIOS	2003	2002
Return on equity (average), %	20.2	19.1
Return on total assets (average), %	6.5	6.1
Return on capital employed (average), %	11.8	11.0
Return on operating capital (average), %	11.9	12.0
Equity/assets ratio, %	23.4	20.0
Interest coverage ratio	3.4	2.6

OTHER, SEKm	2003	2002
Proposed dividend	2,400	1,485
Additional dividend	-	190
Gross investment	11,356	39,932
Depreciation and write-downs	14,336	15,118
Average no. of employees	35,296	34,248
Sick leave, %	4.1	4.5
Share owned by state, %	100	100



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 23% / Men 77%
Management group	Women 6% / Men 94%
Board of directors	Women 20% / Men 80%
Environmental policy	YES
Environmental management system	EMAS/ISO in Nordic countries

<sup>1)</sup> See definition, page 101.

#### Board of directors and auditors 2003/2004

**Chairman:** Dag Klackenbergh. **Board members:** Christer Bådholm, Jan Grönlund, Lars G. Josefsson, Lone Fønss Schrøder, Maarit Aarni, Peter Fallenius, Peter Lindell. (Anders Sundström and Hans-Olov Olsson was appointed at the annual general meeting of shareholders in 2004).

**Employee representatives:** Carl-Gustaf Angelin, Ronny Ekwall, Johnny Bernhardsson. **Deputy employee representatives:** Lars Carlsson, Per-Ove Lööf, Stig Lindberg. **Auditors:** Lars Träff, Ernst & Young AB och Filip Cassel, Riksrevisionen (state audit institution). Per Redemo replaced Filip Cassel at the annual general meeting of shareholders in 2004.



Venantius AB's original commission was, in a responsible manner, to manage insolvency situations in the loan portfolio assumed and to take into consideration the state's total expenses in conjunction with portfolio management. The present direction of the assignment is to return credit commitments to the ordinary credit market as soon as possible. In 1997, Venantius took over the remaining assets and obligations in the Securum group and is to supervise and wind up these in the best way.

#### OPERATIONS

Venantius's long-term objective is for all credits to be redeemed or sold so that the state can get back as much as possible of the capital allocated to the operations. The emphasis on the way to this goal is on reducing the number of outstanding loans through redemptions and gradually working towards a streamlining and deepening of the loan portfolio. The work primarily focuses on transferring commitments to the ordinary credit market. Venantius shall not compete with other mortgage banks for lending to new customers.

#### FINANCES

The net interest income has improved to SEK 515 (471) million. This improvement primarily derives from a more stable credit stock and a reduced share of external financing. The group reported a profit before tax of SEK 676 (764) million. The part of the group that derives from the former Securum group made a positive contribution of SEK 132 million to the group's earnings. Return on shareholders' equity was 8.2 (16.8) per cent.

#### OBJECTIVE AND DIVIDEND POLICY

In 1999, the board of directors decided to on the first step of a phasing-out and divestment plan which was to run until the end of 2003. A new plan for the years after 2003 has been adopted by the board and comprises the next stage of the phase-out plan.

#### ASSESSMENT

The result achieved to date is wholly in accord with the objectives adopted.



Chairman: Curt Persson

MD: Eva-Britt Gustafsson

INCOME STATEMENT, SEKm	2003	2002
Interest income	1,002	1,117
Interest expense	-487	-646
<b>Net interest income</b>	<b>515</b>	<b>471</b>
Net commissions	-3	-3
Net financial transactions	-16	8
Other operating income	78	45
<b>Total operating income</b>	<b>574</b>	<b>509</b>
Personnel costs	-59	-72
Other operating expenses	-90	-56
Depreciation	-3	-4
<b>Profit before loan losses</b>	<b>423</b>	<b>377</b>
Loan losses, net	247	386
Change in value of property taken over	6	1
<b>Profit before tax</b>	<b>676</b>	<b>764</b>
Tax	-159	144
<b>Net profit/loss for the year</b>	<b>517</b>	<b>908</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	4	7
Interest-bearing fixed assets	11,479	15,677
Non-interest bearing current assets	652	1,597
Interest-bearing current assets	4,839	1,323
<b>Total assets</b>	<b>16,974</b>	<b>18,604</b>

Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	6,546	6,034
Non-interest bearing appropriations	296	478
Interest-bearing long-term liabilities	9,786	11,995
Non-interest bearing current liabilities	346	97
<b>Total liabilities and shareholders' equity</b>	<b>16,974</b>	<b>18,604</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	5,728	3,148
Cash flow from investment activities	-3	1
Cash flow from financing activities	-5,621	-3,221

KEY RATIOS	2003	2002
Return on equity (average), %	8.2	16.3
Loan volume, gross, SEKm	13,322	17,976
Capital base, SEKm	6,215	6,048
Equity/assets ratio, %	38	32
Capital adequacy ratio, %	55	44

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Average no. of employees	63	97
Sick leave, %	2.6	1.8
Share owned by state, %	100	100



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 39% / Men 61%
Management group	Women 33% / Men 67%
Board of directors	Women 43% / Men 57%
Environmental policy	YES
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Curt Persson. **Board members:** Mats Dillén, Eva-Britt Gustafsson, Bernt Jorholm, Helena Remppler, Michael Thorén, Kerstin Unger.  
**Auditors:** Göran Tidström, Öhrlings PricewaterhouseCoopers and Gunnar Abrahamsson, Deloitte & Touche.

The fee to the Chairman of the Board is SEK 120,000 (110,000) in 2004. Fees to board members elected at the annual general meeting total SEK 60,000 (60,000) in 2004.



Until 1994, V&S Vin & Sprit AB (V&S) had a monopoly on the import, export, manufacture and wholesale trade of alcoholic beverages. In conjunction with the market for import, export, manufacture and wholesale trade with alcoholic beverages being de-monopolised, the Riksdag resolved that V&S should be one of several competing companies in this market for these parts of the alcohol trade.

#### OPERATIONS

V&S operations include purchasing, packaging, distribution and marketing of alcoholic beverages. V&S's most well-known product ABSOLUT vodka is the world's third biggest premium spirits brand. Sales take place through its own organisation and through the partly-owned sales companies Future Brands LLC in the United States and Maxxium Worldwide in markets outside the Nordic countries and the United States.

V&S now has 83 per cent of its sales outside Sweden. The alcoholic beverage industry globally has been characterised by consolidation. This consolidation is explained by the relative stability of the global total market for spirits. Profitability can therefore mainly be improved by making use of benefits of scale in manufacturing, distribution and marketing. The wine market in the Nordic countries, which has greatly increased, mainly consists of import and agency operations. The market is characterised by former national monopolies being replaced by many smaller importers. There are cost benefits to be obtained by consolidation in the industry, even if this, for reasons of competition, mainly takes place internationally.

#### FINANCES

V&S turnover increased in 2003 by 2 per cent to SEK 9,294 million. The increase in turnover was negatively affected to the extent of approximately SEK 800 million due to fall in the exchange rate of the US dollar. Operating profit decreased by 16 per cent to SEK 1,717

million, where the development of the US dollar exchange rate affected the result negatively to the extent of approximately SEK 500 million. Cash flow before financing activities totalled SEK 1,980 million, which entailed an improvement by reduced investments and changes in operating capital. The equity/assets ratio improved by over 3 percentage points to 30 per cent. Return on shareholders' equity was 22.8 per cent.

#### OBJECTIVE

The return (profit after standard tax) on average adjusted shareholders' equity shall correspond to the five-year government bond rate plus 6 percentage points, over a business cycle. The financial targets will be reviewed in 2004.

#### DIVIDEND POLICY

The group's dividend target should be 50 per cent of net profit for the year, although decisions on dividends shall take into consideration the company's financial position. The policy is included in the review of financial targets that will be carried out in 2004.

#### ASSESSMENT

V&S has endeavoured to reinforce the company's position internationally in order to be able to make use of benefits of scale and to hold its own in competition with other larger international players. V&S is considered to have strengthened its position in the international alcoholic beverages market by acquisition and partnership. Integration work with the acquired activities must be completed to achieve the best possible structural benefits and efficiency gains. The ABSOLUT brand has reinforced its position in most markets by product development, among other things. The company shows a continued underlying satisfactory growth and profitability. The ongoing preliminary inquiry among a number of suppliers to Systembolaget, regarding suspicions of bribery, shows the importance of V&S continuing its work on maintaining good ethics in the company.



Chairman: Claes Dahlbäck



MD: Peter Lagerblad

INCOME STATEMENT, SEKm	2003	2002
Net turnover	9,294	9,093
Expenses	-7,603	-7,080
Profit/loss from participations in associated companies	26	24
<b>Operating profit</b>	<b>1,717</b>	<b>2,037</b>
Financial income	120	117
Financial expenses	-228	-285
<b>Profit before tax</b>	<b>1,610</b>	<b>1,869</b>
Tax	-615	-598
Minority	-1	-6
<b>Net profit/loss for the year</b>	<b>994</b>	<b>1,265</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	10,613	11,664
Non-interest bearing current assets	3,422	3,578
Interest-bearing current assets	958	563
<b>Total assets</b>	<b>14,993</b>	<b>15,805</b>

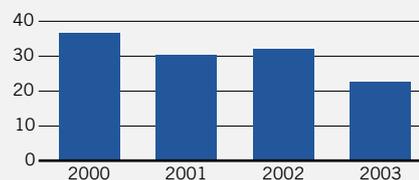
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	4,496	4,222
Minority	59	13
Interest-bearing appropriations	124	97
Non-interest bearing appropriations	973	783
Interest-bearing long-term liabilities	6,821	1,187
Interest-bearing current liabilities	272	2,365
Non-interest bearing current liabilities	2,248	2,138
<b>Total liabilities and shareholders' equity</b>	<b>14,993</b>	<b>15,805</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	2,009	1,448
Cash flow from investment activities	-29	-1,030
Cash flow from financing activities	-1,569	-91

KEY RATIOS	2003	2002
Return on equity (average), %	22.8	32.0
Return on total assets (average), %	11.9	14.0
Return on capital employed (average), %	14.9	17.0
Return on operating capital (average), %	14.6	16.4
Equity/assets ratio, %	30.4	26.8

OTHER, SEKm	2003	2002
Proposed dividend	350	500
Additional dividend	-	120
Gross investment	413	1,170
Depreciation and write-downs	583	519
Average no. of employees	2,388	1,879
Sick leave, %	4.0	us
Share owned by state, %	100	100

#### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 38% / Men 62%
Management group	Women 23% / Men 77%
Board of directors	Women 20% / Men 80%
Environmental policy	YES
Environmental management system	PARTLY ISO 14001 / OWN

#### Board of directors and auditors 2003/2004

**Chairman:** Claes Dahlbäck. **Vice-chairman:** Egon Jacobsson. **Board members:** Anders Björck, Lars Danielsson, Jonas Iversen, Anita Johansson, Peter Lagerblad, Christina Liffner, Ebbe M Loiborg, Arne Mårtensson. (Egon Jacobsson and Christina Liffner resigned and Helle Kruse Nielsen and Mats Ringesten were appointed at the annual general meeting of shareholders in 2004). **Employee representatives:** Johan Lund, Jan Lundin. **Deputy employee representatives:** Kent Karlsson, Roger Möller. **Auditors:** Owe Eurenus, KPMG and Björn Fernström, Ernst & Young. Owe Eurenus, KPMG, was appointed as auditor at the annual general meeting of shareholders in 2004.

# State ownership of listed companies

The state owns shares in four companies listed on the Stockholm stock exchange Stockholmsbörsen. The following pages include a presentation of Nordea Bank, OMHEX, SAS and TeliaSonera.



Photo: Fredrik Eriksson

As at 30 December 2003, the Swedish state was the largest single owner on Stockholmsbörsen with a shareholding of SEK 112 billion. The state's holding is just under SEK 49 billion larger than the second largest owner's shareholding.

The development of Stockholmsbörsen was weak at the beginning of the year. Affärsvärlden's general index fell by 8 per cent during the first quarter. The stock exchange then recovered and the general index rose by 30 per cent in 2003. The market value of the state share portfolio increased by 21 per cent in 2003, which is a weaker performance than the stock exchange as a whole. The explanation for

this is that the share price of TeliaSonera, which makes up approximately 71 per cent of the portfolio, performed slightly worse than the index and increased in value by 15 per cent in 2003. The value of other shares increased more than the general index. OMHEX's share price, which decreased in value by 70 per cent in 2002, increased in value by 115 per cent in 2003. The SAS share increased in value by 38 per cent in

2003. Nordea Bank's share price, after a strong increase in value in the latter half of the year, has increased by 40 per cent since the turn of the year 2002/2003.

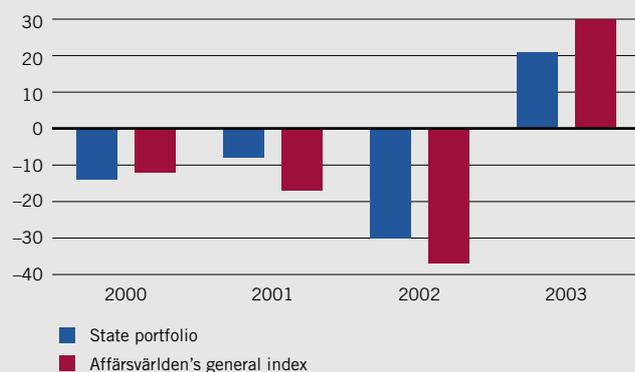
From the turn of the year 2003/2004 until 7 May 2004, the state portfolio has decreased by 15 per cent and Affärsvärlden's general index has increased by 7 per cent during the corresponding period.

MARKET VALUE OF THE STATE PORTFOLIO 2000–2004, SEKm<sup>1)</sup>

COMPANY	Share										
	7 May 04, %	7 May 04	31 Mar 04	30 Dec 03	30 Sep 03	30 Jun 03	31 Mar 03	30 Dec 02	28 Dec 01	29 Dec 00	
Nordea Bank AB	19.0	27,643	27,914	29,269	23,903	20,922	20,271	20,813	30,082	38,754	
OMHEX AB	6.9	791	851	715	615	456	298	333	1,103	1,862	
SAS AB	21.4	2,415	2,344	2,397	2,221	1,551	1,269	1,741	2,397	3,173	
TeliaSonera AB	45.3	64,396	69,268	79,647	71,174	70,327	51,474	69,480	98,920	102,736	
<b>Total</b>		<b>95,244</b>	<b>100,377</b>	<b>112,028</b>	<b>97,913</b>	<b>93,255</b>	<b>73,313</b>	<b>92,367</b>	<b>132,502</b>	<b>146,525</b>	
<b>Total excl TeliaSonera</b>		<b>30,849</b>	<b>31,109</b>	<b>32,381</b>	<b>26,739</b>	<b>22,928</b>	<b>21,839</b>	<b>22,887</b>	<b>33,582</b>	<b>43,789</b>	

<sup>1)</sup> Civitas Holdings shareholding of the former listed company Celtica has been sold and the comparison figure has been accordingly recalculated.

STATE PORTFOLIO COMPARED WITH AFFÄRSVÄRLDEN'S GENERAL INDEX, 2000–2003, %



SHARE PRICE PERFORMANCE OF THE STATE'S PORTFOLIO COMPARED WITH AFFÄRSVÄRLDEN'S GENERAL INDEX, %





Nordea Bank AB (publ) was by several mergers from 1997 to 2001 of the Swedish Nordbanken, Finnish Merita, Danish Unibank and Norwegian Christiania Bank og Kreditkasse. Disregarding repurchased shares, the Swedish state owned 19.1 per cent of the shares of Nordea at the end of 1993. Nordea has decided to change its legal structure and the annual general meeting decided in October 2003 to reorganise the parent company of the group to a bank and changed the name to Nordea Bank AB (publ).

#### OPERATIONS

Nordea Bank carries out operations in three areas: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The core market is in the Nordic countries and the group's market shares in the respective country in the bank market are: 40 per cent in Finland, 25 per cent in Denmark, 20 per cent in Sweden and 15 per cent in Norway. The market shares for life assurance on the insurance market are: Finland 35 per cent, Denmark 10 per cent, Norway 9 per cent and Sweden 6 per cent.

The Nordea share is listed on the stock exchanges in Stockholm, Helsinki and Copenhagen.

#### FINANCES

The financial result has improved in 2003. The bank has had four priority areas, which were identified in 2002, and improvements have taken place in all of these. The volatility of the result has been reduced and income has been stable, despite very low interest rates. Costs have been within the target of being maintained unchanged. Capital efficiency has been improved and loan losses have mainly been concentrated in one industry. The credit portfolio is regarded as being substantially of good quality.

Net profit for the year increased by 68 per cent and totalled EUR 1,490 (887) million. Operating profit increased by 17 per cent to EUR 1,812 (1,547) million. Income was largely unchanged at EUR

5,569 (5,670) million. Costs decreased by 2 per cent and totalled EUR -3,673 (-3,745) million.

#### OBJECTIVE

The paramount financial objective is to create shareholder value on a level with the 5 best from a comparison group of 20 Nordic and European financial groups. Total return is calculated as the increase in value on a shareholding during a given period on the assumption that dividend at the time of payment is re-invested in new shares.

#### OTHER FINANCIAL TARGETS:

1. The return on shareholders' equity excluding goodwill amortisation is to be more than 15 per cent from 2004.
2. The same level of costs as in 2002.
3. The loan loss per cent <0.40 per cent of loans and guarantees on average during a business cycle.
4. The Tier 1 capital ratio >6.5 per cent.
5. The cost/income ratio <55 per cent from 2005.

#### DIVIDEND POLICY

Dividend is normally to exceed 40 per cent of the net profit for the year. The annual dividend is to be adapted to the market's required return and the need for capital to develop business activities.

#### EVALUATION

Total return for 2003 was 47.9 per cent. Nordea ranked as number three in 2003 in the comparison group as regards total return, compared with number 15 in 2002.

#### OUTCOME, OTHER FINANCIAL TARGETS 2003 (2002):

1. Return on shareholders' equity excluding goodwill amortisation, 14.5 (11.3) per cent.
2. Costs EUR 3,673 (3,745) million.
3. Loan loss per cent 0.25 (0.18).
4. Tier 1 capital ratio 7.3 (7.1) per cent.
5. Cost/income ratio 63 (64) per cent.

It is proposed that the dividend per cent for 2003 be 48 per cent.

Chairman: Hans Dalborg

MD: Lars G Nordström

INCOME STATEMENT, SEKm	2003	2002
Net interest income	33,453	34,304
Net commissions	14,020	14,374
Dividends received	393	329
Net income from financial transactions	3,375	2,312
Other operating income	2,014	1,736
<b>Total operating income</b>	<b>53,253</b>	<b>53,056</b>
Operating expenses	-35,941	-35,419
Income from participation rights in associated companies	521	475
Loan losses, net	-3,503	-2,285
Change in value property taken over	183	-101
Operating profit from insurance operations	1,152	-1,352
<b>Operating profit</b>	<b>15,666</b>	<b>14,374</b>
Change in pension liability	-146	-2,568
Tax	-1,875	-3,701
Minority share	-18	0
<b>Net profit/loss for the year</b>	<b>8,105</b>	

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	31,326	41,130
Interest-bearing fixed assets	1,115,551	1,019,084
Non-interest bearing current assets	239,213	187,034
Interest-bearing current assets	994,593	1,037,457
<b>Total assets</b>	<b>2,380,683</b>	<b>2,284,705</b>

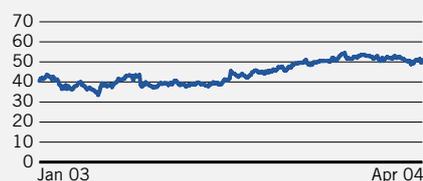
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	110,567	108,891
Minority	73	92
Appropriations	9,098	9,080
Interest-bearing liabilities	1,957,903	1,906,917
Non-interest bearing liabilities	303,042	259,725
<b>Total liabilities and shareholders' equity</b>	<b>2,380,683</b>	<b>2,284,705</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-1,289	-13,207
Cash flow from investment activities	-71,909	12,832
Cash flow from financing activities	73,537	1,849

KEY RATIOS	2003	2002
Return on equity (average), %	12.3	7.5
Lending, bn	1,322	1,334
I/C ratio excluding loan losses, %	1.6	1.6
Capital adequacy ratio, %	9.3	9.9

OTHER, SEKm	2003	2002
Proposed dividend EUR/share	0.25	0.23
Average no. of employees	33,101	37,322
Share owned by state, %	19.0	18.5

#### SHARE PRICE PERFORMANCE 2003, SEK



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 63% / Men 37%
Management group	Women 0% / Men 100%
Board of directors	Women 30% / Men 70%
Environmental policy	YES
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Hans Dalborg. **Vice Chairman:** Timo Peltola. **Board members:** Kjell Aamot, Harald Arnkvaern, Gunnell Duveblad, Claus Höeg Madsen, Jörgen Höeg Pedersen, Birgitta Kantola, Bernt Magnusson, Lars G Nordström, Maija Torkko. (Bernt Magnusson resigned at the annual general meeting of shareholders in 2004). **Employee representatives:** Bertel Finskas, Liv Haug, Kent Petersen, Rauni Söderlund. **Auditor:** Caj Nackstad, KPMG.



In conjunction with the Government selling the state's shareholding in Värdepapperscentralen VPC AB, SEK 500 million was set aside for investments in companies with a central role in the Swedish financial infrastructure. The state's shareholding in OM came into existence in conjunction with the merger of the OM group and Stockholms Fondbörs. The merger was conditional on the state becoming an owner in the new company, the then OM AB. After merging with HEX Oy in 2003, the name of the company is OMHEX AB. The state's shareholding is 6.9 per cent.

#### OPERATIONS

OMHEX's activities consist of two divisions:

- The HEX Integrated Markets Division was established at the time of the merger between OM and HEX in 2003. Within the division, OMHEX operates share and derivative exchanges in Stockholm, Helsinki, Tallinn and Riga and securities register centres in Finland, Estonia and Latvia. In this way, OMHEX offers access to a market that constitutes over 80 per cent of the stock exchange trading in the Nordic and Baltic countries. HEX Integrated Markets consists of four business areas: Cash Markets, Derivatives Markets, Settlement & Depository and Baltic Operations.
- OM Technology offers technology and outsourcing services to securities markets worldwide. Customers consist of companies in financial markets, stock exchanges and other market places, clearing organisations, securities centres, banks and brokers firms. OM Technology also supplies solutions for the players in the energy market.

The OMHEX share is listed on the stock exchanges in Stockholm and Helsinki.

#### FINANCES

There was a weak start to the year for HEX Integrated Markets with both falling stock exchange prices and lower turnover. During the autumn, some recovery took place and the share index increased totally during the year both in Sweden and in Finland. Sales and the number of settlements in share trading fell compared with 2002 while the number of traded derivative contracts increased. 2003 was a weak year for OM Technology. Demand for technology and technology-related services was low. Some increased interest from the market could be noted in the fourth quarter, however. The order inflow decreased compared with last year, and sales have mostly consisted of additional sales to existing customers, although also some sales to new customers.

OMHEX income for the year totalled SEK 2,686 (2,640) million. The group's operating expenses were SEK 3,156 (2,702) million including items affecting comparability of SEK -562 (-132) million. Operating profit totalled SEK -449 (-24) million.

#### OBJECTIVE

The objectives are being reviewed.

#### DIVIDEND POLICY

OMHEX is to comply with a dividend policy where dividends are paid in accordance with the company's long-term earnings trend and capital requirements.

#### ASSESSMENT

The OMHEX share has developed very positively during the year, +115 per cent.



Chairman: Olof Stenhammar



MD: Magnus Böcker

INCOME STATEMENT, SEKm	2003	2002
Net turnover	2,686	2,640
Personnel costs	-1,206	-1,171
Expenses	-1,388	-1,399
Items affecting comparability	-562	-132
Profit/loss from participations in associated companies	21	38
<b>Operating profit</b>	<b>-449</b>	<b>-24</b>
Financial items	-23	-32
<b>Profit before tax</b>	<b>-472</b>	<b>-56</b>
Tax	41	-15
<b>Net profit/loss for the year</b>	<b>-431</b>	<b>-71</b>

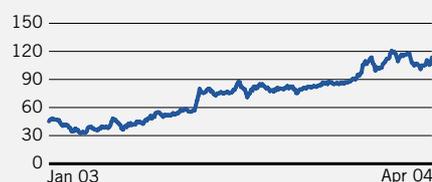
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	3,207	1,722
Interest-bearing fixed assets	968	852
Non-interest bearing current assets	1,209	1,071
Interest-bearing current assets	1,362	1,275
<b>Total assets</b>	<b>6,746</b>	<b>4,920</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	3,533	2,017
Minority	2	0
Appropriations	426	151
Interest-bearing liabilities	2,000	2,057
Non-interest bearing liabilities	384	895
<b>Total liabilities and shareholders' equity</b>	<b>6,746</b>	<b>4,920</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	169	89
Cash flow from investment activities	51	-158
Cash flow from financing activities	-133	-310

KEY RATIOS	2003	2002
Return on equity (average), %	neg	neg
Return on capital employed (average), %	neg	2
Equity/assets ratio, %	52	41

OTHER, SEKm	2003	2002
Proposed dividend	0	84
Average no. of employees	1,682	1,677
Sick leave	2.1	n.a.
Share owned by state, %	6.9	9.5

#### SHARE PRICE PERFORMANCE 2003, SEK



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 35% / Men 65%
Management group	Women 20% / Men 80%
Board of directors	Women 11% / Men 89%
Environmental policy	YES
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Olof Stenhammar. **Board members:** Gunnar Brock, Thomas Franzén, Adine Grate Axén, Bengt Halse, Mikael Lillius, Tarmo Korpela, Timo Ihamuotila, Markku Pohjola. **Auditors:** Peter Clemetson, Öhrlings PricewaterhouseCoopers and Björn Fernström, Ernst & Young.

The fee to the Chairman of the Board is SEK 700,000 (700,000) in 2004. Fees to board members elected at the annual general meeting total SEK 200,000 (200,000) in 2004.



The main owner of the SAS group is the Swedish state, which has a 21.4 per cent share. SAS is a listed company and traded on the stock exchanges in Stockholm, Oslo and Copenhagen.

The aviation industry is undergoing major changes. New players with new business models and lower costs are becoming established in the market. The new players are concentrating on high-volume routes where they can challenge the traditional airlines with low costs and by offering customers considerably lower prices.

**OPERATIONS**

The main objective of SAS AB is to offer passenger air travel. SAS has a strong position in an important northern European aviation market. To retain and reinforce this position in today's and tomorrow's increasingly tough competition, the company is carrying out an extensive programme to improve earnings (Turnaround 2005) which should be fully implemented by 2005.

The development of services for SAS has been weak in 2003. From June, traffic was stabilised with a minor increase in the latter part of the year. The Scandinavian traffic decreased during the year by over 13 per cent. European traffic was weak during the first months of the year but recovered with a total increase for the year. The intercontinental traffic decreased during the year although there was a relatively good growth during the second half of the year.

**FINANCES**

Turnover for 2003 totalled SEK 57.8 (64.9) billion, a reduction by 11.1 per cent. Turnover for comparable units and adjusted for foreign exchange effects decreased by 8.7 per cent. The loss before tax was SEK -1,470 (-450) million. CFROI (Cash-Flow Return on Investments) totalled 7 (13) per cent.

Earnings per share were SEK -8.60 (-0.81). No dividend is recommended for 2003.

Due to the negative development, SAS has initiated Turnaround 2005. The purpose is to simplify working methods of the different airlines and to create cost-effective production platforms. All staff are affected and negotiations with the organisations were initiated in 2003 and continued in early 2004.

**OBJECTIVE**

The objective is for the SAS group to achieve a total return, that is the total of the share price development and dividend of 14 per cent over a business cycle. This has been translated into a profitable internal measure of profitability, CFROI, which will total 20 per cent annually. The equity/assets ratio was 30 per cent.

**DIVIDEND POLICY**

The annual dividend is to be set taking into consideration the group's result, financial position, capital requirement and relevant cyclical conditions. Dividend over a business cycle is to be 30 to 40 per cent of the Group's earnings after standard tax.

**ASSESSMENT**

Stabilisation in traffic and the effects of the saving programme entailed a considerable improvement in earnings for the period May to December. However, the profitability target was not achieved.

The aviation industry is undergoing a major transformation with requirements for efficiency improvements. This is a challenge to the traditional airline companies. It is exceptionally important that SAS undertakes the changes required in order for all activities in the company to be competitive in the long-term. It is also important that the ongoing programme of measures is implemented in accordance with the timetable decided upon.

Chairman: Egil Myklebust MD: Jørgen Lindegaard

INCOME STATEMENT, SEKm	2003	2002
Net turnover	57,754	64,944
Expenses	-59,974	-64,350
Items affecting comparability	1,300	497
Profit/loss from participations in associated companies	39	-409

<b>Operating profit</b>	<b>-881</b>	<b>682</b>
Financial income	1,443	1,150
Financial expenses	-2,032	-2,282
<b>Profit before tax</b>	<b>-1,470</b>	<b>-450</b>
Tax	5	267
Minority	50	51
<b>Net profit/loss for the year</b>	<b>-1,415</b>	<b>-132</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	35,241	39,643
Interest-bearing fixed assets	7,528	7,202
Non-interest bearing current assets	8,634	8,959
Interest-bearing current assets	9,872	11,006
<b>Total assets</b>	<b>61,275</b>	<b>66,810</b>

Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	13,134	15,188
Minority	112	166
Interest-bearing appropriations	50	47
Non-interest bearing appropriations	4,838	5,397
Interest-bearing long-term liabilities	20,715	21,322
Non-interest bearing long-term liabilities	141	330
Interest-bearing current liabilities	8,101	8,413
Non-interest bearing current liabilities	14,184	15,947
<b>Total liabilities and shareholders' equity</b>	<b>61,275</b>	<b>66,810</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-1,389	2,138
Cash flow from investment activities	1,244	-3,864
Cash flow from financing activities	-1,510	785

KEY RATIOS	2003	2002
Return on equity (average), %	neg	neg
Return on total assets (average), %	0.9	2.8
Return on capital employed (average), %	0.5	3.7
Return on operating capital (average), %	neg	4.3
Equity/assets ratio, %	21.6	23.0

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	4,488	9,919
Depreciation and write-downs	3,076	3,137
Average no. of employees	34,544	35,506
Sick leave in Sweden, %	7.0	7.0
Share owned by state, %	21.4	21.4



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 42% / Men 58%
Management group	Women 17% / Men 83%
Board of directors	Women 33% / Men 67%
Environmental policy	YES
Environmental management system	OWN

**Board of directors and auditors 2003/2004**

Chairman: Egil Myklebust. Vice Chairman: Jacob Wallenberg. Board members: Berit Kjöll, Fritz H. Schur, Anitra Steen, Lars Rebien Sørensen. Employee representatives: Nicolas E. Fischer, Ulla Grøntvedt, John Lyng. Auditors: Peter Gustafsson, Deloitte & Touche.

The total fee to the board members appointed at the annual general meeting of shareholders was SEK 1,935,000 (2,150,000) in 2004.

# TeliaSonera

Telia was created in 1993 by incorporation of National Telecom Agency. In 2000, Telia was listed on the stock exchange, whereupon the state's ownership decreased to just over 70 per cent. After authorisation from the Riksdag which permits the Government to change ownership without restrictions, Telia merged with the Finnish Sonera to create TeliaSonera. The Swedish state's holding was then just over 45 per cent.

## OPERATIONS

TeliaSonera is the largest mobile operator in Sweden and Finland, the next largest in Norway and the fourth largest in Denmark. At the end of the year, the company had sold 12 million mobile telephones subscribers in the consolidated operation and 26 million in associated companies. The company is also the largest supplier in the field of fixed telephony and data communications, with leading market positions in Sweden and Finland. Furthermore, TeliaSonera is the largest telecommunications operator in the Baltic republics and the largest mobile operator in Eurasia.

TeliaSonera's focus on the Nordic and Baltic home markets is to create profitable growth on a par with or better than the market through improved efficiency and simplified product offers. TeliaSonera's ambition is to achieve majority control in all activities where the company has ownership shares. The most important minority holding in terms of value is in the rapidly growing markets in Turkey, Russia and the Baltic countries. Through its strong financial position, the company has good prospects for being able to take an active part in the consolidation of the European telecommunications market.

## FINANCES

Turnover in TeliaSonera increased to SEK 82 billion due to Sonera being included in

the accounts in 2003. Turnover pro forma was almost unchanged. Growth was restrained primarily by a decrease in income in fixed telephony in Sweden. This decline was balanced by good growth in mobile telephony, in particular in Eurasia.

Operating profit improved by over SEK 25 billion. Earnings were affected positively by the consolidation of Sonera and the absence of last year's write-downs and provisions in International Carrier and the Danish operation. Besides efficiency and synergy gains, profitable growth in mobile telephony and successful restructuring of International Carrier and the Danish fixed telephony activities contributed to the improvement.

Even taking into consideration the consolidation of Sonera, the cash flow was almost doubled to over SEK 17 billion. The reinforcement in the cash flow derived from the strong improvement in profitability combined with reduced investment in fixed assets. The reported net loan liability pro forma was more than halved to approximately SEK 18 billion.

## DIVIDEND POLICY

In 2003, the board propose an increase in dividend to SEK 1 per share, consisting of an ordinary dividend of SEK 0.80 (0.40) and an additional dividend of SEK 0.20. Total dividend amounts to SEK 4.7 billion. The Swedish state's share of the dividend is SEK 2.1 billion.

## ASSESSMENT

TeliaSonera's share price increased during the year by 13 (–28) per cent to SEK 37.60 at the end of 2003. During the same period, the Stockholm stock exchange Stockholmsbörsen as a whole (SX All Share Index) increased by 30 per cent. The index for European telecommunications operators (Dow Jones Eurostoxx Telecom Index) increased during the year by 24 per cent.

## Board of directors and auditors 2003/2004

**Chairm:** Tom von Weymarn. **Vice Chairm:** Carl Bennet. **Board members:** Ingvar Carlsson, Eva Liljebloom, Sven-Christer Nilsson, Paul Smits, Caroline Sundewall, Roger Talermo. (Tapio Hintikka resigned and was replaced by Tom von Weymarn. Ingvar Carlsson resigned and Lennart Låftman and Timo Peltola were appointed at the annual general meeting of shareholders in 2004). **Employee representatives:** Elof Isaksson, Yvonne Karlsson, Berith Westman. **Auditors:** Lars Träff, Ernst & Young and Thomas Thiel, KPMG Bohlins. Göran Tidström, Öhrlings PricewaterhouseCoopers, was appointed as auditor at the annual general meeting of shareholders in 2004.



**Chairm:** Tom von Weymarn

**MD:** Anders Igel

INCOME STATEMENT, SEKm	2003	2002
Net turnover	82,425	59,483
Expenses	-68,097	-70,906
Profit/loss from participations in associated companies	382	528
<b>Operating profit</b>	<b>14,710</b>	<b>-10,895</b>
Financial income	2,451	1,279
Financial expenses	-3,262	-2,000
<b>Profit before tax</b>	<b>13,899</b>	<b>-11,616</b>
Tax	-3,850	3,619
Minority	-969	-70
<b>Net profit/loss for the year</b>	<b>9,080</b>	<b>-8,067</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	146,930	164,393
Interest-bearing fixed assets	6,112	8,419
Non-interest bearing current assets	20,901	22,341
Interest-bearing current assets	16,117	11,503
<b>Total assets</b>	<b>190,060</b>	<b>206,656</b>

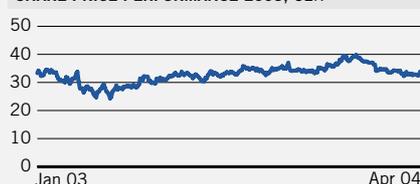
Shareholders' equity, appropriations and liabilities		
Shareholders' equity	112,393	108,829
Minority	3,441	5,120
Interest-bearing appropriations	522	224
Non-interest bearing appropriations	14,775	18,182
Interest-bearing long-term liabilities	25,867	32,124
Non-interest bearing long-term liabilities	2,489	2,350
Interest-bearing current liabilities	4,687	12,608
Non-interest bearing current liabilities	25,886	27,219
<b>Total liabilities and shareholders' equity</b>	<b>190,060</b>	<b>206,656</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	26,443	12,449
Free cash flow	17,351	3,877
Cash flow from investment activities	-3,443	-5,553
Cash flow from financing activities	-16,412	-10,344

KEY RATIOS	2003	2002
Return on equity (average), %	8.2	neg
Return on total assets (average), %	8.7	neg
Return on capital employed (average), %	11.2	neg
Return on operating capital (average), %	10.9	neg
Equity/assets ratio, %	60.9	55.1

OTHER, SEKm	2003	2002
Proposed dividend	4,675	1,870
Gross investment	12,118	54,438
Depreciation and write-downs	19,838	21,028
Average no. of employees	26,188	17,277
Sick leave, %	6.3	5.5
Share owned by state, %	45.3	45.3

## SHARE PRICE PERFORMANCE 2003, SEK



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 42% / Men 58%
Management group	Women 22% / Men 78%
Board of directors	Women 22% / Men 78%
Environmental policy	YES
Environmental management system	ISO 14001

# Companies with special societal interests

Companies with special societal interests are characterised by one or both of the following:

- The owner, the state, controls the activity in a tangible, direct way.
- They operate on a market with special conditions.
- Some of the companies operate wholly or partly without competition, others are fully exposed to competition.

Special objectives are set, and the required returns can deviate from what is usual for business operating wholly under market conditions. The assessment and monitoring are based partly on qualitative parameters derived from

socio-economic or sector policy objectives and efficiency or earning requirements. The requirements for cost effectiveness, etc. may be high, even though other objectives are of great importance. The degree of societal interest and the

owner's control differ greatly between the various companies in this group. Assessment of the companies in this group takes place annually and is presented in the report as part of the Government's written report to the Riksdag.

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## Overview 2003

Net profit for companies with special societal interests increased by 3 per cent in 2003 and totalled SEK 4.8 (4.7) billion. Net turnover increased in 2003 and totalled SEK 96.2 (93.6) billion. Shareholders' equity increased to SEK 25.4 (24.6) billion. The return on shareholders' equity was 19.2 (19.1) per cent.

Companies with special societal interest comprise 26 companies, of which 25 are included in the consolidated accounts. The summary on page 102 pp shows the companies included in this group.

Earnings for companies with special societal interests totalled SEK 4,795 (4,647) million. Svenska Spel and Apoteket accounted for a large part of the increase with a joint improvement in earnings of SEK 816 million. Of the 25 companies consolidated in this group, 18 companies reported improved or unchanged earnings equivalent to SEK 945 million, while 7 companies reported a deterioration in earnings, totalling SEK 754 million.

Turnover increased by 3 per cent in 2003 compared with 2002 and totalled SEK 96,247 (93,562) million. The largest increase is from Svenska Spel and Apoteket, which together increased turnover by SEK 2,588 million. Samhall decreased its turnover by SEK 491 million.

### GROSS INVESTMENT

Gross investment for companies with special societal interests increased by SEK 1,872 million in 2002 compared to 2001. In 2003, investments in these companies decreased by 15 per cent compared to 2002 and gross investments totalled SEK 6,811 (8,064) million. Statens väg och baninvest

and the Civil Aviation Administration accounted together for a large part of the decrease at SEK 1,283 million.

Systembolaget and the Swedish Maritime Administration increased their investment in 2003 by SEK 117 million and SEK 222 million respectively.

### CASH FLOW

The cash flow from companies with special societal interests was substantially unchanged in 2003. The cash flow from operating activities totalled SEK 7,668 (8,029) million. The largest changes were accounted for by Systembolaget with a decrease of SEK 1,338 million and Svenska



Photo: Victor Brott/Swedfund

Of the 25 companies consolidated in this group, 18 companies reported improved or unchanged earnings equivalent to SEK 945 million, while 7 companies reported a deterioration in earnings, totalling SEK 754 million.

Spel with an increase of SEK 858 million. The main explanation for the change in Systembolaget's cash flow is changed payment dates for a number of very large beverage deliveries that led to a substantial reduction in accounts payable.

#### TURNOVER AND EARNINGS

**Apoteket's** turnover in 2003 totalled SEK 33,120 (32,088) million and earnings in 2003 amounted to SEK 351 (12) million. Earnings were positively affected by a capital gain of SEK 147 million after sale of shares in the Finnish pharmaceutical distributor Tamro Apb. Earnings in ordinary activities totalled SEK 50 million. The rate of increase of income has been considerably lower than in recent years because of the generic products reform. The effects of this reform where Apoteket replaces more expensive pharmaceutical products by the cheapest equivalent alternative have been positive for customers and society, although it has led to a weaker increase in income for prescription drugs. Apoteket has responded to this by a positive development in the self-care area and in sale of services, at the same time as Apoteket has carried out measures on the costs side.

**Systembolaget's** turnover increased marginally in 2003 to SEK 19,207 (19,132) million. Earnings in 2003 totalled SEK 138 (142) million. In 2003, 362.3 million litres of alcoholic beverages were sold. This is an increase of 4.2 (9.5) per cent compared to 2002 and the company's largest sales in litres ever. Measured in pure alcohol, sales increased by 2.6 (8.3) per cent to 37.4 million litres, which is a clear slackening of the increase, compared to the period 2000 to 2002. The return on shareholders' equity

#### COMPANIES WITH SPECIAL SOCIETAL INTERESTS

INCOME STATEMENT, SEKm				
	2000	2001	2002	2003
Net turnover	83,003	86,764	93,562	96,247
Expenses	-76,999	-82,423	-87,934	-90,540
Items affecting comparability	505	-217	-20	-175
Profit/loss from participations in associated companies	13	146	66	187
<b>Operating profit</b>	<b>6,523</b>	<b>4,270</b>	<b>5,674</b>	<b>5,719</b>
Financial income	1,491	1,431	561	467
Financial expenses	-1,458	-2,243	-1,564	-1,509
<b>Profit before tax</b>	<b>6,556</b>	<b>3,458</b>	<b>4,671</b>	<b>4,677</b>
Tax	-527	94	19	182
Minority	-121	22	-43	-64
<b>Net profit/loss for the year</b>	<b>5,909</b>	<b>3,574</b>	<b>4,647</b>	<b>4,795</b>

BALANCE SHEET, SEKm				
	2000	2001	2002	2003
<b>Assets</b>				
Non-interest bearing fixed assets	44,182	48,122	49,312	50,044
Interest-bearing fixed assets	6,155	8,826	12,665	14,903
Non-interest bearing current assets	14,511	14,536	13,866	13,552
Interest-bearing current assets	12,264	11,951	12,371	13,246
<b>Total assets</b>	<b>77,112</b>	<b>83,433</b>	<b>88,214</b>	<b>91,744</b>
<b>Shareholders' equity, appropriations and liabilities</b>				
Shareholders' equity	24,930	24,010	24,580	25,406
Minority	517	469	481	539
Interest-bearing appropriations	4,460	4,272	4,030	5,389
Non-interest bearing appropriations	1,598	1,324	1,420	929
Interest-bearing long-term liabilities	25,066	32,556	35,283	37,355
Non-interest bearing long-term liabilities	3,817	2,780	2,868	2,322
Interest-bearing current liabilities	3,406	4,099	5,447	6,316
Non-interest bearing current liabilities	13,318	13,924	14,105	13,488
<b>Total liabilities and shareholders' equity</b>	<b>77,112</b>	<b>83,433</b>	<b>88,214</b>	<b>91,744</b>

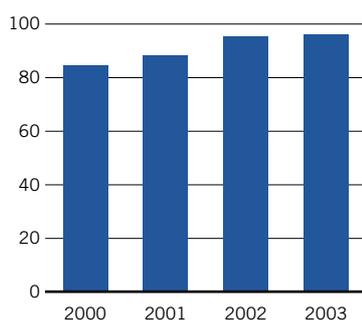
  

CASH FLOW, SEKm				
	2000	2001	2002	2003
Cash flow from operating activities	7,904	6,764	8,029	7,668
Cash flow from investment activities	-4,981	-8,049	-7,073	-5,222
Cash flow from financing activities	-3,179	704	122	-1,841

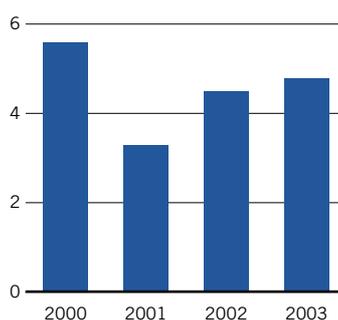
OTHER INFORMATION, SEKm				
	2000	2001	2002	2003
Gross investment	6,603	6,192	8,064	6,811
Depreciation and write-downs	2,652	3,067	2,909	3,029
Turnover relating to government grants	21,220	22,429	23,864	24,141
Return on equity, %	24.6	14.6	19.1	19.2
Equity/assets ratio, %	33.0	29.3	28.4	28.3
Dividends	4,426	4,402	4,789	5,027
Average no. of employees	53,880	50,616	49,801	49,136
Average no. of employees, including associated companies	51,845	51,766	50,487	49,126

NET TURNOVER, SEK bn



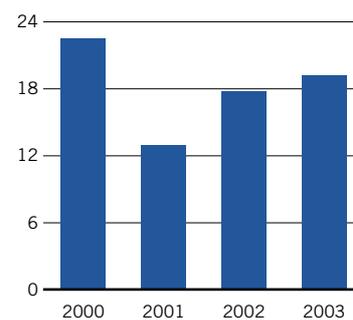
Net turnover increased by 3 per cent. This increase is mainly explained by Svenska Spel and Apoteket.

NET PROFIT, SEK bn



Net profit improved slightly in 2003.

RETURN ON EQUITY, %



Return on equity continued to be high.

was 10.0 (10.3) per cent in 2003. One of the most important societal interests is to avoid sales of alcohol to young people under 20 years of age. In 2003, the age checks carried out by a special control company have been extended to Systembolaget's distribution points. In 2003, all stores were checked on four occasions and a fifth of the distribution points on two occasions. Proof of age was requested in 83 per cent of the control purchases in stores and 63 per cent at the distribution points.

**Svenska Spel's** gaming income increased by 8.6 per cent and turnover amounted to SEK 19,796 (18,240) million in 2003. International network players are engaging in more and more intensive marketing to Swedish gamblers, which breaches the Swedish gaming regulations. International developments can affect the future of the company.

Earnings in 2003 increased by 10 per cent or SEK 477 million and totalled SEK 4,687 (4,210) million. Casino Cosmopol showed a profit of SEK 168 (-145) million, which is an improvement in earnings of SEK 313 million. In 2003, Casino Cosmopol opened the fourth and last planned casino. In 2003, a total of 803,512 visits were recorded. In accordance with the new profit sharing system, SEK 1,010 million of the company's profit go to activities for children and young people organised by popular and sports organisations. In addition, SEK 165 million which was distributed to Sveriges Bingohallar, parts of which are paid to the local sports associations. SEK 4,509 (4,210) million goes to the state. Svenska Spel is to meet consumer demands for attractive lotteries and games. Social responsibility and the risks of fraud must be taken into consideration when new games are developed. Maximum security shall be aimed for when new forms of gambling are developed and efficient, independent inspection is to be made possible.

**Samhall's** turnover decreased by 9 per cent in 2003 and totalled SEK 8,066 (8,557) million. The tough international competition and a continuing downturn had a negative effect on turnover. The reduction relates to industrial activity while invoicing in services increased. Considerable efforts have therefore been devoted to restructur-

ing from industrial to service activities. Special "mobility projects" have been initiated with measures for personal development to support employees who have been affected by this transition. Earnings in 2003 totalled SEK -334 (1) million. The amount includes winding-up and changeover expenses of SEK -175 million. The negative result does not threaten Samhall's financial position in the short-term. However, Samhall must report a positive result in the future to avoid a long-run threat to the financial position. Work on restructuring and adapting activities is continuing in 2004.

**The Swedish Civil Aviation Administration's** turnover totalled SEK 5,402 (5,384) million, of which airport and air traffic control charges accounted for SEK 3,554 million. SEK 423 million of this income was paid by airline companies for passenger and baggage checks. The Swedish Civil Aviation Administration's earnings in 2003 amounted to SEK -37 (105) million. Earnings have been affected by the largest decline in travel in modern time. The number of air passengers continues to fall for the third year running. Since 2000, the number of passengers has decreased by over 4 million or approximately 15 per cent. A declining market and increased expenses for air traffic protection has had a negative effect on the air industry. In 2003, the number of passengers at the Civil Aviation Administration's airports decreased by 5 per cent to 222,000. The Civil Aviation Administration's traffic income has decreased in a couple of years by a half billion kronor. An action programme has been carried out to improve the Civil Aviation Administration's earnings by SEK 1 billion by 2006.

**Svenska Kraftnät's** turnover increased by SEK 141 million to SEK 3,982 million. Earnings for the year decreased by SEK 253 million to SEK 288 million, primarily because of a fall in grid income of SEK 115 million. Expenses for power losses and balance power increased due to the higher electricity price compared to the previous year. Studies have shown that Svenska Kraftnät is among the most cost-efficient grid companies in Europe. The grid charges can therefore be kept low compared to other European grid companies.

The return on adjusted shareholders' equity totalled 3.5 (6.6) per cent in 2003.

**The Swedish Maritime Administration's** earnings totalled SEK 27 (18) million in 2003. The volume of cargo increased by 4 per cent in 2003. This was primarily due to an increase in export volumes, resulting in increased fairway charges in 2003. However, the trend is towards larger ships being used, which leads to fewer port calls and less pilotage. Turnover increased and totalled SEK 1,494 (1,450) million. The return on shareholders' equity was 3.5 (2.3) per cent in 2003.

**Svensk Bilprovning's** turnover increased by 10 per cent in 2003 compared to the previous year and totalled SEK 1,535 million. Almost 4 percentage points of this increase can be assigned to increased volume and the rest to increased prices. Bilprovningen increased its prices by an average of over 20 per cent in June 2002. Prices are to be set so as to cover the costs of operations in the long-term. Bilprovningen is on the threshold of investments to increase capacity and thus service to customers. Earnings in 2003 increased by SEK 28 million to SEK 112 million. The return on shareholders' equity totalled 28.4 (28.3) per cent in 2003.

**SOS Alarm's** turnover increased from SEK 619 million in 2002 to SEK 671 million in 2003. Earnings increased and totalled SEK 13 (0) million. SOS Alarm has entered into multi-year agreements that ensure a large part of future income for 2004. At the same time, expenses for restructuring work with a new technical platform will be charged to operations. The return on shareholders' equity totalled 8.0 (0.0) per cent in 2003.

**ALMI Företagspartner's** turnover totalled SEK 534 (486) million. The loss decreased from SEK 122 million in 2002 to SEK 58 million in 2003. ALMI supports small- and medium-sized enterprises by market-complementing financing and business development. In 2003, ALMI carried out a total of 30,000 contributions in the form of information, provision of general advice, financing and in-depth contributions in established companies. New loans totalled SEK 928 million to 2,239 companies.



## A-Banan Projekt AB

In 1993, the Delegation for Infrastructural Investments (K 1991:04) was commissioned by the Government to carry out a procurement process for the Arlandaban railway line. A-Banan Projekt AB (A-Banan) was created to administer the procurement and to gather together the state's rights and obligations in the project. Arlandaban was opened for the train shuttle service to the airport, Arlanda Express, on 25 November 1999.

### OPERATIONS

A-Banan has constructed, owns and manages Arlandaban, the railway from Rosersberg, via Arlanda airport, to Oden-sala. The project also includes the establishment and maintenance of air shuttle services between Stockholm Central and Stockholm-Arlanda (Arlanda) airport. A-Train AB operates air shuttle services on behalf of A-Banan and is responsible for operation and maintenance of Arlandaban during the period of contract.

A-Banan supervises the operation of the air shuttle service, other train services and the railway facility. A-Banan is also responsible for safeguarding the state's rights and obligations under the agreement and participating in the development of Arlanda airport. A-banan shall furthermore, in consultation with the Swedish National Rail Administration, monitor the issue of integration of services on Arlandaban. It is also responsible for keeping the National Debt Office, which is responsible for the government's conditional loan, informed about circumstances that could affect repayment of the loan. A-Banan is owned by the state and the company's shares are managed in equal parts by the Swedish National Rail Administration and the Swedish Civil Aviation Administration.

### FINANCES

The company's operations are financed by current invoicing of its expenses to the Swedish National Rail Administration and the Swedish Civil Aviation Adminis-

tration. In addition, A-Banan receives some income from a special inspection and monitoring payment from A-Train AB, the company that the private sector established to carry out the project on behalf of A-Banan.

The refinancing of the project is deemed to considerably improve A-Train's prospects of meeting its commitments in the next five-year period. There are no financial guarantees from A-Banan to A-Train or its lenders for operations or for the existing loans for operations or the loans that financed construction of the facility.

### OBJECTIVE

A-Banan will work for increased train services to the airport. Some work on transferring goods shipments relating to Arlanda airport from lorry to railway may need to take place during 2004.

### ASSESSMENT

The owners of A-Train have concluded an agreement to sell the shares in A-Train to Macquarie Bank Limited, which has its registered office in Australia. The project has been refinanced in conjunction with the sale. A-Banan approved the sale and refinancing in January 2004.

During the year, A-Banan has monitored and analysed the activities of A-Train. The sale of A-Train and refinancing of the project has involved a considerable amount of work and expenses for A-Banan.

Arlanda Express is a much appreciated service by travellers and the air shuttle services have been operated at a high level of reliability and good standard despite there being deficiencies in the availability of the trains.

The downturn and other events in the surrounding world have had a great effect on activities at Arlanda Airport. In recent years, the number of passengers at the airport has decreased by approximately 3 million to just over 15 million in 2003. A-Train's market share continued to increase slightly in 2003.

Chairman: Lars Rekke

MD: Kjell Sundberg

INCOME STATEMENT, SEKm	2003	2002
Net turnover	66	65
Expenses	-66	-65
<b>Operating profit</b>	<b>0</b>	<b>0</b>
<b>Profit before tax</b>	<b>0</b>	<b>0</b>
<b>Net profit/loss for the year</b>	<b>0</b>	<b>0</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	2,111	2,161
Non-interest bearing current assets	4	3
Interest-bearing current assets	11	13
<b>Total assets</b>	<b>2,125</b>	<b>2,177</b>

Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	10	10
Non-interest bearing long-term liabilities	2,055	2,105
Non-interest bearing current liabilities	61	62
<b>Total liabilities and shareholders' equity</b>	<b>2,125</b>	<b>2,177</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	54	57
Cash flow from investment activities	-6	-16
Cash flow from financing activities	-51	-41

KEY RATIOS	2003	2002
Return on equity (average), %	0.0	0.0
Return on total assets (average), %	0.0	0.0
Return on capital employed (average), %	0.0	0.0
Return on operating capital (average), %	15.5	14.3
Equity/assets ratio, %	0.5	0.5

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	0	0
Depreciation and write-downs	56	56
Average no. of employees	2	2
Share owned by state, %	100	100

Ethical policy	NO
Equal opportunities policy	NO
Employees	Women 50% / Men 50%
Management group	-
Board of directors	Women 25% / Men 75%
Environmental policy	NO
Environmental management system	NO

### Board of directors and auditors 2003/2004

**Chairman:** Lars Rekke. **Board members:** Karin Apelman, Kjell-Åke Averstad, Sven Bårström, Jan Danielson, Marika Jenstav. (The annual general meeting of shareholders takes place on 26 May). **Deputy:** Ulf Lundin, Kjell Sundberg. **Auditors:** Anders Wiger, Ernst & Young och Bertil Forslundh, Riksrevisionen (state audit institution).

The chairman of the board received no fee in 2003. Fees to board members elected at the annual general meeting totalled SEK 89,000.



ALMI Företagspartner AB (ALMI) was established in accordance with a resolution by the Riksdag in 1993, with the task of promoting business development and owning shares in a number of regional companies, which are to engage in the provision of advice and financing. Operations take place in 21 regional subsidiaries in which ALMI Företagspartner AB usually owns 51 per cent. ALMI's customers are small and medium-sized companies in all sectors.

#### OPERATIONS

ALMI's business concept is to promote new entrepreneurship, the competitiveness of companies, and a more dynamic business sector by financing that complements the market and business development for new entrepreneurs, and small and medium-sized enterprises.

ALMI's contributions are targeted on small enterprises that lack resources and payment capacity.

ALMI carried out a total of 30,000 inputs in the form of information, general advice, financing and in-depth contributions in established companies in 2003. ALMI also assisted in the establishment of new companies and provided support to young companies by inputs for approximately 38,000 persons and businesses. During the year, ALMI had 23,000 contacts with innovators and innovation companies. This activity was pursued together with the trust Innovationscentrum (SIC) and a total of 8,100 in-depth inputs have been carried out in various companies. These contributions included programmes aiming at business development, product renewal, skills reinforcement and internationalisation.

The total new lending in 2003 increased compared with the previous year. New lending totalled SEK 928 million in loans granted to 2,239 companies.

#### FINANCES

The group's earnings totalled SEK -58 (-122) million. Total lending increased from SEK 918 million in 2002 to SEK 928 million in 2003. The total turnover in the group increased from SEK 486 million in 2002 to SEK 534 million in 2003.

#### OBJECTIVE

ALMI is to promote growth and renewal within the Swedish business sector by contributing to new companies being started and the growth of small companies by means of advice, skills development, financing and initiatives to create contacts.

#### ASSESSMENT

ALMI measures the customers' view of its contributions. Since the first survey took place eight years ago, the group's total customer value has improved every year. A large proportion of customers would be willing to recommend ALMI to a colleague, 96 per cent of the financing customers and 92 per cent of the consultancy customers. 90 per cent of the companies consider that they have developed positively through their collaboration with ALMI. With the aid of Statistics Sweden, ALMI also carries out a survey on company growth. This shows that the companies that ALMI has made contributions to have grown more than comparable companies that have not received assistance from ALMI.



Chairman: Kai Hammerich

MD: Göran Lundwall

INCOME STATEMENT, SEKm	2003	2002
Net turnover	534	486
Expenses	-595	-600
<b>Operating profit</b>	<b>-61</b>	<b>-114</b>
Financial expenses	-1	-
<b>Profit before tax</b>	<b>-62</b>	<b>-114</b>
Minority	4	-8
<b>Net profit/loss for the year</b>	<b>-58</b>	<b>-122</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	33	40
Interest-bearing fixed assets	2,103	2,078
Non-interest bearing current assets	114	149
Interest-bearing current assets	2,418	2,481
<b>Total assets</b>	<b>4,668</b>	<b>4,748</b>

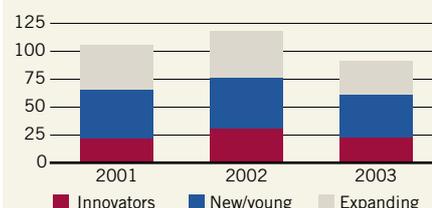
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	4,100	4,157
Minority	143	147
Non-interest bearing appropriations	133	136
Non-interest bearing long-term liabilities	45	46
Non-interest bearing current liabilities	247	262
<b>Total liabilities and shareholders' equity</b>	<b>4,668</b>	<b>4,748</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	15	209
Cash flow from investment activities	-3	2

KEY RATIOS	2003	2002
Return on equity (average), %	neg	neg
Return on total assets (average), %	neg	neg
Return on capital employed (average), %	neg	neg
Return on operating capital (average), %	22.4	47.8
Equity/assets ratio, %	90.9	90.6

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	12	14
Depreciation and write-downs	10	11
Average no. of employees	501	512
Share owned by state, %	100	100

#### NUMBER OF CUSTOMER CONTACTS PER COMPANY TYPE, thousands



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 44% / Men 56%
Management group	Women 30% / Men 70%
Board of directors	Women 43% / Men 57%
Environmental policy	NO
Environmental management system	NO

#### Board of directors och revisorer 2003

**Chairman:** Kai Hammerich. **Vice Chairman:** Carin Holmquist. **Board members:** Håkan Arnelid, Catharina Blom, Mattias Moberg, Thomas Nilsson, Eva-Carin Tengberg. **Employee representatives:** Agneta Larsson, Pontus Sannéus. (The annual general meeting of shareholders takes place on 28 May). **Auditors:** Åke Hedén and Torsten Lyth, Ernst & Young and Jonas Hällström, Riksrevisionen (state audit institution).

The fee to the Chairman of the Board was SEK 70,000 (70,000) in 2003. Fees to board members elected at the annual general meeting totalled SEK 50,000 (50,000) in 2003.



According to section 4 of the Act (1996:1152) on Trade with Pharmaceutical Products, Apoteket AB has sole right to sell pharmaceutical products to the general public. Apoteket is to meet the need for pharmaceutical products throughout Sweden and is obliged to supply all pharmaceutical products approved for the Swedish market. A new business agreement between the state and Apoteket AB, stipulating the conditions for the company's activities, came into force on 1 February 2003.

#### OPERATIONS

Apoteket's main activity is sale of pharmaceutical products to the general public through "outpatient" pharmacies. Apoteket is to supply all pharmaceutical products approved for the Swedish market and to promote rational use of pharmaceutical products. Pharmaceutical products are to be available throughout Sweden and to be sold at uniform prices. Apoteket shall also provide producer-independent information to individual consumers and to the health service. Besides sales to the general public, all health service principals have at present appointed Apoteket as the supplier for procurement and provision of pharmaceutical products to the health service. During the year, eight new pharmacies and one Apoteket Shop have been opened. Apoteket's customer centre – which answers approximately 11,000 calls daily from the general public – has been in operation since autumn 2003.

#### FINANCES

In 2003 Apoteket's income totalled SEK 33,120 (32,088) million. This increase derives from a positive development in the field of services and self-care. For the predominant sale of drugs on prescription, the increase is weak due to low volume and lower average prices. Net profit was SEK 351 (12) million and profitability after tax, measured on opening shareholders' equity, totalled 21.3 per cent. The equity/assets ratio improved during

the year from 19.0 to 23.4 per cent. Profit and the equity/assets ratio have been positively affected by a capital gain due to a divestment of shares in the associated company Tamro Apb.

#### OBJECTIVE

The overall objectives of Apoteket's operations are rational use of pharmaceutical products and a good provision of pharmaceutical products in Sweden. Pharmaceutical products shall be supplied at the lowest possible cost, both at the distribution level and in general.

The financial targets for the business, laid down in owner directives are:

1. Profitability after tax on adjusted equity (at the beginning of the financial year) is to correspond to the ten-year bond rate in the long-term (average calculated for the financial year) with a supplement of three per cent.
2. The equity/assets ratio in Apoteket should be approximately 21 per cent.

#### DIVIDEND POLICY

Dividend should, on condition that the dividend rules allow it, total an amount corresponding to a third of the net profit taking into consideration the target for the equity/assets ratio.

#### ASSESSMENT

Apoteket's 900 pharmacies have had 90 million customer visits in 2003 and processed 69 million prescription items. Apoteket's share of the pharmaceutical products krona is 16.2 per cent and the Swedish pharmacy system has a low distribution cost compared with other European pharmacy systems. Apoteket contributes to a safe and rational handling of pharmaceutical products throughout Sweden. The customers' valuation of Apoteket's operations in 2003 remains at a high level and Apoteket came third in Temos Corporate Image survey of forty participating companies. In 2003, Apoteket achieved all financial targets for the company and will provide a dividend of SEK 117 million.



Chairman: Jan Bergqvist



MD: Stefan Carlsson

INCOME STATEMENT, SEKm	2003	2002
Net turnover	33,112	32,026
Other operating income	8	62
Expenses	-33,101	-32,068
Income from participation rights in associated companies	147	0
<b>Operating profit</b>	<b>166</b>	<b>20</b>
Financial income	58	63
Financial expenses	-27	-52
<b>Profit before tax</b>	<b>197</b>	<b>31</b>
Tax	154	-19
<b>Net profit/loss for the year</b>	<b>351</b>	<b>12</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	1,164	1,877
Non-interest bearing current assets	6,263	6,441
Interest-bearing current assets	486	340
<b>Total assets</b>	<b>7,913</b>	<b>8,658</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	1,855	1,648
Non-interest bearing appropriations	174	358
Interest-bearing current liabilities	1,929	2,878
Non-interest bearing current liabilities	3,955	3,774
<b>Total liabilities and shareholders' equity</b>	<b>7,913</b>	<b>8,658</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	591	41
Cash flow from investment activities	604	-229
Cash flow from financing activities	-1,049	269

KEY RATIOS	2003	2002
Return on equity (average), %	18.9	0.7
Return on total assets (average), %	2.5	0.8
Return on capital employed (average), %	5.4	1.9
Return on operating capital (average), %	0.5	0.5
Equity/assets ratio, %	23.4	19.0

OTHER, SEKm	2003	2002
Proposed dividend	117	100
Gross investment	239	260
Depreciation and write-downs	236	237
Average no. of employees	11,124	10,827
Sick leave, %	6.6	6.7
Share owned by state, %	100	100

Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 91% / Men 9%
Management group	Women 53% / Men 47%
Board of directors	Women 57% / Men 43%
Environmental policy	YES
Environmental management system	ISO 14001 (two districts)

#### Board of directors and auditors 2003/2004

**Chairman:** Jan Bergqvist. **Board members:** Barbro Karlsson, Susanne Eberstein, Anna Engström Laurent, Eva Eriksson, Peter Lagerblad, Mikael Sjöberg. (Anna Engström Laurent resigned and Carola Lemne was appointed at the annual general meeting of shareholders in 2004).

**Employee representatives:** Inga-Lill Furberg, Britt-Marie Skoglösa. **Deputy employee representatives:** Carina Jansson, Anna Karin Utterström.

**Auditors:** Per Wardhammar, Öhrlings PricewaterhouseCoopers, Lars Nordstrand, Riksrevisionen (state audit institution) and Anders Karlsson, general examiner.

# Bostadsgaranti

AB Bostadsgaranti was established in 1962 from the then Svenska Byggnads-entreprenörföreningen. In 1976, a ten-year guarantee was introduced for purchasers of newly-produced houses. This guarantee was made into a condition for government grants in 1984 (subsequently interest subsidies) for owner-occupied, and tenant-owner housing. In conjunction with this, the state acquired a half interest in the company. The Riksdag justified this decision by it being reasonable that the state acquired influence over the activity in the light of the company's strong position. This formal link between the subsidy system and the guarantee activity has successively been reduced. The state's continued ownership share of the company is now primarily based on consumer protection interests.

## OPERATIONS

AB Bostadsgaranti and its wholly-owned subsidiary Försäkringsaktiebolaget Bostadsgaranti offer compulsory insurance, guarantees, warranties and related products in the construction sector. At Försäkrings AB Bostadsgaranti, customers can take out a production guarantee, liability commitment and construction fault insurance while the parent company offers deposit and advance guarantees for tenant-owned housing projects. The operations of the company thus provide purchasers of newly-constructed houses and tenant-owned housing with increased security.

In recent years, housing production has increased, although historically con-

struction is still at a low level. The housing construction that is taking place is mainly concentrated to the big city districts. AB Bostadsgaranti's operations with warranties in accordance with the tenant-owned housing legislation have increased in step with the majority of housing construction being of tenant-owned housing.

## FINANCES

Net turnover was SEK 24 (18) million. The explanation for this increase is partly decreased competition and a consequently larger market share, broader product range and positive development of claims. Profit before tax was SEK 4 (-16) million.

## OBJECTIVE

With a small organisation, the company is to main a high standard with regard to examining construction companies, projects and documents, in order to sign guarantees and insurance policies that provide good consumer protection for purchasers of new tenant-owned apartments and owner-occupied dwellings.

During the year, it was decided to introduce a required return of 7 per cent of shareholders' equity.

## DIVIDEND POLICY

The company has no set dividend policy.

## ASSESSMENT

Taking into consideration, the anticipated increase in housing construction, the type of consumer protection provided by AB Bostadsgaranti serves a purpose.



Chairman: Nils Dexe



MD: Kåre Eriksson

INCOME STATEMENT, SEKm	2003	2002
Net turnover	24	18
Expenses	-31	-14
<b>Operating profit</b>	<b>-7</b>	<b>3</b>
Financial income	25	10
Financial expenses	-14	-30
<b>Profit before tax</b>	<b>4</b>	<b>-17</b>
Tax	0	1
<b>Net profit/loss for the year</b>	<b>4</b>	<b>-16</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	0	1
Interest-bearing fixed assets	1	2
Non-interest bearing current assets	66	43
Interest-bearing current assets	272	224
<b>Total assets</b>	<b>339</b>	<b>269</b>

Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	111	107
Non-interest bearing appropriations	84	71
Non-interest bearing current liabilities	144	90
<b>Total liabilities and shareholders' equity</b>	<b>339</b>	<b>269</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	39	18
Cash flow from investment activities	-29	-18
Cash flow from financing activities	0	0

KEY RATIOS	2003	2002
Return on equity (average), %	3.5	neg
Return on total assets (average), %	5.9	4.8
Return on capital employed (average), %	16.4	10.9
Return on operating capital (average), %	5.0	neg
Equity/assets ratio, %	32.8	39.9

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	0	0
Depreciation and write-downs	16	15
Average no. of employees	9	9
Share owned by state, %	50	50

Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 55% / Men 45%
Management group	Women 0% / Men 100%
Board of directors	Women 29% / Men 71%
Environmental policy	YES
Environmental management system	NO

## Board of directors and auditors 2003/2004

**Chairman:** Nils Dexe. **Board members:** Jan Persson, Åke Rådberg, Maria Sedolin, Johan Skoglund, Michael Thorén, Marianne Åbyhammar.  
**Auditor:** Bernhard Öhrn, KPMG.

The fee to the Chairman of the Board is SEK 60,000 (60,000) in 2004. Fees to board members elected at the annual general meeting total SEK 30,000 (30,000) in 2004.



Chairman: Lars Magnusson

MD: Sten Ekström

## Bothia Garanti AB

Bothia Garanti (Bothia) was established in 2003. Bothia's main task is to acquire municipal housing properties and to develop these for other purposes on commercial terms. At present, the company's organisations and forms of work are being developed.

### OPERATIONS

Bothia's main task is to acquire municipal housing properties and to develop these on commercial terms for other purposes or to wind them up by environmental demolition or dismantling/reuse. The company can also in special cases enter as a new joint owner in municipal housing companies and take over the whole or parts of the municipal housing stock to carry out restructuring meas-

ures. The company makes up a part of the government's undertaking to support municipalities with financial problems caused by vacant housing.

The company's activities are co-ordinated with the agency the National Housing Board (SBN) and operations are primarily focused on municipalities which have an agreement with the National Housing Board.

### FINANCES

The company has been capitalised with a total of SEK 540 million.

### DIVIDEND POLICY

The company has no dividend policy since its owners have not specified a required dividend.

INCOME STATEMENT, SEKm	2003
Net turnover	0
Expenses	-1
<b>Operating profit</b>	<b>-1</b>
Net financial income	0
<b>Profit before tax</b>	<b>0</b>
Tax	0
<b>Net profit/loss for the year</b>	<b>0</b>

BALANCE SHEET, SEKm	2003
<b>Assets</b>	
Interest-bearing fixed assets	500
Interest-bearing current assets	40
<b>Total assets</b>	<b>540</b>
<b>Shareholders' equity, appropriations and liabilities</b>	
Shareholders' equity	540
<b>Total liabilities and shareholders' equity</b>	<b>540</b>

CASH FLOW, SEKm	2003
Cash flow from operating activities	0
Cash flow from investment activities	0
Cash flow from financing activities	0

KEY RATIOS	2003
Return on equity (average), %	neg
Return on total assets (average), %	neg
Return on capital employed (average), %	neg
Return on operating capital (average), %	neg
Equity/assets ratio, %	100

OTHER, SEKm	2003
Proposed dividend	0
Gross investment	0
Depreciation and write-downs	0
Average no. of employees	1
Sick leave, %	0
Share owned by state, %	100

Ethical policy	NO
Equal opportunities policy	NO
Employees	Women 0% / Men 100%
Management group	-
Board of directors	Women 40% / Men 60%
Environmental policy	NO
Environmental management system	NO

### Board of directors and auditors 2003/2004

Chairman: Lars Magnusson. Board members: Ann Eriksson, Ola Göransson, Christina Rogestam, Björn Sundström. Auditor: Bernhard Öhrn, KPMG.

The fee to the Chairman of the Board is SEK 60,000 (n.app.) in 2004. Fees to board members elected at the annual general meeting total SEK 30,000 (n.app.) in 2004.



AB Göta kanalbolag was established in 1810, the year that the construction of the canal started. The state took over the company in 1978 and it became a subsidiary to the Swedish Forest Service in 1984. The Riksdag considered, in conjunction with the incorporation of the Swedish Forest Service in 1992, that it was a concern of the state to be responsible for Göta canal being renovated and operated in future in such a way as to preserve the value of the canal as a building of cultural and historical interest an attractive tourist destination. Since 1 July 1992, Göta kanalbolag has been wholly owned by the state.

#### OPERATIONS

AB Göta kanalbolag engages in canal and property activities. The activities directed related to the canal business, which consists of leisure and passenger services, include laying up boats, external work, bridge maintenance, sales and museum activities. The property business includes management of forest, land and properties that are historically and practically linked to the canal. Kanalbolaget also engages in extensive maintenance and refurbishment activity. Development work takes place in close collaboration with the municipalities, county councils, county administrative boards and business sector along the canal.

#### FINANCES

The company had a turnover of SEK 45 million in 2003 and broke even. The company had an equity/assets ratio of 83 per cent. In all earnings from the canal operations have decreased compared to 2002 mostly due to reduced marketing grants from municipalities, county administrative boards and county councils and totalled SEK 15 million. Income from property operations and forestry totalled SEK 8.2 million. The result for this branch of operations improved by SEK 1.1 million to SEK 4.4 million.

As in previous years, the state contributes SEK 15 million per year for refurbishment of the canal. In addition to this amount, grants totalling SEK 2.5 million are received from municipalities and county employment boards.

#### Board of directors and auditors 2003/2004

**Chairm:** Björn Eriksson. **Vice Chairm:** Christer Berggren. **Board members:** Elving Andersson, Anita Modin, Lars-Olof Svenheim, Thord Söderlund, Ragnhild Wärn. **Employee representatives:** Britt-Marie Löfström, Per-Olof Åhfeldt. **Deputy employee representatives:** Gunnar Andréason, Billy Johansson. **Auditors:** Torsten Wänström, Ernst & Young.

The fee to the Chairman of the Board is SEK 50,000 (50,000) in 2004. Fees to board members elected at the annual general meeting total SEK 35,000 (35,000) in 2004.



**Chairm:** Björn Eriksson **MD:** Claes-Göran Österlund

INCOME STATEMENT, SEKm	2003	2002
Net turnover	45	40
Expenses	-46	-43
Items affecting comparability	0	1
<b>Operating profit</b>	<b>-1</b>	<b>-2</b>
Financial income	1	1
<b>Profit before tax</b>	<b>0</b>	<b>-1</b>
<b>Net profit/loss for the year</b>	<b>0</b>	<b>-1</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	32	25
Interest-bearing fixed assets	12	21
Non-interest bearing current assets	4	4
Interest-bearing current assets	1	3
<b>Total assets</b>	<b>49</b>	<b>53</b>

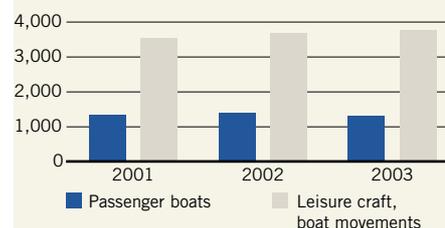
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	41	41
Interest-bearing current liabilities	1	0
Non-interest bearing current liabilities	7	12
<b>Total liabilities and shareholders' equity</b>	<b>49</b>	<b>53</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-2	3
Cash flow from investment activities	-1	-3
Cash flow from financing activities	1	0

KEY RATIOS	2003	2002
Return on equity (average), %	0.0	neg
Return on total assets (average), %	0.0	neg
Equity/assets ratio, %	83.1	77.0

OTHER, SEKm	2003	2002
Gross investment	10	7
Depreciation and write-downs	3	2
Average no. of employees	62	66
Sick leave, %	1.6	3.0
Share owned by state, %	100	100

#### BOAT SERVICES, GÖTA KANAL



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 26% / Men 74%
Management group	Women 0% / Men 100%
Board of directors	Women 29% / Men 71%
Environmental policy	YES
Environmental management system	ISO 14001



In autumn 1997, the Riksdag decided to establish the holding company IRECO Institute for Research and Competence Holding AB with the intention, among other things, of managing the state's shares in incorporated industrial research institutes. Ireco is owned by the state (55%) and the Stiftelsen för Kunskaps- och Kompetensutveckling (KK-stiftelsen) (45%). Since 2002, the name of the company has been IRECO Holding AB.

#### OPERATIONS

The company is engaged in owning and managing shares or participation rights in companies engaged in industrial research. It also promotes the industrial research institutes' long-term skills development and co-operation with institutes of higher education and the business sector in Sweden. IRECO is also commissioned by the state to be responsible for the ongoing restructuring of the industrial research institutes into fewer, larger institutes that are more focused on the business sector and with a greater international impact. As a first step in the work of restructuring, the company participated in the reorganisation of the industrial research institutes in the IRECO group from trusts to limited companies.

#### FINANCES

Operating income which consists of administrative grants from the KK-stiftelsen totalled SEK 8.1 million in 2003. Net profit for the year was approximately SEK 0.2 (0.2) million.

During the year, the company received SEK 9.4 million from KK-stiftelsen to finance individual collaboration projects between IRECO institutes and new universities and other institutions of higher education. The company has also received SEK 11.9 million from the owners to finance restructuring expenses in the institutes.

#### OBJECTIVE

The overall objective for IRECO is to contribute to industrial research institutes being competitive and being solidly based in the business sector. The main objective for ownership is that the business sector should be the majority owner and the state a recognised minority owner. In view of the nature of the company's activities, it is not expected to generate a profit. No specific financial targets have therefore been set.

#### DIVIDEND POLICY

In view of the nature of the company's activities, no dividend policy has been adopted.

#### ASSESSMENT

Since the start of the company, IRECO has effectively contributed to all industrial research institutes in the group being reorganised as limited companies. IRECO has exercised its ownership role efficiently by participating in the nomination of members of the boards of directors of the institutes. IRECO has also arranged seminars for the institute's main owners, managing directors and board members and produced a basis for future research bills.

In 2003, IRECO has continued to participate in changes of the industrial research institutes with the aim of creating fewer, larger and internationally competitive institute companies.

Together with VINNOVA, IRECO has, through a programme committee, distributed funds in a good way for skills development to institutes for the period 2003 to 2005. The funds are to support the ongoing restructuring of the industrial research system.

The operations have been run in the best financial way on the basis of the given prerequisites.



Chairman: Anders Narvinger

MD: Eva Sjöblom

INCOME STATEMENT, SEKm	2003	2002
Net turnover	8	85
Expenses	-9	-85
<b>Operating profit</b>	<b>-1</b>	<b>0</b>
Financial income	1	0
<b>Profit before tax</b>	<b>0</b>	<b>0</b>
<b>Net profit/loss for the year</b>	<b>0</b>	<b>0</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Interest-bearing current assets	12	14
<b>Total assets</b>	<b>12</b>	<b>14</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	1	1
Non-interest bearing current liabilities	11	13
<b>Total liabilities and shareholders' equity</b>	<b>12</b>	<b>14</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	0	0
Cash flow from investment activities	0	0
Cash flow from financing activities	0	0

KEY RATIOS	2003	2002
Return on equity (average), %	40.0	0.0
Return on total assets (average), %	3.2	0.0
Return on capital employed (average), %	40.0	0
Return on operating capital (average), %	5.0	0
Equity/assets ratio, %	8.3	7.7

OTHER, SEKm	2003	2002
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	5	4
Share owned by state, %	55	55

Ethical policy	NO
Equal opportunities policy	NO
Employees	Women 80% / Men 20%
Management group	Women 100% / Men 0%
Board of directors	Women 29% / Men 71%
Environmental policy	NO
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Anders Narvinger. **Board members:** Christer Berggren, Madeleine Cæsar, Lennart Lübeck, Tomas Salzmann, Gunnar Svedberg, Lena Torell. **Auditors:** Roland Nilsson and Mia Bigelius, KPMG Bohlins.

The fee to the Chairman of the Board is SEK 60,000 (60,000) in 2004. Fees to board members elected at the annual general meeting total SEK 30,000 (30,000) in 2004.

# DRAMATEN

Kungliga Dramatiska Teatern AB is Sweden's national stage for spoken theatre. Dramaten is to be Sweden's leading institution in the field of drama and to set an example, as national theatre, for other institutions with regard to development, renewal and artistic quality. Dramaten is also responsible for preserving and promoting the Swedish language and the national cultural heritage in the field of the theatre and is to be able to hold its own in comparison with foreign theatres and in international collaboration, through high quality and preserving its national identity.

## OPERATIONS

Activity during the year has been focused on achieving, to the greatest extent possible, the objectives for quality, accessibility and renewal, as specified in the government grant to Dramaten. The broad and varied repertoire has consisted of new plays, both Swedish and foreign, modern and classical drama and theatre for children and young people. In 2003, Dramaten had 32 (28) productions on its repertoire of which 22 (18) were new productions. A total of 924 (997) performances have taken place on the theatre's six stages for 247,498 (296,368) patrons. Booking during the year has been 80 per cent (89) during the year and the proportion of non-Stockholmers in the audience has been estimated at 22 per cent. During the year, Elverket has been divided into two stages, enabling

Dramaten to place particular focus on newly-written plays with young directors on the smaller stage. Dramaten went on tour in 2003 with six productions at nine venues, five of them abroad.

## FINANCES

Dramaten's government grant was SEK 182 million in 2003. Other income, mainly ticket revenue, was SEK 45 million.

## OBJECTIVE

As national theatre, Dramaten is to have a varied repertoire, with a good balance between classical and modern drama. Every year, it is to perform at least one new work by a Swedish playwright. Dramaten shall further aim to attract the maximum number of visitors to its home stages and to continually develop its work with the public to this end. The repertoire shall as far as possible be made available to a broad public throughout Sweden by, for example, guest performances and collaboration with radio and TV. The level of craftsmanship in the workshops and studios shall be high.

## DIVIDEND POLICY

The activity is not to be profit-making.

## ASSESSMENT

Compliance with objectives is good. Dramaten has improved its financial situation by strict control of expenses.



Chair: Sigrbit Franke

MD: Staffan Valdemar Holm

INCOME STATEMENT, SEKm	2003	2002
Net turnover	228	237
Expenses	-229	-235
<b>Operating profit</b>	<b>-1</b>	<b>2</b>
Financial income	1	1
<b>Profit before tax</b>	<b>0</b>	<b>3</b>
Appropriations	0	-2
<b>Net profit/loss for the year</b>	<b>0</b>	<b>1</b>

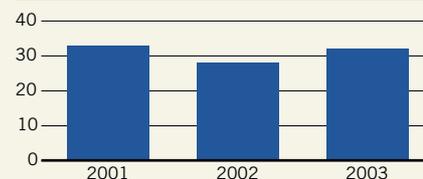
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	17	20
Non-interest bearing current assets	13	11
Interest-bearing current assets	31	36
<b>Total assets</b>	<b>61</b>	<b>67</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	25	25
Untaxed reserves	8	8
Non-interest bearing current liabilities	28	34
<b>Total liabilities and shareholders' equity</b>	<b>61</b>	<b>67</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-2	4
Cash flow from investment activities	-3	-5
Cash flow from financing activities	0	0

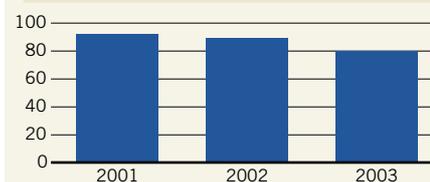
KEY RATIOS	2003	2002
Return on equity (average), %	0.0	8.3
Return on total assets (average), %	0.0	4.3
Equity/assets ratio, %	50.4	45

OTHER, SEKm	2003	2002
Gross investment	3	5
Depreciation and write-downs	5	6
Average no. of employees	319	335
Sick leave	2.9	3.4
Share owned by state, %	100	100

## NUMBER OF PRODUCTIONS



## BOOKING, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 42% / Men 58%
Management group	Women 43% / Men 57%
Board of directors	Women 43% / Men 57%
Environmental policy	NO
Environmental management system	NO

## Board of directors and auditors 2003/2004

**Chairman:** Sigrbit Franke. **Board members:** Carlo Barsotti, Eva Bonnier, Staffan Valdemar Holm, Lennart Läftman, Monica Sparby, Per Wästberg.

**Employee representatives:** Gunnel Fred, Barbro Forsgårdh. **Deputy employee representatives:** Björn Granath, Lars Lindberg. **Auditors:** Anders Holm, KPMG and Curt Öberg, Riksrevisionen (state audit institution). **Deputy auditors:** Fredrik Sjölander, KPMG and Henrik Söderhielm, Riksrevisionen.

The fee to the Chairman of the Board is SEK 28,000 from the annual general meeting in 2003. Fees to board members elected at the annual general meeting total SEK 2,000 per participant per meeting from the annual general meeting in 2003.



Kungliga Operan AB (Operan) is Sweden's national stage for opera and ballet. Operan is to be the leading institution in Sweden in the field of opera and ballet and to set an example for other institutions as regards development, renewal and artistic quality. Operan is also to be responsible for taking care of and promoting the national heritage in the sphere of opera and ballet and to be able to hold its own in comparison with leading foreign opera and ballet venues and in international collaboration, through high quality and preserving its national identity.

#### OPERATIONS

Activities during the year have been focused as far as possible on achieving the objectives with respect to quality, accessibility and renewal as specified in the government grant to Operan. Work on the extensive savings programme initiated in 2002 has continued during the year.

The total number of patrons at Opera's performances in 2003 was 206,274 compared to 193,814 in 2002. The average booking at performances on the large stage decreased for opera from 80 per cent to 73 per cent but increased from 78 to 83 per cent for ballet. Operan's repertoire in 2003 has offered 34 productions and musical drama works. There were 76 performances by Kungliga Hovkapellet (the Royal Swedish Opera Orchestra) during the year. In 2003, Operan performed a musical drama for children. The collaboration with Sveriges Television and Sveriges Radio is continuing.

#### FINANCES

The government grant totalled SEK 316 million in 2003. Other income, mainly ticket revenue, increased by 9 per cent and corresponded to SEK 67 million. Operan's equity has increased from SEK 1.5 million to SEK 5.4 million and the financial position has thereby been improved. A savings programme aimed to further improve Operan's financial status is in process.

#### OBJECTIVE

As the national stage, Operan shall have a varied repertoire of opera and ballet, with a good balance between classical and modern works. Operan is also to support new creation of Swedish operatic art and ballet by commissioning and producing new works. Operan shall moreover aim to attract the maximum number of patrons and shall constantly develop its audience work in this respect. Its repertoire shall, as far as possible, be made available to a nationwide audience through guest performances, recordings and co-operation with radio and TV. A high level of craftsmanship shall be maintained in the workshops and studios.

#### DIVIDEND POLICY

The operation is not to be profit-making.

#### ASSESSMENT

The degree of compliance with the objectives is satisfactory. The increased equity improves Operan's ability to balance the risks that exist in the activity.



Chairman: Hans Dalborg



MD: Anders Franzén

INCOME STATEMENT, SEKm	2003	2002
Net turnover	382	367
Expenses	-379	-367
<b>Operating profit</b>	<b>4</b>	<b>0</b>
Financial income	0	0
<b>Profit before tax</b>	<b>4</b>	<b>0</b>
<b>Net profit/loss for the year</b>	<b>4</b>	<b>0</b>

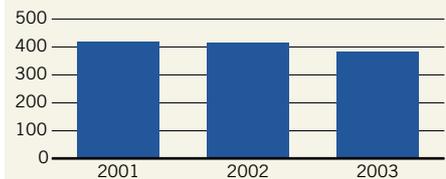
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	17	20
Non-interest bearing current assets	38	21
Interest-bearing current assets	12	18
<b>Total assets</b>	<b>67</b>	<b>59</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	5	1
Non-interest bearing long-term liabilities	8	10
Non-interest bearing current liabilities	54	48
<b>Total liabilities and shareholders' equity</b>	<b>67</b>	<b>59</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-5	-5
Cash flow from investment activities	-2	0
Cash flow from financing activities	-7	-2

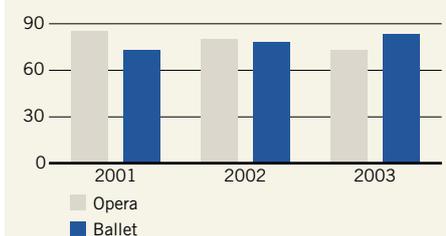
KEY RATIOS	2003	2002
Return on equity (average), %	133.3	0
Return on total assets (average), %	6.3	0
Equity/assets ratio, %	18.1	1.7

OTHER, SEKm	2003	2002
Gross investment	3	3
Depreciation and write-downs	5	6
Average no. of employees	570	571
Sick leave, %	5.0	7.0
Share owned by state, %	100	100

#### NUMBER OF PERFORMANCES



#### BOOKING, %



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 47% / Men 53%
Management group	Women 44% / Men 56%
Board of directors	Women 57% / Men 43%
Environmental policy	YES
Environmental management system	OWN

#### Board of directors and auditors 2003/2004

**Chairman:** Hans Dalborg. **Board members:** Horace Engdahl, Ingegerd Palmér, Ulla Reinius, Karin Starrin, Jan Stenberg, Meg Tivéus. **Employee representatives:** Gunnar Lundberg, Peter Bergström. **Deputy employee representatives:** Deirdre Hjalmarsson, Brendan Collins. **Auditors:** Göran Raspe, Öhrlings PricewaterhouseCoopers and Filip Cassel, Riksrevisionen (state audit institution). **Deputy auditors:** Magnus Svensson, Öhrlings PricewaterhouseCoopers and Henrik Söderhielm, Riksrevisionen.



## LUFTFARTSVERKET

The Swedish Civil Aviation Administration (LFV) was created in 1945 and given the status of a public enterprise in 1947. At present, the Civil Aviation Administration organises its activities in three functional divisions: sector, safety and production. On 4 December 2003, the Government decided to divide the Civil Aviation Administration into a production section, airports and air traffic services, and an agency section, safety and sector divisions, as from 1 January 2005.

### OPERATIONS

The Civil Aviation Administration develops, constructs and is responsible for the infrastructure for civil aviation. The administration is to operate the state's air traffic services, airports and related activity on a commercial basis. The authority operates 19 airports and is also responsible for air traffic control in Sweden. The LFV group consists of the public enterprise with subsidiaries and associated companies.

### FINANCES

The financial situation of the Civil Aviation Administration is under strain since the agency has carried out the biggest investments in its history at the same time as there has been a great decrease in air traffic. The aviation industry is in a deep downturn. The events of September 2001 combined with the deep and extended downturn, the Sars epidemic and the Iraq war have led to passenger volumes at the Civil Aviation Administration's airports decreasing by almost 15 per cent over three years, corresponding to a drop in income of approximately SEK 575 million. The Civil Aviation Administration made a loss after finan-

cial items for the first time in its recent history at SEK -48 (151) million. The volume of investment has more than halved since 2001.

### OBJECTIVE

The objective of the Civil Aviation Administration's operations is to create the prerequisites for safe, efficient and environmentally compatible aviation, which can meet the needs of private individuals and the business sector for travel and goods transport. From 1999 to 2003, the return on shareholders' equity was 4 per cent compared to the long-term target of 8 per cent. The equity/assets ratio has weakened to 18 per cent in 2003. The Government's target for the equity/assets ratio is 20 per cent in 2003 and 2004, although the long-term target of 25 per cent remains.

### ASSESSMENT

Up to the end of 2000, the development of the Civil Aviation Administration was characterised by expansion, major investments and a high level of growth for both air movements and passengers. In common with the aviation industry as a whole, the Civil Aviation Administration planned on the basis of a continued increase in demand. Air traffic has continued to decrease in 2003 for the third year running. The number of passengers in scheduled and charter services using the Civil Aviation Administration's airports decreased by 7 per cent and the number of landings by 5 per cent. Traffic revenue has decreased in a couple of years by a half a billion kronor. A programme of measures has been initiated to improve the Civil Aviation Administration's result by SEK 1 billion by 2006.



Chairman: Göran Tunhammar

GD: Lars Rekke

INCOME STATEMENT, SEKm	2003	2002
Net turnover	5,402	5,384
Expenses	-5,113	-4,884
Profit/loss from participations in associated companies	-9	-11
<b>Operating profit</b>	<b>280</b>	<b>489</b>
Financial income	10	15
Financial expenses	-388	-353
<b>Profit before tax</b>	<b>-48</b>	<b>151</b>
Tax	11	-46
<b>Net profit/loss for the year</b>	<b>-37</b>	<b>105</b>

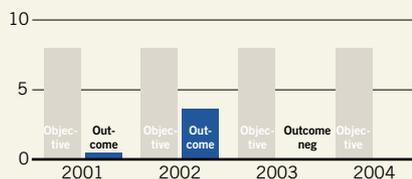
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	14,617	14,587
Interest-bearing fixed assets	60	149
Non-interest bearing current assets	1,056	1,041
Interest-bearing current assets	107	134
<b>Total assets</b>	<b>15,840</b>	<b>15,911</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	2,908	2,985
Interest-bearing appropriations	3,586	3,302
Non-interest bearing appropriations	97	74
Interest-bearing long-term liabilities	6,970	6,539
Non-interest bearing long-term liabilities	1,038	1,062
Interest-bearing current liabilities	110	335
Non-interest bearing current liabilities	1,131	1,614
<b>Total liabilities and shareholders' equity</b>	<b>15,840</b>	<b>15,911</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	625	686
Cash flow from investment activities	-1,070	-2,046
Cash flow from financing activities	417	1,307

KEY RATIOS	2003	2002
Return on equity (average), %	neg	3.6
Return on total assets (average), %	1.8	3.3
Return on capital employed (average), %	2.2	4.2
Return on operating capital (average), %	2.2	4.3
Equity/assets ratio, %	18.4	18.8

OTHER, SEKm	2003	2002
Proposed dividend	0	35
Gross investment	1,358	2,081
Depreciation and write-downs	1,102	908
Average no. of employees	4,511	4,507
Sick leave, %	4.5	4.5
Share owned by state, %	100	100

### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 35% / Men 65%
Management group	Women 22% / Men 78%
Board of directors	Women 50% / Men 50%
Environmental policy	YES
Environmental management system	ISO 14001

### Board of directors and auditors 2003/2004

**Chairman:** Göran Tunhammar. **Board members:** Anna Grönlund, Mats Nilsson, Annette Stavenow, Eva Plogéus, Lars Rekke, Karin Strömberg, Krister Örnfjäder. **Employee representatives:** Sven-Erik Olsson, Lars Andersson. **Deputy employee representatives:** Peter Lennartsson, Roal Nilssen. **Auditors:** Kerstin Jönsson and Joakim Gustafsson, Riksrevisionen (state audit institution).

The fee to the Chairman of the Board is SEK 105,000 in 2004. Fees to board members elected at the annual general meeting total SEK 30,000 in 2004.



Norrland Center AB was created in 1991 to stimulate the development of the business sector in Norrland, particularly the inland areas, with the aim of creating employment. The company is owned in equal parts by the state through the Ministry of Industry, Employment and Communications, the Norrlandsfunden foundation and Norrvidden Fastigheter AB.

**OPERATIONS**

Norrland Center carries out its activities working closely together with a number of paying municipalities in Norrland. Through a well-developed contact network in different areas of society, the Norrland Center shall serve as a coordinating link for business start-ups in Norrland. The company is to act as a guide, advisor and discussion partner.

An important part of Norrland Center's work consists of sales activities and acting marketing of Norrland as a long-term profitable region for business establishment. Contacts are made with companies and organisations in the metropolitan areas to interest them in the opportunities and benefits of establishing operations in Norrland. With the aid of factual information and analyses provided free of charge by Norrland Center, each individual company can then make long-term decisions.

**FINANCES**

Norrland Center's net profit totalled SEK 237,000. Its shareholders' equity amounts thereafter to SEK 15.5 million.

**DIVIDEND POLICY**

Norrland Center has no dividend requirements from its owners.

**OBJECTIVE**

Norrland Center is to be the player that municipalities in Norrland and companies in southern Sweden prefer to use with regard to the establishment and development of activities in Norrland. Operations are to be carried out in such a way that the shareholders' equity, SEK 15 million, invested in the company is kept intact in real terms.

**ASSESSMENT**

During the year, the company has contributed in various ways to a number of companies deciding to establish and develop operations in Norrland. These decisions entail over 60 new employment opportunities. Since its start in 1991, Norrland Center AB has contributed in various ways to establishing and developing over 90 operations in Norrland. The current number of durable employment opportunities is approximately 2,100.

In 2003, Norrland Center's marketing resources have been maintained at a high level.

The cyclical downturn and the continued cooling down of Stockholm's labour market have, however, made it difficult to argue for new establishments in Norrland. National and international competition for business establishments is also becoming increasingly tough.

The competitiveness of future business development in the inland of Norrland also depends on regional policy assistance schemes. The establishment result in 2004 is also assessed to lead to a slightly improved employment outcome than in previous years.



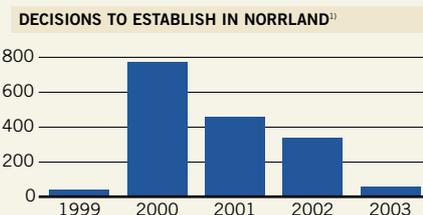
Chairman: Lars-Olov Söderström MD: Sture Bengtsson

INCOME STATEMENT, SEKm	2003	2002
Net turnover	6	6
Expenses	-6	-6
<b>Operating profit</b>	<b>0</b>	<b>0</b>
<b>Profit before tax</b>	<b>0</b>	<b>1</b>
<b>Net profit/loss for the year</b>	<b>0</b>	<b>1</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing current assets	20	20
<b>Total assets</b>	<b>20</b>	<b>20</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	15	15
Non-interest bearing current liabilities	5	5
<b>Total liabilities and shareholders' equity</b>	<b>20</b>	<b>20</b>

KEY RATIOS	2003	2002
Return on equity (average), %	1.9	3.9
Return on total assets (average), %	1.9	3.5
Return on capital employed (average), %	2.4	4.5
Return on operating capital (average), %	neg	2.0
Equity/assets ratio, %	78.2	77.7

OTHER, SEKm	2003	2002
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	4	4
Share owned by state, %	33.3	33.3



<sup>1)</sup> With the participation of Norrland Center AB

Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 25% / Men 75%
Management group	-
Board of directors	Women 20% / Men 80%
Environmental policy	YES
Environmental management system	NO

**Board of directors and auditors 2003/2004**

**Chairman:** Lars-Olov Söderström, **Board members:** Peter Andersson, Nils Åke Astermo, Anders Hörnfeldt, Ursula Tengelin. (The annual general meeting of shareholders for 2004 will take place in June). **Auditor:** Peter Zell, KPMG Bohlins.

The fee to the Chairman of the Board was SEK 60,000 in 2003. Fees to board members elected at the annual general meeting of shareholders totalled SEK 40,000 in 2003.



Samhall is Sweden's leading company for creation of employment for persons with occupational disabilities and one of Sweden's largest companies. The Riksdag decided in 1992 that the then Samhall foundation should become a limited company. In January 2003, Samhall decided to adopt a new organisation, aiming to reinforce the local and regional presence.

#### OPERATIONS

Samhall's task is to produce goods and services for which there is a demand and in so doing to create meaningful and stimulating employment for persons with occupational disabilities as needed. The operation is moreover to be run on commercial principles on market terms, in which connection care shall be taken not to expose the rest of the business sector to unhealthy competition.

#### FINANCES

The balance sheet total, including invoicing and government grants totalled SEK 8,066 (8,557) million. Invoicing decreased by 9 per cent to SEK 3,826 million. The government grant totalled SEK 4,137 (4,262) million. The loss after tax was SEK -334 (-2) million. The equity/assets ratio decreased to 29.9 (38) per cent.

#### OBJECTIVE

Samhall had four objectives in 2003.

- At least 27.3 million hours of meaningful and stimulating work was to be offered employees with an occupational disability.
- At least 40 per cent of the new recruitment is to be persons with a severe occupational disability.
- At least 5 per cent of the employees were to leave the company for work outside Samhall.

- The financial result is to be positive over a business cycle and the company's finances are to be sound. Operations are to be conducted with commercial efficiency and with a high use of resources, including structural changes with a view to reducing the cost of production and increasing utilisation. Samhall is also to look for new commercial opportunities.

#### DIVIDEND POLICY

The shares do not entitle to dividend. If a profit is made, it is to be carried forward to promote the continued work of the company.

#### ASSESSMENT

A total of 26.9 (28.3) million hours were worked during the year. This was 400,000 hours less than the target, which is mainly due to the cyclical downturn.

Of the newly-recruited employees, 40 (45) persons were severely disabled, which is in line with the target.

4.3 (5) per cent of the employees left the company for employment outside Samhall, which was 0.7 per cent below the target. The reasons for this failure to meet the target were the lack of wage subsidy funds, the ongoing restructuring and a difficult situation in the labour market.

The work of restructuring and further adapting activities is continuing in 2004. The negative result does not threaten Samhall's financial position in the short-term. However, Samhall must report a positive result in future if its financial position is not to be under threat in the long-term. As part of increasing profitability and employment, restructuring from industry to service activities has taken place throughout the year. The net loss compared with last year has been mainly affected by the reduced value added and large restructuring expenses.



Chairman: Peter Lagerblad



MD: Birgitta Böhlin

INCOME STATEMENT, SEKm	2003	2002
Net turnover	8,066	8,557
Expenses	-8,252	-8,572
Items affecting comparability	-175	-21
<b>Operating profit</b>	<b>-361</b>	<b>-36</b>
Financial income	34	36
Financial expenses	-7	-2
<b>Profit before tax</b>	<b>-334</b>	<b>-2</b>
Tax	0	3
<b>Net profit/loss for the year</b>	<b>-334</b>	<b>1</b>

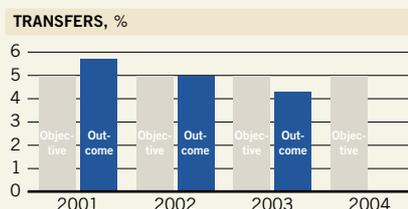
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	614	764
Non-interest bearing current assets	1,044	1,147
Interest-bearing current assets	960	1,032
<b>Total assets</b>	<b>2,618</b>	<b>2,943</b>

Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	783	1,117
Non-interest bearing appropriations	90	16
Non-interest bearing current liabilities	1,718	1,810
<b>Total liabilities and shareholders' equity</b>	<b>2,618</b>	<b>2,943</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-123	141
Cash flow from investment activities	21	93
Cash flow from financing activities	66	-464

KEY RATIOS	2003	2002
Return on equity (average), %	neg	0.1
Equity/assets ratio, %	29.9	38.0
No. of employees with an occupational disability	20,019	21,301
Transfers, number	973	1,188
Transfers, %	4.4	5.0
Hours worked, thousands	26,900	28,313

OTHER, SEKm	2003	2002
Gross investment	73	94
Depreciation and write-downs	237	169
Average no. of employees	21,941	23,428
Sick leave, %	19.2	20.0
Share owned by state, %	100	100



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 43% / Men 57%
Management group	Women 30% / Men 70%
Board of directors	Women 14% / Men 86%
Environmental policy	YES
Environmental management system	ISO 14001

#### Board of directors and auditors 2003/2004

**Chairman:** Peter Lagerblad. **Vice Chairman:** Gunnar Larsson **Board members:** Birgitta Böhlin, Gunilla Ekvall, Tobias Henmark, Toivo Hofslagare, Anders L. Johansson, Björn Wolrath (Birgitta Böhlin, Gunilla Ekvall and Gunnar Larsson resigned and Marie Hallander Larsson and Kenneth Johansson were appointed at the annual general meeting of shareholders in 2004). **Employee representatives:** Bo Johansson, Margaretha Brinkhof Walter, Tommy Carlsson **Deputy employee representatives:** Christer Eriksson, Olle Gardelin, Claes-Göran Witting. **Auditors:** Anders Holm, KPMG and Henrik Söderhielm, Riksrevisionen (state audit institution). Per Wardhammar, Öhrings Pricewaterhouse Coopers was appointed as auditor at the annual general meeting of shareholders in 2004.



## SIS Miljömärkning AB

SIS Miljömärkning AB was established in 1998 with the state as a partner (10 per cent) and SIS Standiseringen i Sverige AB as the other owner (90 per cent). The ownership of SIS was transferred to Sveriges Standardiseringsråd, SSR, on 1 January 2001. The Nordic eco-label, the Swan was created in Sweden in 1989 by after a decision by the Nordic ministers of consumer affairs in the Nordic Council of Ministers and was initially administered as a sub-division of SIS. The commission was supplemented in 1994 by the EU Flower eco-label system.

### OPERATIONS

The company's activities are based on the development of criteria, information and marketing of the Swan and Flower ecolabelling systems and product control of licensing. The activity is intended to create environmental benefits and contribute to the work on sustainable development. The company's board appoints a committee for the Nordic system and a reference group for the European system to assist in and supervise the work of criteria development.

### FINANCES

Operations are financed mainly by fees from companies that have an ecolabel licence and by government grants. Companies that apply for an ecolabelling licence normally pay an application fee and a turnover based annual fee, which is 0.3 per cent (the Swan) or 0.15 per cent (the Flower) of the sales of the ecolabelled product. There is an upper limit, however, in order for the fee to be reasonable. The company had a turnover of SEK 27.1 (32) million in 2003. The government grant accounted for 16.2 per cent of income. At the beginning of 2003, the annual fee of the licence holders for the Swan was reduced from 0.4 to 0.3 per cent. The new charge level initially entailed a loss of income of almost

SEK 4 million. During the year, this loss was partly covered by an increased number of licence holders in several important product groups.

### OBJECTIVE

SIS Miljömärkning makes an important contribution to the consumer policy objective of working for the development of patterns of production and consumption that reduce the burdens on the environment and contribute to long-term sustainable development. By stimulating development and use of products that are preferable from the point of view of the environment, the company contributes to consumption that reduces the strain on the environment and in that way also to a sustainable society.

### DIVIDEND POLICY

The activity is not intended to produce a profit for the owners.

### ASSESSMENT

The task of the company is to administer the Swan and Flower ecolabelling systems on behalf of Sweden. It has performed this task well. In all, 525 licences have been issued in the Swan system in 2003 in Sweden. Of these, 89 were completely new and 85 were reviews of earlier licences. The number of companies in Sweden with flower-marked products increased from 8 to 11.

The government grant is to be used to promote the further development of ecolabelling, which is to take place in accordance with Sweden's international undertakings. In 2004, inputs are to be concentrated on further developing Nordic ecolabelling and contributing to developing forms for collaboration and co-ordination between the Nordic ecolabelling system and the EU system for ecolabelling and making the EU ecolabelling system more widely used and known in the Swedish market.

Chairm: Eva Smith

MD: Ragnar Unge

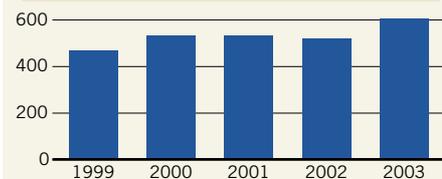
INCOME STATEMENT, SEKm	2003	2002
Net turnover	27	32
Expenses	-27	-32
<b>Operating profit</b>	<b>0</b>	<b>1</b>
Net financial income	2	-3
<b>Profit before tax</b>	<b>2</b>	<b>-3</b>
<b>Net profit/loss for the year</b>	<b>2</b>	<b>-3</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	11	10
Non-interest bearing current assets	3	4
Interest-bearing current assets	6	6
<b>Total assets</b>	<b>20</b>	<b>20</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	15	15
Non-interest bearing current liabilities	5	5
<b>Total liabilities and shareholders' equity</b>	<b>20</b>	<b>20</b>

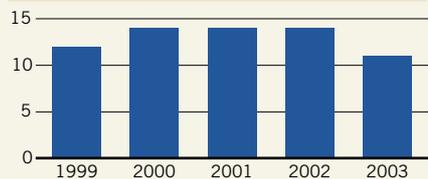
KEY RATIOS	2003	2002
Return on equity (average), %	13	neg
Return on total assets (average), %	10	neg
Return on capital employed (average), %	13	neg
Return on operating capital (average), %	13	6.6
Equity/assets ratio, %	75	76.9

OTHER, SEKm	2003	2002
Gross investment	0	0
Depreciation and write-downs	328	586
Average no. of employees	32	34
Share owned by state, %	10	10

NUMBER OF SWEDISH LICENCES, THE SWAN



NUMBER OF SWEDISH LICENCES, THE FLOWER



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 65% / Men 35%
Management group	Women 75% / Men 25%
Board of directors	Women 60% / Men 40%
Environmental policy	YES
Environmental management system	ISO 14001

### Board of directors and auditors 2003/2004

**Chairm:** Eva Smith. **Vice Chairm:** Walter Sköldefors. **Board members:** Ingolf Berg, Pernilla Knutsson, Anna Mattsson. (the annual general meeting of shareholders for 2004 takes place on 24 May). **Auditors:** Bengt Doyle, KPMG.

The fee to the Chairman of the Board was SEK 20,000 (+ SEK 6,000 per month) in 2003. Fees to board members elected at the annual general meeting totalled SEK 20,000 in 2003.



The Swedish Maritime Administration, which became a public enterprise on 1 July 1987, is a central administrative authority with overall responsibility or sector responsibility in the shipping area. The Swedish Maritime Administration shall contribute to the fulfilment of transport policy objectives in a commercial manner and within the framework of socio-economically efficient long-term sustainable provision of transport.

#### OPERATIONS

The Swedish Maritime Administration plans and provides infrastructure and services for shipping in the form of fairways, pilotage, ice-breaking and maritime geographical information. Supervision over maritime safety is exercised primarily through the Maritime Safety Inspectorate. The administration is also responsible for sea rescue and informs and provides advice on safety at sea for pleasure craft. Other tasks are to promote an ecologically sustainable development of shipping and to promote consideration for the needs of the disabled in shipping. The Swedish Maritime Administration is also responsible for crisis management planning for maritime transport.

#### FINANCES

The Swedish Maritime Administration is to finance its operations including investments with the income received from consumers of its services. The administration also receives grants for provision of certain services which should not be financed by income from fairway charges. Turnover increased in 2003 to SEK 1,494 (1,450) million. The loss after financial items was SEK -3 (25.4) million. The deterioration in earnings is due to increased costs for winter shipping due to the ice situation in the past winter. The return on adjusted shareholders' equity after tax equivalent was 3.5 (2.3) per cent. The equity/assets ratio was 31 (34) per cent. Gross investment was SEK 348.2 (126.2) million and financing was made with the administration's own funds.

#### DIVIDEND POLICY

The general guideline is that dividend is to be a third of profit after tax equivalent.

#### OBJECTIVE

The Swedish Maritime Administration is to work for the fulfilment of the transport policy objectives for shipping operations. These objectives are:

- An accessible transport system, where the maritime transport system is to be designed to meet the basic transport needs of citizens and businesses. Maritime transport is to be possible all-year-round at all important Swedish ports.
- High-quality transport, where the maritime transport system is to provide high quality transport for citizens and businesses
- Safe shipping where no one is killed or seriously injured. The maritime transport system is to be adapted to the requirements that follow from this.
- A good environment, where the maritime transport system is to be adapted to requirements for a sound and healthy living environment for everyone, which promotes economical use of natural resources. The design of the maritime transport system is to contribute to achieving the environmental quality objectives of environmental policy.
- Positive regional development, where the maritime transport system contributes to reducing inequities in the potential for various parts of the country to develop and counteracting the disadvantages of long transport distances.
- A transport system that serves the interests of women and men equally. Women and men will be given the same chance to influence the initiation, design and administration of the maritime transport system and their values will be given the same weight.

The financial targets for the activity are that the return on adjusted shareholders' equity is to be 3.5 per cent over a business cycle. The equity/assets ratio is to be at least 30 per cent.

#### ASSESSMENT

An account is given of the operations to fulfil the operational targets and the Government's view on how well this has been successful in the Swedish Budget Bill for 2005.



Chairman: Gunnel Färm

GD: Jan-Olof Selén

INCOME STATEMENT, SEKm	2003	2002
Net turnover	1,494	1,450
Expenses	-1,459	-1,399
<b>Operating profit</b>	<b>34</b>	<b>51</b>
Financial income	25	32
Financial expenses	-63	-58
<b>Profit before tax</b>	<b>-3</b>	<b>25</b>
Appropriations	41	0
Tax	-11	-7
<b>Net profit/loss for the year</b>	<b>27</b>	<b>18</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	1,558	1,301
Non-interest bearing current assets	307	265
Interest-bearing current assets	655	791
<b>Total assets</b>	<b>2,520</b>	<b>2,357</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	774	794
Interest-bearing appropriations	1,356	1,209
Interest-bearing long-term liabilities	0	73
Interest-bearing current liabilities	73	22
Non-interest bearing current liabilities	317	259
<b>Total liabilities and shareholders' equity</b>	<b>2,520</b>	<b>2,357</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	143	41
Cash flow from investment activities	-346	-109
Cash flow from financing activities	67	144

KEY RATIOS	2003	2002
Return on equity (average), %	3.5	2.3
Return on total assets (average), %	2.4	3.7
Return on capital employed (average), %	2.8	4.2
Return on operating capital (average), %	2.4	4.1
Equity/assets ratio, %	30.7	33.7

OTHER, SEKm	2003	2002
Proposed dividend	7.6	6.1
Gross investment	348	126
Depreciation and write-downs	91	85
Average no. of employees	1,162	1,151
Sick leave, %	4.9	5.0
Share owned by state, %	100	100

#### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 19% / Men 81%
Management group	Women 30% / Men 70%
Board of directors	Women 50% / Men 50%
Environmental policy	YES
Environmental management system	OWN

#### Board of directors and auditors 2003/2004

**Chairman:** Gunnel Färm. **Vice Chairman:** Elizabeth Nyström. **Board members:** Solgerd Björn-Rasmussen, Claes-Göran Brandin, Karin Jeppsson, Rolf Johannesson, Elisabeth Nilsson, Kent Olsson, Lars Starkerud, Jan-Olof Selén. **Employee representatives:** Johan Bagge, Tapani Hoffrén, Göte Karlsson. **Deputy employee representatives:** Norbert Grinne, Lennart Johansson, Billy Wallroth. **Auditors:** Kent Gustafsson and Kerstin Jönsson, Riksrevisionen (state audit institution).



SOS Alarm Sweden AB is owned by the Swedish state (50 per cent), the Federation of County Councils (25 per cent) and the Swedish Association of Local Authorities through its subsidiary Före-nade Kommunföretag AB (25 per cent). The company is responsible for the SOS service in Sweden by receiving and passing on alarm calls on the emergency number 112. The company receives payment from the state for activities related to the emergency number 112. The company has the right to engage in certain commercial activity.

#### OPERATIONS

SOS Alarm receives, analyses and transfers alarm calls via 20 emergency service centres in Sweden. The company's activity concerning the emergency number 112 is regulated in an agreement with the state. The emergency number 112, rescue and health care services accounts for approximately two-thirds of the turnover and commercial security and alarm services for a third. In 2003, SOS Alarm received 3.4 (3.3) million calls to 112. The proportion of emergency calls is relatively constant over the years although the proportion of non-emergency calls has increased to 61 (56) per cent. This is due partly to the handling and design of mobile telephones but also to lack of respect for the emergency number.

#### FINANCES

Return on shareholders' equity increased to 8 (0) per cent and the equity/assets ratio decreased marginally to 47 (49) per cent. SOS Flygambulans has reported a strong result, although the company lost a competitive tender corresponding to 50 per cent of the company's turnover and its future activities are at present under consideration. SOS Alarm has entered into a multi-year agreement that ensures a large part of future income for 2004.

At the same time, the costs of restructuring work on the technology platform will be charged to income.

#### OBJECTIVE

The return on shareholders' equity achieved the target of 8 per cent. The average response time in 2003 was 7.2 (7.1) seconds compared to the requirement of 8 seconds. A reduction in response times is reported by 12 centres, while the problems remain that the big-city centres do not meet the requirement.

#### DIVIDEND POLICY

Dividend shall normally be equivalent to 5 per cent of shareholders' equity. During the investment period, the owners have decided to temporarily reduce the dividend level to 3 per cent of shareholders' equity to secure the company's financial position.

#### ASSESSMENT

SOS Alarm is financially well-equipped for the replacement of the technology platform. At the same time, there are risks that the company is exposed to public customers with strained finances and to the private market where there is tough competition. Non-emergency use of the 112 number is a big problem for SOS Alarm and it is important to continue the work of reducing the number of these calls. The company is working on technical solutions and is conducting an information campaign to reduce these calls. However, the company is dependent on other authorities and the telephone operators to be successful. The problems of long response times in big city emergency service centres must also be tackled and work has been initiated which has already led to a reduction of response times in Stockholm.



Chairman: Curt Persson



MD: Sven-Runo Bergqvist

INCOME STATEMENT, SEKm	2003	2002
Net turnover	671	619
Expenses	-656	-610
<b>Operating profit</b>	<b>15</b>	<b>9</b>
Financial income	7	-5
Financial expenses	-3	-3
<b>Profit before tax</b>	<b>19</b>	<b>1</b>
Tax	-5	-1
<b>Net profit/loss for the year</b>	<b>13</b>	<b>0</b>

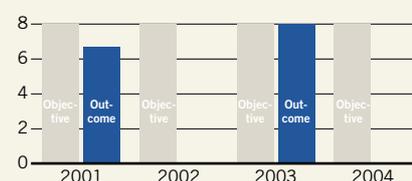
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	194	162
Non-interest bearing current assets	56	64
Interest-bearing current assets	101	97
<b>Total assets</b>	<b>351</b>	<b>323</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	164	156
Minority	2	1
Non-interest bearing appropriations	24	22
Interest-bearing long-term liabilities	22	25
Interest-bearing current liabilities	3	2
Non-interest bearing current liabilities	136	117
<b>Total liabilities and shareholders' equity</b>	<b>351</b>	<b>323</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	81	58
Cash flow from investment activities	-70	-66
Cash flow from financing activities	-7	-7

KEY RATIOS	2003	2002
Return on equity (average), %	8.0	0.0
Return on total assets (average), %	6.6	1.2
Return on capital employed (average), %	11.8	2.2
Return on operating capital (average), %	16.7	11.3
Equity/assets ratio, %	47.2	48.6
Average response time, seconds	7.2	7.1

OTHER, SEKm	2003	2002
Proposed dividend	5	5
Gross investment	71	66
Depreciation and write-downs	38	44
Average no. of employees	851	790
Sick leave, %	4.8	5.0
Share owned by state, %	50	50

#### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	NO
Equal opportunities policy	YES
Employees	Women 59% / Men 41%
Management group	Women 25% / Men 75%
Board of directors	Women 50% / Men 50%
Environmental policy	YES
Environmental management system	ISO 14001

#### Board of directors and auditors 2003/2004

**Chairman:** Curt Persson. **Board members:** Ewa Back, Hjördis Berg, Annika Castwall, Benny Jönsson, Peter Lindell, Christina Salomonson, Ulf Wetterberg. **Employee representatives:** Ann-Cathrin Löf, Åke Nordin. **Auditors:** Peter Lander, Ernst & Young and Göran Selander, Riksrevisionen (state audit institution).

The fee to the Chairman of the Board is SEK 80,000 (60,000) in 2004. Fees to board members elected at the annual general meeting total SEK 40,000 (30,000) in 2004.



The company was established in 1990 as the (National Road Administration's) Vägverkets Investeringsaktiebolag Väginvest and received commissions through the subsidiaries Stockholmsleder AB and Göteborgs Trafikleder AB to borrow money on the capital market and to then loan these funds to the National Road Administration for certain road investments in the Stockholm and Göteborg regions. In 1998, it was decided that the company would own and manage the state's shares in Botniabanan AB. In conjunction with this, the company changed name to Statens Väg- and Baninvest AB and the management of the shares was transferred from the National Road Administration to the Ministry of Industry, Employment and Communications.

#### OPERATIONS

The company's operations take place in the road and railway maintenance sector and involve different forms of project financing of infrastructural facilities as well as ownership and management of shares, participation rights and other rights in companies.

Operations have taken place in 2003 within three areas:

- Management of subsidiaries including monitoring of equity interests and the investigation of overall corporate matters.
- Finance operations. This includes specialist services in the field of financing focusing on borrowing on behalf of Stockholmsleder AB, Göteborgs Trafikleder AB and Botniabanan AB.
- Consultancy operations including audits, cost accounting and financing for the National Road Administration's finance function and the National Road Administration's Region Stockholm. Moreover, current finance and accounting services are carried out for Stockholmsleder AB, Göteborgs Trafikleder AB and A-Banan Projekt AB.

Botniabanan AB works with the planning and construction of Botniabanan, which is a 190-kilometre long railway line between the Ångermanälven river at Nyland and Umeå. The main timetable for Botniabanan was revised in 2001 since the admissibility hearings under the Environmental Code have taken longer than originally planned. According to the new timetable, the line will be completed in late autumn 2008. Due to the planning processes for the route from Husum to Umeå being further delayed, a new review is at present being made of the main timetable. At the same time, an examination is being made of the cost framework.

#### FINANCES

The total borrowing for Stockholmsleder AB and Göteborgs Trafikleder AB, which is taken care of by Statens Väg- and Baninvest AB, has increased during the year by SEK 1,787 million. Botniabanan AB's borrowing at the National Debt Office has increased during the year by SEK 1,215 million.

#### DIVIDEND POLICY

The company has no dividend requirements from the owner.

#### ASSESSMENT

The reported result in both the parent company and the group comply with the plans made.



Chairman: Gösta Gunnarsson

MD: Bo Johansson

INCOME STATEMENT, SEKm	2003	2002
Net turnover	366	335
Expenses	-366	-335
<b>Operating profit</b>	<b>0</b>	<b>0</b>
Financial income	0	1
<b>Profit before tax</b>	<b>0</b>	<b>0</b>
Tax	0	0
<b>Net profit/loss for the year</b>	<b>0</b>	<b>0</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	2,796	1,788
Interest-bearing fixed assets	9,930	8,139
Non-interest bearing current assets	574	147
Interest-bearing current assets	22	25
<b>Total assets</b>	<b>13,322</b>	<b>10,099</b>

Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	18	17
Interest-bearing long-term liabilities	12,803	9,801
Non-interest bearing current liabilities	501	280
<b>Total liabilities and shareholders' equity</b>	<b>13,322</b>	<b>10,099</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-205	56
Cash flow from investment activities	-2,800	-3,360
Cash flow from financing activities	3,002	3,291

KEY RATIOS	2003	2002
Return on equity (average), %	1.1	2.5
Return on total assets (average), %	0.0	0.0
Return on capital employed (average), %	0.0	0.0
Return on operating capital (average), %	0.0	0.0
Equity/assets ratio, %	0.1	0.2

OTHER, SEKm	2003	2002
Gross investment	2,800	3,360
Depreciation and write-downs	0	0
Average no. of employees	83	68
Sick leave, %	2.4	2.1
Share owned by state, %	100	100

Ethical policy	NO
Equal opportunities policy	NO
Employees	Women 36% / Men 64%
Management group	Women 36% / Men 64%
Board of directors	Women 50% / Men 50%
Environmental policy	NO
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairman:** Gösta Gunnarsson. **Board members:** Gerd Engman, Lena Erixon, Gunnar Holmgren, Eva-Britt Gustafsson, Ulf Lundin. (The annual general meeting of shareholders for 2004 takes place on 11 June). **Auditors:** Per Wardhammar, Öhrlings PricewaterhouseCoopers and Bertil Forslundh, Riksrevisionen (state audit institution).

The fee to the Chairman of the Board was SEK 116,000 in 2003. Fees to board members elected at the annual general meeting totalled SEK 58,000 in 2003.



Chairman: Olof Johansson MD: Magnus Ehrenstråhle

# BILPROVNINGEN

The Riksdag decided in 1997 that AB Svensk Bilprovning should continue to have sole right to carry out vehicle inspection as stipulated in the Swedish road traffic legislation. The company's objective is to promote road safety and to protect the environment by checking the standard of vehicles. Vehicle inspection services shall be available throughout Sweden. The state owns 52 per cent of the company, the remainder being owned by different private interest organisations.

## OPERATIONS

The activity consists primarily of the mandatory inspections as well as certain services provided on a competitive basis such as crane and lift inspections, voluntary brake tests and environmental and quality inspections. The Government has decided that inspection of motorcycles, some caravans and light trailers is to take place at fewer intervals, which will free capacity. Prices are to be the same throughout Sweden and availability is good.

## FINANCES

The company's net profit improved considerably to approximately SEK 111 (84) million, primarily due to a price increase but also to increased productivity. Bilprovning needs a surplus at the present time to carry out an investment programme to improve capacity and service to customers and the working environment for employees. Viewed over a five-year period, Bilprovning's result is SEK - 29 million. The equity/assets ratio improved to 38 (36) per cent.

## OBJECTIVE

The company is to promote road safety and the environment by checking the

vehicle standard and offering good availability throughout Sweden. The company aims to reduce waiting times for inspections. The Government's decision on the pricing of Bilprovning's inspections requires the company to break even over a long time period. According to the board, the equity/assets ratio is to be approximately 35 per cent.

## DIVIDEND POLICY

The owners have reached agreement that Bilprovning can distribute 1 per cent of the shareholders' equity, although at most 50 per cent of the net profit. The state does not endeavour to obtain dividend but wants any profit to be re-invested in the activity. However, it accepts the requirements of the joint owners for a small dividend in 2003.

## ASSESSMENT

During the year, Bilprovning has had unacceptably long waiting times for private persons, caused both by lack of capacity and by most people booking their test appointment as late as possible. Bilprovning is carrying out a large investment programme to overcome the lack of capacity and is introducing a new booking system with a pre-booked appointment. The results of this system are very good. Good services and low prices are crucial for Bilprovning's credibility as a monopoly. The price of an inspection is second lowest in the EU. Bilprovning has invested in mobile stations that are to replace permanent stations mainly in Norrland, and which can relieve bottlenecks in, for instance, reconstructions. The mobile station is expected to improve service for customers in the Norrland counties and improve finances.

INCOME STATEMENT, SEKm	2003	2002
Net turnover	1,535	1,399
Expenses	-1,359	-1,314
<b>Operating profit</b>	<b>176</b>	<b>85</b>
Financial income	11	8
Financial expenses	-24	-27
<b>Profit before tax</b>	<b>163</b>	<b>66</b>
Tax	-50	19
Minority	-1	-1
<b>Net profit/loss for the year</b>	<b>112</b>	<b>84</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	631	638
Non-interest bearing current assets	83	83
Interest-bearing current assets	388	205
<b>Total assets</b>	<b>1,102</b>	<b>926</b>

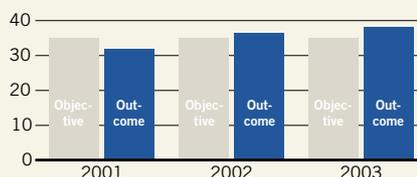
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	451	339
Minority	0	2
Interest-bearing appropriations	219	205
Interest-bearing long-term liabilities	130	141
Non-interest bearing long-term liabilities	42	2
Interest-bearing current liabilities	10	5
Non-interest bearing current liabilities	250	232
<b>Total liabilities and shareholders' equity</b>	<b>1,102</b>	<b>926</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	293	124
Cash flow from investment activities	-101	-119
Cash flow from financing activities	-8	92

KEY RATIOS	2003	2002
Return on equity (average), %	28.4	28.3
Return on total assets (average), %	18.4	10.7
Return on capital employed (average), %	24.9	15.1
Return on operating capital (average), %	38.7	18.5
Equity/assets ratio, %	40.9	36.8

OTHER, SEKm	2003	2002
Proposed dividend	4	0
Gross investment	101	118
Depreciation and write-downs	83	91
Average no. of employees	2,111	2,181
Sick leave, days per employee	6.6	5.7
Share owned by state, %	52	52

## EQUITY/ASSETS RATIO, %



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 11% / Men 89%
Management group	Women 25% / Men 75%
Board of directors	Women 22% / Men 78%
Environmental policy	YES
Environmental management system	ISO 14001 (ready 2005)

## Board of directors and auditors 2003/2004

**Chairman:** Olof Johansson. **Board members:** Ulf Blomgren, Katja Elvång, Birgitta Frejhagen, Per Johansson, Jan-Erik Kjellberg, Peter Lindell, Bertil Persson, Jan-Erik Werner. **Employee representatives:** Ola Bergh, Rolf Jakobsson. **Deputy employee representatives:** Bo Johansson, Erik Jonasson. **Auditors:** Roland Nilsson, KPMG and Karin Holmerin, Riksrevisionen (state audit institution).

The fee to the Chairman of the Board is SEK 70,000 (70,000) in 2004. Fees to board members elected at the annual general meeting total SEK 40,000 (40,000) in 2004.

# SVEDAB

Svensk-Danska Broförbindelsen SVEDAB AB (SVEDAB) was established by the Riksdag in 1991. Its objective, together with the company established by the Danish state, A/S Øresund, was to construct and operate the fixed road and rail link between Malmö and Copenhagen. The companies have set up a jointly-owned consortium – Øresundsbro Konsortiet (the Consortium). SVEDAB is owned by the Swedish state through the Swedish National Rail Administration and the National Road Administration.

## OPERATIONS

SVEDAB shall – directly or indirectly through the Consortium – own and manage the Oresund Link and the Swedish land-based approaches to the Öresund Bridge. The group consists of the parent company SVEDAB and the Consortium (50 per cent owned), which is responsible for the Öresund Bridge.

The Öresund Link has been financed by loans and is not to be a charge on the state budgets of the two countries. The expenses for construction, interest expense and current operating expenses are to be covered by charges from those using the Öresund Bridge.

The environment is promoted by Sweden and Denmark having jointly decided that the operators using the rail part of the Öresund Bridge shall pay a fixed and unchanged charge per year. However, road users are to bear the larger part of the financing of the link.

## FINANCES

Turnover totalled SEK 621 (592) million in 2003. The improved net turnover is due to increased road traffic income. Income from road traffic is SEK 367 million, which is a seven per cent improvement on 2002. The average income per road vehicle decreased during the year from DKK 163 to DKK 156.

Net financial income in the company is SEK 49 million poorer than the previous year. The parent company has improved its net financial income by approximately SEK 19 million, partly due to lower interest expense on the loan and increased interest income for the parent company's claim on the Swedish National Rail Administration and the National Road Administration as regards the conditional shareholders' contribution.

Net loss for the year after tax totalled SEK -359 million. The loss in 2002 was SEK 347 million, which means that this year's result is a deterioration of SEK 12 million or 3.5 per cent.

## OBJECTIVE

The overall objective is to offer private travellers and the business sector a satisfactory, safe and environmentally friendly traffic provision that benefits the region and the integration of Sweden and Denmark.

## ASSESSMENT

The Öresund Link has had a favourable development in recent years, a development that was further reinforced in 2003. The fixed road and railway link has led to increased integration between Sweden and Denmark and contributed to a continued improvement in the efficiency of transport to the rest of Europe.

In 2003, there were 15.2 (14) million passenger journeys over the Öresund Bridge. Journeys by car increased by 7 per cent compared with the previous year. Road traffic totalled 3,781,000 vehicles, which is an increase of over 10 per cent. Train traffic also showed a steady increase during the year. Altogether, 5.7 million train passengers travelled over the bridge, an increase of six per cent compared with 2002.



Chairman: Jörgen Andersson



MD: Mats Wemming

INCOME STATEMENT, SEKm	2003	2002
Net turnover	621	592
Expenses	-441	-446
<b>Operating profit</b>	<b>179</b>	<b>146</b>
Financial income	172	194
Financial expenses	-850	-823
<b>Profit before tax</b>	<b>-498</b>	<b>-482</b>
Tax	139	135
<b>Net profit/loss for the year</b>	<b>-359</b>	<b>-347</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	15,044	15,249
Interest-bearing fixed assets	1,211	766
Non-interest bearing current assets	68	45
Interest-bearing current assets	2,509	2,033
<b>Total assets</b>	<b>18,831</b>	<b>18,093</b>

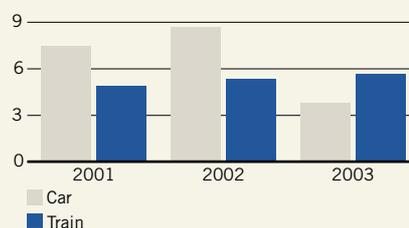
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	22	12
Interest-bearing long-term liabilities	14,600	15,273
Interest-bearing current liabilities	4,047	2,632
Non-interest bearing current liabilities	162	176
<b>Total liabilities and shareholders' equity</b>	<b>18,831</b>	<b>18,093</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-134	-382
Cash flow from investment activities	-26	30
Cash flow from financing activities	605	176

KEY RATIOS	2003	2002
Return on equity (average), %	neg	neg
Return on total assets (average), %	1.9	1.8
Return on capital employed (average), %	1.9	1.8
Return on operating capital (average), %	1.2	1.0
Equity/assets ratio, %	0.1	0.1

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	561	511
Depreciation and write-downs	247	247
Average no. of employees	88	83
Sick leave, %	2.6	3.8
Share owned by state, %	100	100

PASSENGER JOURNEYS, ÖRESUND BRIDGE, million



Ethical policy	NO
Equal opportunities policy	NO
Employees	Women 52% / Men 48%
Management group	Women 0% / Men 100%
Board of directors	Women 0% / Men 100%
Environmental policy	NO
Environmental management system	NO

## Board of directors and auditors 2003/2004

**Chairman:** Jörgen Andersson. **Board members:** Göran Ahlström, Bo Bylund, Ingmar Skogö.

**Auditors:** Mikael Eriksson, Öhrlings PricewaterhouseCoopers and Bertil Forslundh, Riksrevisionen (state audit institution).

The fee to the chairman of the board was SEK 116,000 in 2003. Fees to board members elected at the annual general meeting totalled SEK 58 million in 2003.



Svenska kraftnät (Svk) was established in 1992 as a result of the Riksdag deciding to separate production and the grid within the then State Power Board. Svk shall be responsible for operation of the national grid, the short-term balance and overall reliability of the electricity system, and the safety of dams. Svk is also the authority responsible for electricity supply in times of crisis.

#### OPERATIONS

Svenska kraftnät owns and operates the national grid for electric power, which includes Sweden's approximately 15,000 km long 220 kV and 400 kV power lines with power stations, international links and IT-systems. Svk also owns the Nordic power exchange, Nord Pool ASA, together with the Norwegian Statnett. Furthermore, Svk shall promote a robust and flexible electricity supply at times of crisis or war. Operations are financed by the charges paid by producers and consumers for transporting electricity on the grid.

#### FINANCES

Svenska kraftnät's turnover increased by SEK 141 million to SEK 3,982 million. Net profit for the year decreased by SEK 253 million to SEK 288 million primarily due to a reduction in grid income of SEK 115 million, which was partly due to changed transmission patterns. Expenses for energy losses and balance power increasing due to increased electricity prices compared to last year.

#### OBJECTIVE

Svk is to offer a secure, efficient and environmentally compatible transmission of power on the national grid, promote a competitive Swedish, Nordic and European electricity market and exercise its system responsibility in cost efficiently. Cost-efficiency is to be as high as in

comparable companies. Svk is to achieve a return on adjusted shareholders' equity<sup>1)</sup> of 6 per cent including expenses for residual electrification. Svk is to have a maximum debt-equity ratio of 55 per cent.

#### DIVIDEND POLICY

Svk is to pay a dividend corresponding to 65 per cent of the result of the financial year. Dividend includes tax equivalents of 28 per cent.

#### ASSESSMENT

Svk's activity is becoming increasingly multi-faceted. It is therefore important that Svk continues to develop and clarify its different roles as authority with system responsibility and commercial enterprise. Continued priority is given to Nordic co-operation to contribute to the good performance of the electricity market.

The earning capacity was 3.5 (6.6) per cent on adjusted shareholders' equity and the debt/equity ratio was 49 (50) per cent. Svk achieved the target for the debt/equity ratio for 2003. The owner's profit target was not achieved in 2003, although the owner has in view Svk's overall result over a time period since the hydrological conditions can have a major impact in particular years. The board has recommended a dividend of SEK 309 million, which is SEK 174 million in excess of the dividend policy.

Studies have shown that Svk is among the most cost-efficient grid companies in Europe. The net tariffs can therefore be kept low compared to other European net companies.

Svk is to continue to develop the accounting and monitoring per branch of activity to improve the transparency of operations and communications to the electricity market and other stakeholders.



Chairman: Sven Hulterström

GD: Jan Magnusson

INCOME STATEMENT, SEKm	2003	2002
Net turnover	3,982	3,841
Expenses	-3,593	-3,224
Profit/loss from participations in associated companies	19	40
<b>Operating profit</b>	<b>408</b>	<b>657</b>
Financial income	13	41
Financial expenses	-131	-150
<b>Profit before tax</b>	<b>290</b>	<b>548</b>
Tax	1	-5
Minority	-3	-2
<b>Net profit/loss for the year</b>	<b>288</b>	<b>541</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	9,213	9,350
Interest-bearing fixed assets	364	372
Non-interest bearing current assets	748	894
Interest-bearing current assets	99	165
<b>Total assets</b>	<b>10,424</b>	<b>10,781</b>

Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	6,633	6,701
Minority	31	28
Interest-bearing appropriations	195	190
Non-interest bearing appropriations	6	3
Interest-bearing long-term liabilities	2,667	2,813
Non-interest bearing long-term liabilities	106	101
Interest-bearing current liabilities	127	138
Non-interest bearing current liabilities	659	807
<b>Total liabilities and shareholders' equity</b>	<b>10,424</b>	<b>10,781</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	842	1,053
Cash flow from investment activities	-409	-474
Cash flow from financing activities	-499	-626

KEY RATIOS	2003	2002
Return on equity (average), %	3.5	6.6
Return on total assets (average), %	3.9	6.4
Return on capital employed (average), %	4.6	8.4
Return on operating capital (average), %	4.2	6.5
Equity/assets ratio, %	56.7	55.2
Debt/equity ratio, %	49	50

OTHER, SEKm	2003	2002
Proposed dividend	309	356
Gross investment	411	460
Depreciation and write-downs	527	512
Average no. of employees	261	249
Sick leave, %	3.3	3.7
Share owned by state, %	100	100

#### RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 27% / Men 73%
Management group	Women 15% / Men 85%
Board of directors	Women 43% / Men 57%
Environmental policy	YES
Environmental management system	OWN

<sup>1)</sup> See definition on page 101.

#### Board of directors and auditors 2003/2004

**Chairman:** Sven Hulterström. **Vice Chairman:** Yvonne Gustafsson. **Board members:** Viktoria Aastrup, Sussi Kwart, Jan Magnusson, Christel Nettelvik Söderberg, Christer Samuelsson. (Sussi Kwart and Christel Nettelvik-Söderberg resigned and Tomas Bruce and Anna-Stina Nordmark-Nilsson were appointed in April 2004). **Employee representatives:** Agata Persson, SACO and Dan Lems, ST, **Deputy employee representatives:** Lisa Björkling and Kjell Lundgren. **Auditors:** Kerstin Jönsson and Göran Selander, Riksrevisionen (state audit institution).



The limited company AB Svenska Miljöstyrningsrådet was established in 1995, among other things, to perform the tasks of Swedish registration body pursuant to the European Eco Management and Audit Scheme, EMAS. The company is owned jointly by the state, the Swedish Association of Local Authorities and the Confederation of Swedish Enterprise and also the Federation of County Councils from 2003. The state's ownership is 85 per cent.

#### OPERATIONS

The Swedish Environmental Management Council is responsible for two voluntary systems of this kind – EMAS and EPD – intended to inform Swedish business and industry and central government activities about these systems and to give publicity to the organisations that join these systems.

EMAS describes how preventive environmental management work can be developed in stages, including planning, implementing, monitoring and continuously improving the environmental performance of an organisation. EPD is an international system for environmental product declarations entailing a fact-based method of describing the environmental performance of products and services based on a holistic perspective – from extraction of raw material to final waste management.

In 2003, the Swedish Environmental Management Council initiated a new area of activities – the management and further development of systems for ecologically sustainable procurement, EKV, in both central government and private activities. EKV activity aims to provide guidance for procuring units in central government and the business sector to be able to include environmental aspects in the best way in conjunction with purchasing and procurement.

#### FINANCES

The activities of the Swedish Environmental Management Council are financed by registration and annual fees

from the organisations belonging to the EMAS and EPD systems. Moreover, the Environmental Management Council also takes part in various project activities which produce some income. The company receives a government grant for work with ecological sustainable procurement. Turnover totalled SEK 5 (3) million, the equity/assets ratio was 76.8 (71.4) per cent.

#### OBJECTIVE

The Swedish Environmental Management Council is to support industry, the business sector and public administration by further developing its environmental work in a systematic and cost-efficient way, and by providing those who describe the purpose and result of their environmental work openly with a form of recognition which can be understood nationally and internationally.

The financial objective for the Swedish Environmental Management Council is that the activities relating to EMAS and EPD shall provide a sufficient surplus to make possible expanded and improved information services for registered organisations that can be expanded to a broader range of customers in time. In the course of time, a number of services/training and other activities relating to environmentally compatible procurement can be expected to produce some income.

#### DIVIDEND POLICY

The company has no dividend requirements from the owners.

#### ASSESSMENT

In 2003, the articles of association of the Swedish Environmental Management Council were amended partly in the light of the review of the council's activities that had taken place previously. A new collaboration agreement has been concluded with the owners in the light of the changed articles of association and taking into consideration the entry of the Federation of County Councils as a partner.



Chairman: Axel Wenblad

MD: Sven-Olof Ryding

INCOME STATEMENT, SEKm	2003	2002
Net turnover	5	3
Expenses	-4	-3
<b>Operating profit</b>	<b>1</b>	<b>0</b>
<b>Profit before tax</b>	<b>1</b>	<b>0</b>
<b>Net profit/loss for the year</b>	<b>1</b>	<b>0</b>

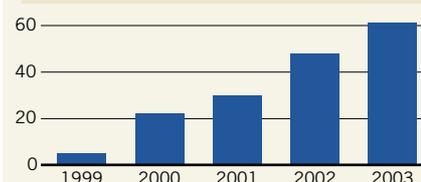
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing current assets	1	1
Interest-bearing current assets	2	1
<b>Total assets</b>	<b>3</b>	<b>2</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	2	1
Non-interest bearing current liabilities	1	1
<b>Total liabilities and shareholders' equity</b>	<b>3</b>	<b>2</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	1	0
Cash flow from investment activities	0	0
Cash flow from financing activities	0	0

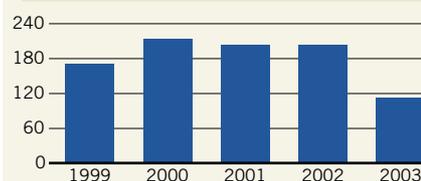
KEY RATIOS	2003	2002
Return on equity (average), %	52.4	neg
Return on total assets (average), %	39.4	neg
Equity/assets ratio, %	76.8	71.4

OTHER, SEKm	2003	2002
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	4	3
Share owned by state, %	85	90

#### NUMBER OF EPD REGISTRATIONS



#### NUMBER OF EMAS REGISTRATIONS



Ethical policy	NO
Equal opportunities policy	NO
Employees	Women 25% / Men 75%
Management group	-
Board of directors	Women 50% / Men 50%
Environmental policy	NO
Environmental management system	NO

#### Board of directors och revisorer 2003

**Chairman:** Axel Wenblad **Vice Chairman:** Eva Smith. **Board members:** Gunilla Blomquist, Henry Gustafsson, Ingrid Haglind, Anna Mattsson, Sven-Olof Ryding, Inger Strömdahl, Lars Waldner, Peter Wenster. (The annual general meeting of shareholders for 2004 takes place on 15 June). **Auditor:** Jan Nordlöv, KPMG Bohlins.

Fees to board members totalled SEK 10,000 (10,000) in 2003.



SVENSKA SPEL

AB Svenska Spel was established on 1 January 1997 when Svenska Penninglotteriet AB and AB Tiptjänst were merged. The activity that Svenska Spel is to engage in is shown by the Government Bill 1995/96:169. Svenska Spel was granted permission by the Government on 22 December 1999 to arrange lotteries, number games and betting at sports competitions and slot machine games.

#### OPERATIONS

The ambition of the state is to endeavour for the gaming market to develop in a positive way within the framework of societal responsibility, well-developed service and without the risk of the security of the operation being neglected. This is to be achieved while retaining and developing continued good profitability for organisations and the state.

Svenska Spel's overall strategy is to sell a broad range of entertaining gambling products with cash prizes. This shall be achieved by using modern technology, both in direct customer relations and in distribution to agents and partners. The company's casinos should provide a balanced range of gambling, restaurant operations and entertainment.

International internet companies carry out an increasingly intensive marketing targeted on Swedish gamblers, which attacks the Swedish regulation of gambling. New lottery legislation was introduced in autumn 2002. This legislation regulates all interactive gambling on the internet, mobile telephony or other electronic data transmission.

#### OBJECTIVE

Svenska Spel shall, after authorisation by the Government, organise gambling and

lotteries. Svenska Spel shall meet consumer demand for attractive lotteries and gambling through renewal and development. Social protection considerations and fraud risks must be taken into account when new forms of gambling are developed. Maximum security in gambling should be aimed at and effective, independent control made possible.

#### ASSESSMENT

During 2003, Svenska Spel's turnover met the targets set by the Government and the Riksdag. Addiction to gambling and responsibility for gambling still dominate the public discussion on gambling. International developments in the gambling market can affect the future of the company.

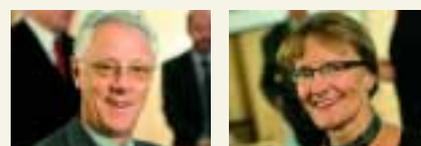
#### FINANCES

Svenska Spel's turnover increased by 9 per cent in 2003 compared to the previous year and totalled SEK 19,807 (18,240) million. Gambling turnover increased for, among other things, slot machine games, games on Internet and in casino activities. Svenska Spel produced its highest result ever in 2003, profit before tax increased by SEK 477 million and totalled SEK 4,687 million.

Svenska Spel is exempted from lottery and income tax. The company's profits are paid in to popular and sports organisations and to the state.

#### ASSESSMENT

In 2003, Svenska Spel met the targets set by the Government and Riksdag. Of the company's profit of SEK 4,687 (4,210) million, SEK 3,677 (3,300) million goes to the state and SEK 1,010 (910) million to organisations.



Chairm: Anders Gustafzon

MD: Meg Tivéus

INCOME STATEMENT, SEKm	2003	2002
Gambling and lottery income	19,533	17,989
Other operating income	264	251
Winners' share	-10,933	-10,003
Agents' commission	-1,880	-1,857
Personnel costs	-628	-487
Other operating expenses	-1,493	-1,470
<b>Profit before depreciation</b>	<b>4,840</b>	<b>4,409</b>
Depreciation	-198	-261
<b>Net operating profit</b>	<b>4,642</b>	<b>4,148</b>
Financial income	83	118
Financial expenses	-38	-56
<b>Profit before tax</b>	<b>4,687</b>	<b>4,210</b>
<b>Net profit/loss for the year</b>	<b>4,687</b>	<b>4,210<sup>1)</sup></b>

<sup>1)</sup> The whole profit is paid to the state after deduction of the grants set by the Riksdag for the Swedish Sports Confederation and the National Board for Youth Affairs.

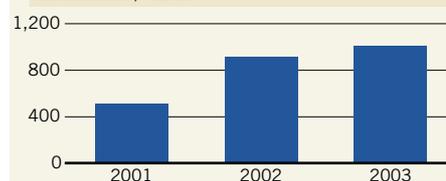
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	1,362	1,262
Interest-bearing fixed assets	703	740
Non-interest bearing current assets	1,980	2,329
Interest-bearing current assets	2,190	1,272
<b>Total assets</b>	<b>6,235</b>	<b>5,603</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	4,687	4,211
Non-interest bearing appropriations	17	20
Non-interest bearing long-term liabilities	27	21
Non-interest bearing current liabilities	1,504	1,351
<b>Total liabilities and shareholders' equity</b>	<b>6,235</b>	<b>5,603</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	5,390	4,532
Cash flow from investment activities	-406	-671
Cash flow from financing activities	-4,210	-3,806

KEY RATIOS	2003	2002
Return on equity (average), %	105.3	105.0
Return on total assets (average), %	79.8	78.4
Return on capital employed (average), %	106.2	106.4
Return on operating capital (average), %	232.5	195.8
Equity/assets ratio, %	75.2	75.2

OTHER, SEKm	2003	2002
Proposed dividend	4,509	4,210
Gross investment	406	671
Depreciation and write-downs	198	261
Average no. of employees	1,677	1,224
Sick leave, %	4.1	4.2
Share owned by state, %	100	100

#### GRANTS TO POPULAR AND SPORTS MOVEMENTS, SEKm



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 50% / Men 50%
Management group	Women 21% / Men 79%
Board of directors	Women 27% / Men 73%
Environmental policy	YES
Environmental management system	NO

#### Board of directors and auditors 2003/2004

**Chairm:** Anders Gustafzon. **Board members:** Jan Blomberg, Karin Johansson, Lars-Åke Lagrell, Curt Malmberg, Kjell Nordström, Marianne Samuelsson, Anna Söderblom, Meg Tivéus. (Anna Söderblom resigned at the annual general of shareholders in 2004). **Employee representatives:** Håkan Bergström, Gerd Hedberg, Britta Höglund, Berra Sandström. **Auditors:** Torsten Lyth, Ernst & Young and Lars Nordstrand, Riksrevisionen (state audit institution).





In spring 1995, the Riksdag adopted a resolution on the focus and design of tourism policy. On 1 July 1995, a company jointly owned by the state and tourist industry, Sveriges Rese- och Turistråd AB was set up. The objective of the Swedish Travel and Tourism Council is to market Sweden as a tourist destination abroad, to promote the "brand Sweden" and the concept of Sweden in the Swedish market.

### OPERATIONS

Tourism is very important for growth and employment in many regions. A number of measures are required to increase tourism in and to Sweden and to develop the industry.

The state can play a strategic role, in particular in marketing Sweden as a tourist country abroad.

The main task of the council is to take responsibility for overall marketing outside Sweden and providing information about Sweden as a travel destination.

The Government finances the company's basic activities and the overall image marketing, the "brand Sweden", while the business sector finances targeted activities, product marketing associated with the company's activities. The council is to have a commercial approach, which is neutral from the point of view of competition. The company is to contribute to creating business although not to enter into contracts itself.

As well as the traditional channels, information is to be made available via the Internet portal [www.visit-sweden.com](http://www.visit-sweden.com) which makes it possible to provide an overall picture of the Swedish offering to the international market.

### FINANCES

Net turnover was SEK 136.4 million. The basic government grant was SEK 77 (77) million.

### OBJECTIVE

The overall objective for tourism policy is for Sweden to be very attractive as a tourist destination and to have a long-term competitive tourist industry. The Council is to participate in achieving this objective.

The Council is to market Sweden as a tourist destination in such a way as to contribute to people in and outside Sweden having attractive and enriching experiences. The Council is also to assist companies and co-operative organisations in Sweden to improve their profitability, and shall work towards increased revenues and thus increased national prosperity.

### DIVIDEND POLICY

The company does not pay a dividend.

### ASSESSMENT

The Swedish Travel and Tourism Council has carried out the activity stipulated by the owners.

In volume terms, 2003 was a good year for the Swedish tourist industry. Overnight stays by Swedes in Sweden increased by 4.5 per cent, while foreign overnight stays remained at substantially the same level (-0.3 per cent). International travel decreased by 1.4 per cent in 2003. The same outcome was reported for international travel in western Europe. This is the largest decrease ever noted. Despite the record volume for Swedish tourism in 2003, income decreased. The reason for this drop in income is that there has been a shift from hotel overnight stays to simpler forms of accommodation.

The restructuring of the Council's activities to achieve greater flexibility and lower fixed costs is continuing.



Chairman: Elisabeth Nyström Acting MD: Lars Carmén

INCOME STATEMENT, SEKm	2003	2002
Net turnover	136	143
Expenses	-134	-143
<b>Operating profit</b>	<b>2</b>	<b>-0</b>
Net financial income	1	0
<b>Profit before tax</b>	<b>3</b>	<b>0</b>
<b>Net profit/loss for the year</b>	<b>3</b>	<b>0</b>

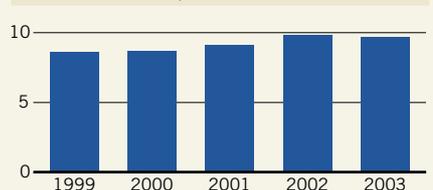
BALANCE SHEET, Tkr	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	2	2
Non-interest bearing current assets	23	22
Interest-bearing current assets	19	18
<b>Total assets</b>	<b>44</b>	<b>42</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	18	15
Non-interest bearing current liabilities	26	27
<b>Total liabilities and shareholders' equity</b>	<b>44</b>	<b>42</b>

CASH FLOW, Tkr	2003	2002
Cash flow from operating activities	2	3
Cash flow from investment activities	-1	-1
Cash flow from financing activities	0	2

KEY RATIOS	2003	2002
Return on equity (average), %	17.4	0.9
Return on total assets (average), %	6.8	1.1
Equity/assets ratio, %	40.5	35.4

OTHER, SEKm	2003	2002
Gross investment	1	1.0
Depreciation and write-downs	1	1.0
Average no. of employees	54	43
Sick leave, %	4.5	4.0
Share owned by state, %	50	50

NUMBER OF OVERNIGHT STAYS  
BY FOREIGN GUESTS, million



Ethical policy	YES
Equal opportunities policy	NO
Employees	Women 80% / Men 20%
Management group	Women 40% / Men 60%
Board of directors	Women 40% / Men 60%
Environmental policy	NO
Environmental management system	NO

### Board of directors and auditors 2003/2004

**Chairman:** Elisabeth Nyström. **Board members:** Claes Bjerkne, Leif Byman, Nils Carlsson, Martin Creydt, Inger Holmström, Bengt Klaesson, Karin Mattsson. **Deputy:** Anders Blomqvist, Jan Kårström. (Lars Carmén was replaced as chairman by Elisabeth Nyström. Martin Creydt resigned and Elisabeth Haglund were appointed at the annual general meeting of shareholders in 2004). **Auditor:** Alexander Hagberg, Ernst & Young.

The fee to the Chairman of the Board is SEK 90,000 (90,000) in 2004. Fees to board members elected at the annual general meeting total SEK 45,000 (45,000) in 2004.

# Swedfund

International AB

Swedfund was established in 1978 as a foundation but was reorganized after a Riksdag resolution in 1991 as Swedfund International AB. The main motive for incorporation was to combine the activity with a commercial approach. At the beginning of 1991, the government decided to expand the company's area of operations to include countries in Central and Eastern Europe.

## OPERATIONS

Swedfund's activity consists of the company contributing risk capital in the form of shares or loans, mainly in connection with direct investments but also by investments in risk capital and investment funds. The activities in developing countries are to take into consideration the Swedish undertaking on a de-linking of development co-operation with the least developed countries.

Co-operation in developing countries, in particular countries in the western Balkan peninsula, is to take place with the countries that according to OECD/DAC's definition qualify for development finance. Co-operation is to be concentrated on the poorest countries. Normally, Swedfund shall thus not take part in projects in countries with a per capita-income exceeding USD 3,030.

In co-operation with Central and Eastern Europe, the emphasis is gradually to be shifted to Russia and Ukraine in connection with the expansion of the EU.

In 2001, a merger (absorption) of the wholly-owned subsidiary Swedfund Financial Markets. The company's capital base was strengthened during the year by this merger and a special capital contribution from the owner. This capital reinforcement has enabled an expansion of the company's operations in Central and Eastern Europe. To this end, the company has also made efforts to find good projects in the East. The international recommendation on de-linking of developing co-operation in the developing countries means that the company

actively looks for opportunities for making good investments also without a Swedish partner.

## OBJECTIVE

The company's overall objective is to contribute to the development of financially sound companies in developing countries and in countries in Central and Eastern Europe. The activity is to be carried out in such a way that it combines development objectives and a commercial approach.

Swedfund is also to endeavour to promote Swedish interests in its activities.

## FINANCES

The company reported profit before appropriations and tax of SEK 41.9 (48.6) million.

Swedfund's total capital amounted in 2003 to SEK 1,184 (1,046) million with an equity/assets ratio of 83.3 per cent.

## OBJECTIVE

According to the owner's guidelines, the average return on equity shall exceed the average government treasury bill rate with a one-year term. The return is measured over rolling three-year periods.

Of the total portfolio, the board directors has decided that the proportion of portfolio companies with a positive return on the company's total capital is to increase from the current 63 per cent to 70 per cent within the next coming-year period. This measurement is based on the portfolio companies' accounts for the financial years 2001 and 2004 and is calculated on profit before financial expenses, appropriations and tax. The board of directors has also stipulated that the value of investments in portfolio companies in relation to the reported balance-sheet total is to increase from 31 per cent (30 Sep 2002) to 50 per cent within the coming three-year period.

## ASSESSMENT

The return on equity was 4.48 per cent.<sup>1)</sup>



Chairman: Lars Gårdö



MD: Olle Arefalk

INCOME STATEMENT, SEKm	2003	2002
Net turnover	105	65
Expenses	-88	-64
<b>Operating profit</b>	<b>17</b>	<b>1</b>
Financial income	26	50
Financial expenses	-1	-2
<b>Profit before tax</b>	<b>42</b>	<b>49</b>
Appropriations	-9	-7
Tax	-10	-12
<b>Net profit/loss for the year</b>	<b>23</b>	<b>30</b>

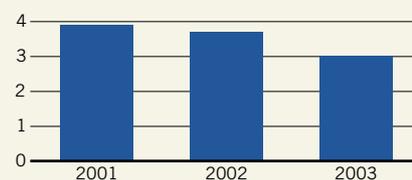
BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	1	1
Non-interest bearing current assets	13	28
Interest-bearing current assets	1,170	1,018
<b>Total assets</b>	<b>1,184</b>	<b>1,046</b>
<b>Shareholders' equity, appropriations and liabilities</b>		
Shareholders' equity	960	937
Untaxed reserves	37	28
Interest-bearing long-term liabilities	163	61
Interest-bearing current liabilities	16	11
Non-interest bearing current liabilities	8	10
<b>Total liabilities and shareholders' equity</b>	<b>1,184</b>	<b>1,046</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	-46	4
Cash flow from investment activities	-184	100
Cash flow from financing activities	108	1

KEY RATIOS	2003	2002
Return on equity (average), %	3.0	3.7
Return on total assets (average), %	3.9	4.9
Return on capital employed (average), %	3.9	5.0
Return on operating capital (average), %	500.0	neg
Equity/assets ratio, %	83.3	91.5

OTHER, SEKm	2003	2002
Proposed dividend	0	0
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	16	16
Sick leave, %	0.9	1.0
Share owned by state, %	100	100

## RETURN ON SHAREHOLDERS' EQUITY, %



Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 50% / Men 50%
Management group	Women 60% / Men 40%
Board of directors	Women 40% / Men 60%
Environmental policy	YES
Environmental management system	NO

<sup>1)</sup> See Definitions on page 101.

## Board of directors and auditors 2003/2004

**Chairman:** Lars Gårdö. **Board members:** Anne Abrahamsson, Kristine Cakste, Rolf Carlman, Tomas Danestad, Lennarth Hjelmåker, Elisabeth Westberg, Christer Zetterberg, Lars Öjefors. (Lennart Hjelmåker and Tomas Danestad resigned and Anders Oljelund and Björn Fritjofsson were appointed at the annual general meeting of shareholders in 2004). **Deputy:** Eva Fagerman. **Auditors:** Bo Sunesson, KPMG and Staffan Nyström, Riksrevisionen (state audit institution).



Systembolaget AB is the special company, owned by the state, which, pursuant to the Alcohol Act (SFS 1994:1738), has an exclusive right to engage in retail trade with spirits, wine and strong beer. Besides the Alcohol Act, Systembolaget's operations are regulated by an agreement between the company and the state. There has also been a state owners' directive for Systembolaget AB since 15 May 2000. In 1997, the European Court of Justice made a ruling that a state retail trade monopoly for alcoholic beverages organised and adapted in the way of the Swedish Systembolaget did not breach EC law. The state owns Systembolaget for reasons of alcohol policy.

#### OPERATIONS

The main task for Systembolaget is the exclusive right to sell alcoholic beverages to the general public. This exclusive right has a social policy objective and restricts the availability of alcohol. This restriction comes about by the company having control over the establishment of stores and opening hours, and ensuring that alcoholic beverages are not supplied to persons under the age of 20, or who are noticeably under the influence or if there is reason to suspect that the product is intended to be unlawfully supplied to someone. Systembolaget shall be a modern, efficient, retail company which sells alcoholic beverages in a responsible way and promotes a good drinking culture.

#### FINANCES

Systembolaget's turnover in 2003 increased by 0.4 per cent to SEK 19,207 (19,132) million. Profit before tax totalled SEK 201 (202) million. In 2003, 362.3 million litres of alcoholic beverage were sold. This is an increase of 2.6 (8.3) per cent measured in pure alcohol to 37.4 million litres. A clear slackening-off compared to the period 2000 to 2002.

#### OBJECTIVE

On the basis of the assignment from the government and the Riksdag, the company shall develop and clarify its social responsibility and provide good service to customers at the same time as the activity is to be conducted in a financial-

ly efficient manner. The target for return on shareholders' equity is to correspond to the ten-year bond rate with a supplement of 4 percentage points, at present 8.55 per cent.

#### DIVIDEND POLICY

Dividend should, provided that it is permitted under the rules on distribution in the Companies Act, total an amount equivalent to at least half of the profit after tax taking into account the equity/assets ratio target which is approximately 30 per cent. If the profit sustainably exceeds the profitability target, this should eventually be passed on to customers by adjusting the trading margin.

#### ASSESSMENT

The return on shareholders' equity<sup>1)</sup> in 2003 was 10.3 (10.8) per cent. The equity/assets ratio was 32.8 (30.0) per cent.

Systembolaget has made a complaint to the police concerning a number of members of staff and suppliers on suspicion of taking bribes and bribery. A preliminary investigation is in process. Further measures may be taken by the company as soon as the result of the preliminary investigation is made public. Systembolaget has furthermore commissioned an external investigator, the attorney Dick Lindqvist to scrutinise the company's executive management, key persons at the head office, and the company's area managers. An inspection report was submitted to the company in March 2003. The company's auditors have also initiated an in-depth audit which will be reported at the annual general meeting of shareholders on 26 April 2004.

One of Systembolaget's most important tasks is to prevent alcohol being sold to young people under the age of 20. Continuous checks are carried out off how alcohol control operates in shops. In 2003, these checks have been extended to Systembolaget's distribution points. In 2003, all shops were inspected on four occasions and a fifth of distribution points on two occasions. An identity check was made in 83 per cent of the control purchases in shops and 63 per cent of the control purchases at distribution points.

<sup>1)</sup> See Definitions on page 101.



Chairman: Olof Johansson

MD: Anitra Steen

INCOME STATEMENT, SEKm	2003	2002
Net turnover	19,207	19,132
Expenses	-19,035	-18,969
<b>Operating profit</b>	<b>172</b>	<b>163</b>
Financial income	39	45
Financial expenses	-9	-6
<b>Profit before tax</b>	<b>202</b>	<b>202</b>
Tax	-64	-60
<b>Net profit/loss for the year</b>	<b>138</b>	<b>142</b>

BALANCE SHEET, SEKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	1,488	1,332
Interest-bearing fixed assets	13	20
Non-interest bearing current assets	965	1,010
Interest-bearing current assets	1,650	2,342
<b>Total assets</b>	<b>4,116</b>	<b>4,704</b>

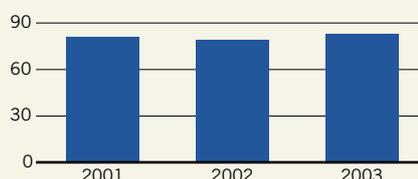
Shareholders' equity, appropriations and liabilities	2003	2002
Shareholders' equity	1,348	1,410
Non-interest bearing appropriations	268	269
Non-interest bearing long-term liabilities	1	1
Non-interest bearing current liabilities	2,499	3,024
<b>Total liabilities and shareholders' equity</b>	<b>4,116</b>	<b>4,704</b>

CASH FLOW, SEKm	2003	2002
Cash flow from operating activities	170	1,508
Cash flow from investment activities	-343	-173
Cash flow from financing activities	-301	-215

KEY RATIOS	2003	2002
Return on equity (average), %	10.0	10.3
Return on total assets (average), %	4.8	4.9
Return on capital employed (average), %	15.3	15.0
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	32.8	30.0

OTHER, SEKm	2003	2002
Proposed dividend	80	80
Additional dividend	120	-
Gross investment	342	225
Depreciation and write-downs	186	248
Average no. of employees	3,334	3,350
Sick leave, %	8.1	4.85
Share owned by state, %	100	100

#### AGE CHECKS CARRIED OUT IN SHOPS, %



Ethical policy	Being produced
Equal opportunities policy	YES
Employees	Women 62% / Men 38%
Management group	Women 44% / Men 56%
Board of directors	Women 46% / Men 54%
Environmental policy	YES
Environmental management system	OWN

#### Board of directors and auditors 2003/2004

**Chairman:** Olof Johansson. **Vice Chairman:** Anna Hedborg. **Board members:** Elisebeht Markström, Ulf Melin, Marianne Nivert, Leif Linde, Ewa Persson Göransson, Bengt Silfverstrand. **Deputy:** Margareta Andersson, Robin Dahl, Evert Lindholm, Ingvar Löfstrand, Karin Pilsäter. (Leif Linde and Bengt Silfverstrand resigned and Gert Karnberger and Sven-Erik Österberg were appointed at the annual general meeting of shareholders in 2004).

**Employee representatives:** Sven-Olof Danielsson, Eva Hagelberg. **Deputy employee representatives:** Eva Rand, Patrik Ström. **Auditors:** Bo Axberg, SET Revision och Filip Cassel, Riksrevisionen (state audit institution).

# Voksenåsen Oslo

Voksenåsen A/S is Norway's national gift to Sweden. The purpose of the enterprise is to strengthen solidarity between Swedes and Norwegians and to increase reciprocal knowledge about each country's social life, language and culture.

## OPERATIONS

Voksenåsen is a meeting place for culture and societal life in Norway and Sweden. Voksenåsen's programme of activities consists of approximately 60 events per year. These activities address current political and cultural events and more long-term developments in Swedish-Norwegian relations. Voksenåsen endeavours to build up an extensive network of contacts of public authorities and organisations in the two countries. Most activities are focused on a broad public or a special professional or interest group, while others have a more special youth profile such as Sommar Akademi Voksenåsen.

In 2003, Voksenåsen continued its collaboration with Norge 2000 A/S, which is responsible for the programme for the centenary commemoration of the dissolution of the union in 1905. A number of events are planned at Voksenåsen in connection with the common Swedish-Norwegian history.

## FINANCES

Voksenåsen received a grant from the Swedish government of SEK 8.8 million in 2003 for its programme of activities and the cost of premises. Otherwise, the enterprise is to be financially self-supporting. Due to reduced financial margins, and, as a result of this increased competition in the industry, Voksenåsen has initiated development work of the facility and intensified its marketing activities.

## OBJECTIVE

The objective is for Voksenåsen to be a natural meeting place and a popular forum for debate on societal and cultural life in Norway and Sweden. The programme of activities shall promote affinity between Swedes and Norwegians, safeguard freedom of expression and work for respect and tolerance in a multicultural society.

## DIVIDEND POLICY

The activity is not to be profit-making.

## ASSESSMENT

The degree of compliance with the objectives is good. During the year, Voksenåsen has continued to work with great awareness to reduce the financial vulnerability of the company.



Chairm: Berit Oscarsson

MD: Karl Einar Ellingsen

INCOME STATEMENT, NOKm	2003	2002
Net turnover	39	43
Expenses	-39	-42
<b>Operating profit</b>	<b>0</b>	<b>0</b>
<b>Profit before tax</b>	<b>0</b>	<b>0</b>
<b>Net profit/loss for the year</b>	<b>0</b>	<b>0</b>

BALANCE SHEET, NOKm	2003	2002
<b>Assets</b>		
Non-interest bearing fixed assets	3	3
Non-interest bearing current assets	8	9
<b>Total assets</b>	<b>11</b>	<b>12</b>
Shareholders' equity, appropriations and liabilities		
Shareholders' equity	8	8
Non-interest bearing current liabilities	3	4
<b>Total liabilities and shareholders' equity</b>	<b>11</b>	<b>12</b>

KEY RATIOS	2003	2002
Return on equity (average), %	-	-
Return on total assets (average), %	-	-
Return on capital employed (average), %	-	-
Return on operating capital (average), %	-	-
Equity/assets ratio, %	70	63

OTHER, NOKm	2003	2002
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	45	48
Share owned by state, %	100	100

Ethical policy	YES
Equal opportunities policy	YES
Employees	Women 52% / Men 48%
Management group	Women 20% / Men 80%
Board of directors	Women 56% / Men 44%
Environmental policy	YES
Environmental management system	OWN

## Board of directors and auditors 2003/2004

**Chairm:** Berit Oscarsson. **Board members:** Johan Buttedahl, Karin Bruzelius, Pia Enochsson, Sara Kristensson, Martin Martinsson, Erik Rudeng, Arne Ruth, Tove Veierod. **Auditor:** Ole Kjelstrup, Kjelstrup og Wiggen A/S, Oslo.

No fee is paid to the chairman of the board or to board members.

# Companies undergoing restructuring

## SKDFÖRETAGEN AB

SKDFöretagen AB used to operate consultancy services. In 1991, the Riksdag resolved that the company was to be wound up and sold. Privatisation of SKDFöretagen commenced in 1993 and has entailed the divestment of all subsidiaries and their operations. The company has no employees. At the annual general meeting of shareholders on 24 April 2003, it was decided that the company would enter into voluntary liquidation and the company was liquidated on 31 March 2004.

## SVENSKA SKOGSPLANTOR AB

Svenska Skogsplantor AB was established on 1 January 1994 through the forest conservation organisation's operations with production of forest seed and forest plants being transferred to a limited company. The company is to primarily be an independent supplier or seed and plants to smaller forest owners.

Until 1999, the company has developed relatively well. However, a deterioration in the development of the market and an increased proportion of natural reforestation resulted in the company being in a very difficult financial situation in 2002. The company had not adapted the level of its production to a sufficient extent to the new conditions, which, combined with incorrect market forecasts, led to overproduction and a build-up of stocks. In the financial statements for 2001, there was a demand for a write-down of stocks, increase of the obsolescence provision and expenses for scrapping, the combined effect of which led the board of directors to draw up a balance sheet for the purpose of liquidation in 2002. In autumn 2002, the then board produced an action plan with a view to finding a solution for the company, which was submitted to the Government Offices.

After proposals from the Government, the Riksdag resolved in March 2003 (Government Bill 2002/03:24, bet. 2002/03:NU4, rskr 2002/03:107) to transfer the state's shares in Svenska Skogsplantor to Sveaskog, which was also wholly owned by the state. According to the Riksdag's resolution, Svenska Skogsplantor was to become part of a stable financial structure that would enable the company to carry out the necessary work of reconstruction. According to the share transfer agreement, Sveaskog took over the shares in Svenska

Skogsplantor from the state on 1 April 2003 and became a subsidiary in the Sveaskog group.

Svenska Skogsplantor has substantially implemented the action programme and is showing a good financial development for 2003.

## SYDKRAFT

Sydkraft SAKAB AB (formerly Svensk Avfallskonvertering AB) was established in 1975 with the task of as sole company, taking care of the final disposal of environmentally hazardous waste. Since 2000, the state has owned one share in the company. The Government intends to initiate sale of the share in 2004 in accordance with the Riksdag's authorisation of October 2003.

SAKAB offers environmental services for hazardous waste. As well as receiving waste, this activity includes pre-processing, intermediate storage and mainly processing of waste.

In 1990, the Government was authorised, after a resolution by the Riksdag, to sell shares in SAKAB. It was required that at least 51 per cent of the shares were to be retained by the state and the municipalities (the Swedish Association of Local Authorities). In 1991, the Government made a further request to the Riksdag for authorisation to sell the state's shares in SAKAB. No comments were made this time on restrictions in the sale of shares.

In conjunction with this sale, the Government adopted an instruction entailing that the state would be assured a continuing insight into SAKAB by retaining a minority holding of approximately 10 per cent of the shares in SAKAB, through representation on the board of directors and in other ways. In August 1992, the state sold 90.1 per cent of its shares to WMI Sellbergs AB. The remaining share ensured the state continued insight into the company by, among other things, representation on the board of directors. Since 1 January 2000, Sydkraft has been the main owner of SAKAB. Nine per cent is owned by the French group SITA and one share is owned by the state. In conjunction with the sale of SAKAB to Sydkraft, the name of the company was changed to Sydkraft SAKAB AB.

The Riksdag abolished the monopoly of treatment of hazardous waste from 1994. With this decision, SAKAB's sole right to handle hazardous waste in Sweden ceased.

In the light of this, the Government requested the Riksdag in May 2003 to authorise the Government to sell the state's share in Sydkraft SAKAB AB. The Riksdag adopted the Government's proposal in October 2003.

The Government is intending to start sale of the share in 2003 in accordance with the Riksdag's authorisation.

## ZENIT SHIPPING AB

Zenit Shipping AB was founded in the 1930s as a subsidiary of the privately-owned AB Götaverken for the purpose of acting as a buyer of ships built on the yard's own account. In connection with the nationalisation of Götaverken when Svenska Varv AB was founded in 1977, Zenit Shipping was given a more active role. During the shipping crisis, trade debts for which customers could not honour their payments were assigned to Zenit Shipping.

The Riksdag resolved in the spring of 1983 to reconstruct Svenska Varv, and Zenit Shipping was used as an instrument in this process. All bad debts were assigned to Zenit Shipping with the result that Svenska Varv's balance sheet was cleared. SEK 3,000 million was contributed to Zenit Shipping AB.

An arrangement was reached with the Swedish National Debt Office in 1985. This meant an undertaking whereby conditional additional funds would successively cover the losses incurred during the liquidation of ships within a framework of SEK 1,700 million. Up to the end of 1989, the company had received SEK 1,181 million. The amount was fully repaid between 1990–1995. Of the remaining contribution of SEK 1,093 million, SEK 107 million has so far been repaid. At most, Zenit Shipping controlled 6,400,000 dwt spread over approximately 40 ships. All ships have been disposed of in accordance with a Riksdag decision.

Zenit Shipping has been assigned the task of liquidating the company with the best possible result. In 2003, the company continued to wind up its commitments from previously-owned ships. Funds received are used for repayments to the Swedish National Debt Office for previous conditional contributions. Zenit Shipping's activity are expected to continue for a number of years to come.

# A historical overview

A historical overview of the state-owned companies is given below. The account is given in summary form stating interesting and important events, both major and minor. The purpose is not to give an exact and thorough historical description but to give a background to present-day active government ownership.

- 1968** The government initiates co-operation within the nuclear power sector. ASEA-ATOM is formed, owned jointly by ASEA and the government.
- 1969** The Ministry of Industry is formed and the majority of state-owned companies are allocated to it.
- 1970** The Swedish state-holding Statsföretag is set up in order to co-ordinate big limited companies within sectors such as mining, steel, forestry, and petrochemicals. Apoteksbolaget is founded.
- 1971** Värdepapperscentralen (VPC) is set up as a central service organisation in conjunction with legislation on simplifying share transfers. Apoteksbolaget assumes sole rights in Sweden with regard to the retailing of pharmaceuticals.
- 1972** KabiVitrum is founded.
- 1974** PK-banken is formed through the merger of Postbanken and Sveriges Kreditbank.
- 1977** Svenska Varv is formed in conjunction with the government taking over Salén-Invest's shares in Götaverken. The group also includes Arendal, Cityvarvet, Finnboda Varf, Karlskronavarvet, Uddevallavarvet and Öresundsvarvet. An extensive restructuring programme is commenced.
- 1978** Scandinavia's leading steel producer, SSAB, is formed from a reconstruction of Sweden's three largest producers of commercial steel. The state and Statsföretag own 75 per cent and Gränges 25 per cent of SSAB.
- 1979** Kockums is incorporated into Svenska Varv.
- 1980** SSAB and Statsföretag jointly account for 20 per cent of Sweden's industrial investment. Tobaksbolaget forms the basis of the formation of Procordia as a wholly-owned subsidiary group of Statsföretag focusing on consumer goods.
- 1981** The official communication "Redogörelse för företag med statligt ägande" (Report on state-owned companies) is presented and submitted to the Riksdag for the first time. The government transfers its 50 per cent shareholding in ASEA Atom to ASEA. The JAS industrial group is set up, with the government as part owner through the Swedish National Industries Corporation (FFV).



- 1982** Posten (the Swedish Post Office) markets the fax machine as “remote copying”. Svenska Varv is reconstructed. Closure of the large shipyards continues.
- 1983** Swedes order a total of 607,900 telephones from the Swedish Telecommunications Administration (Televerket).
- 1984** Nokia acquires 70 per cent of the TV manufacturer Luxor.
- 1985** The monopoly on telephones held by the Swedish Telecommunications Administration is brought to an end. Statsföretag changes its name to Procordia. Procordia is restructured through the sale and acquisition of companies.
- 1986** The 100 per cent state-owned Sveriges Petroleum (SP) merges with Oljekonsumenternas förbund (OK), the Swedish oil consumers association, to form OK Petroleum with the Finnish state-owned company Neste as part owner. The first partial privatisation of SSAB is carried out through the acquisition of Gränges’ shareholding and the sale of one-third of the shares in SSAB to a small number of institutions.
- 1987** Procordia is listed on the stock exchange in conjunction with a new issue. The Swedish Civil Aviation Administration resolves on a new programme of investments that includes a new domestic terminal and a third runway at Arlanda Airport. The Swedish Maritime Administration becomes a public enterprise and is permitted to use its depreciation funds to finance investments. The state takes over Grängesbergs Gruvor from SSAB.
- 1988** Statens Järnvägar (SJ) is split up. Banverket, the National Swedish Rail Administration, becomes responsible for the track network and SJ for train services.
- 1989** The centenary of the National Telephone Network. Grängesbergs Gruvor ceases operations. LKAB opens up a new main mining level in Malmberget. Procordia, Pharmacia and Volvo’s food company Provendör merge to form the new Procordia group with Volvo and the Swedish state as the largest owners, each having 42.5 per cent of the votes. SSAB-shares are listed on the A-list of the Stockholm Stock Exchange.
- 1990** PK-banken acquires Nordbanken. The holding company, Förvaltningsaktiebolaget Fortia is established. SJ sells substantial property holdings for SEK 1,800 million. The majority-owned ASG is listed on the stock exchange and the X2000 high-speed train is introduced on the Stockholm-Gothenburg line. The Swedish Civil Aviation Administration group is formed with a clear division between its commercial activities and its role as an administrative authority.
- 1991** The Riksdag resolves to wholly or partially privatise 35 companies and liquidate the holding company Förvaltningsaktiebolaget Fortia. Posten encounters competition in the letter market when CityMail begins operations. The public enterprise FFV is restructured into a limited company.
- 1992** The Swedish Forest Service (Domänverket) becomes Domän AB. Vattenfall becomes Vattenfall AB. In conjunction with this, the grid network and foreign connections are separated to form a new public enterprise, Svenska Kraftnät. A public offer for the government’s shareholding in SSAB is made in the form of a rights issue in combination with government bonds. A new housing loan system is introduced and Statens Bostadsfinansieringsaktiebolag, SBAB becomes fully exposed to competition. SAS acquires 50 per cent of Linjeflyg to form a fully integrated domestic airline. Atle and Bure are set up with some of the money from

<p>New Procordia is formed from Pharmacia and Provendör; the state and Volvo own 42.5 per cent each. SSAB is listed on the stock exchange.</p>	<p>PK-banken acquires Nordbanken. ASG is listed on the stock exchange.</p>	<p>The Swedish Forest Service and Vattenfall are formed into companies. The power grid becomes a government enterprise, Svenska kraftnät. The government sells SSAB. SSAB exposed to competition. SAS buys Linjeflyg. Securum is formed.</p>	<p>AssiDomän AB and Pharmacia are sold on the stock market. A-Banan projekt AB is formed in order to co-finance the Arlanda Link.</p>	<p>The electricity market is opened up to full competition.</p>	<p>The Ministry of Industry, Employment and Communications is formed with a special division for state ownership matters. Sveaskog AB is separated from AssiDomän. The Government sells SAQ Kontroll and VPC.</p>	<p>Telia and Sonera decide to merge on 26 March. AssiDomän is delisted from Stockholmsbörsen on 28 January 2002.</p>									
<b>1988</b>	<b>1989</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<p>Swedish State Railways (SJ) is split into Banverket and SJ.</p>	<p>Privatisation of 35 companies is decided by the Riksdag. The public enterprise FFV is made a limited company.</p>	<p>Vasakronan takes over the commercial property of the government. The government becomes majority owner in Pharmacia and releases food and tobacco to Volvo. The Post Office Administration becomes Posten AB, the monopoly for distribution of letters ceases. Celsius is listed. AssiDomän AB is formed.</p>	<p>V&amp;S Vin &amp; Sprit's monopoly ceases. Pharmacia merges with UpJohn.</p>	<p>Penninglotteriet and Tiptjänst become AB Svenska Spel, MeritaNordbanken is formed.</p>	<p>Telia and Telenor decide to merge. Talks are discontinued in the autumn.</p>	<p>Telia's shares are listed on the stock exchange. Celsius is sold. The Öresund Bridge is inaugurated. Vattenfall expands in Germany and Poland. Merita Nordbanken becomes Nordea AB.</p>	<p>The state's shares in Svenska Skogsplanter are transferred to the wholly state-owned Sveaskog on 1 April. The Swedish state becomes sole owner of SEK after acquisition of ABB's 35% share.</p>								

the defunct wage-earners' investment fund and those companies which had paid in profit-sharing tax become part-owners. Trygg-Hansa acquires Gota. Gota files for bankruptcy and is acquired by the government in December. Securum is set up to deal with the problem loans that arose in Nordbanken as a result of the financial crisis.

**1993** State property management undergoes a change when the National Board of Public Buildings (Byggnadsstyrelsen) ceases to exist and authorities and public enterprises are permitted to operate freely in the property market. Vasakronan takes over the state's commercial properties worth SEK 17.3 billion. Procordia grows by acquiring companies, including Erbamont, an Italian company. Volvo and the Swedish government agree to work to divide Procordia into two parts. Through an exchange of shares with Volvo, the state becomes the majority shareholder of one of these, Pharmacia AB, which focuses on pharmaceuticals. Volvo becomes the majority owner of AB Procordia, which operates in such sectors as food and tobacco. Posten's monopoly on the distribution of letters ceases. The government sells 75 per cent of its shares in the defence group Celsius and the share is listed on the A-list of Stockholm Stock Exchange. Assi AB and Domän AB are merged into AssiDomän AB, which bids for NCB. Fortia is liquidated. Securum contributes SEK 10 billion to save Nordbanken.

**1994** On 1 January 1994, A-Banan projekt AB is set up in order to construct the Arlanda Link, a train link between Stockholm and Arlanda Airport. This is the first infrastructural project in Sweden to be jointly financed by the government and the business sector. During the year, the remaining shareholdings in SSAB, OKP, and parts of AssiDomän AB and Pharmacia are sold.

**1995** New alcohol legislation comes into force and V&S Vin & Sprit's monopoly ceases. Pharmacia and the American pharmaceuticals company UpJohn merge.

**1996** The situation of the AmuGruppen becomes critical during the autumn and the government contributes SEK 600 million to save the company from bankruptcy. This is the first year of full competition in the electricity market. The disposal of Securum's assets as a result of the realisation of security is almost complete.

**1997** SBL Vaccin is sold to Active in Malmö. Svenska Penninglotteriet (the national lottery) and Tipstjänst AB merge and become AB Svenska Spel. A ruling by the European Court of Justice allows Systembolaget to retain control of its monopoly on the retail sales of alcohol. Merita and Nordbanken make public their intention to form MeritaNordbanken.

**1998** The Ministry of Employment and Productivity, the Ministry of Communications, the Ministry of Economics and Trade are merged to form the Ministry of Industry, Employment and Communications. Responsibility for sector policy and ownership issues is separated to a greater extent.

**1999** The remaining shareholding in Pharmacia & UpJohn is sold. The merger between Telia and Norwegian Telenor is approved during the spring, but at the end of December, the parties decide to terminate the co-operation and Telia and Telenor continue as separate companies. Sveaskog AB is formed through the transfer of forest assets from AssiDomän. The government sells its share in SAQ Kontroll and VPC.

**2000** A restructuring of both the Swedish and the international defence industry takes place when the stake in Celsius - equivalent to 25 per cent of the share capital and 62 per cent of the votes - is sold to Saab. Telia is listed on the stock exchange in June and becomes Sweden's most popular share. The Öresund Bridge between Malmö and Copenhagen is inaugurated on 1 July and the public enterprise Svenska Kraftnät is tasked with rolling out broadband infrastructure to all municipalities. Vattenfall becomes one of Northern Europe's largest energy companies through the acquisition of the East German pow-

er companies VEAG and LAUBAG for SEK 14 billion. The public enterprise SJ is restructured into limited companies. The Ministry of Industry, Employment and Communications introduces an index intended to gauge the e-maturity of state-owned companies. Nordea AB becomes a Nordic bank after the merger with UniDanmark and Norwegian Kreditkassen. The Swedish state's shareholding is reduced to 18.2 per cent. Vasakronan AB wins a prize for the best annual report in 2000.

**2001** At the beginning of the year, SJ is restructured into three operating companies/groups: SJ AB, Green Cargo AB and AB Swedcarrier with subsidiaries. V&S Vin & Sprit commences cooperation with Jim Beam Brands and the distribution company Maxxium regarding the group's international products. Sveaskog AB acquires AssiDomän AB. The shareholders in SAS' three parent companies exchange their shares for an equivalent number of new shares in SAS AB, the newly-formed parent company of the SAS group. The Riksdag votes in favour of extending the opening hours of Systembolaget's liquor stores to Saturdays on a permanent basis in all of Sweden from 1 July 2001.

**2002** Telia and the Finnish company merge to form TeliaSonera, thereby creating the leading telecommunications operator in the Nordic countries with approximately two and half times as many subscribers as the nearest competitor both in the fixed and mobile networks and one of Stockholm's largest companies. After the merger, the largest shareholders in TeliaSonera are the Swedish state with 46 per cent of the votes and capital and the Finnish state with 19 per cent.

**2003** In response to a proposal from the government, the Riksdag resolves in March to transfer the state's shares in Svenska Skogsplantor to Sveaskog (also a wholly state company), which took place on 1 April.

The Swedish state acquired ABB's holding of 35 per cent of Svensk Exportkredit (SEK) and became sole owner of SEK after the acquisition.

# Changes in ownership

COMPANY	Activity	Purchaser	Date	Change	Share after activity, %	Transaction amount
AssiDomän AB	Listing	Private persons	Mar 94	-37,500,000		5,175,000,000
AssiDomän AB	Listing	Institutions (Sw)	Mar 94	-14,000,000		2,142,000,000
AssiDomän AB	Listing	Institutions (int)	Mar 94	-2,000,000	50.25	306,000,000
AssiDomän AB	n.a.	n.a.	Jan 97	-178,000		13,350,000
AssiDomän AB	State purchases Sveaskog with Assi shares		1999	-17,466,162		n.a.
AssiDomän AB	Redemption	AssiDomän	2000	-8,401,296	35.30	n.a.
Celcius AB	Listing	Private persons	Apr 93	-5,500,000		550,000,000
Celcius AB	Listing	Institutions (Sw)	Apr 93	-2,500,000		265,000,000
Celcius AB	Listing	strategic (Sw)	Apr 93	-6,000,000		636,000,000
Celcius AB	Listing	Institutions (int)	Apr 93	-4,000,000	25	424,000,000
Celcius AB	Directed sale		Mar 00	-7,000,000	0	1,253,000,000
Enator AB	Directed sale	Tieto	Mar 98	-4,620,000		753,060,000
Enator AB	Directed sale	Tieto	Mar 98	-3,780,000	0	616,140,000
Grängesbergs Gruvor	Sale	Ludvika Municipality	Jan 01	-1,000	0	100,000
Industri kredit AB	Directed sale	strategic (Sw)	May 96			188,000,000
Nordbanken	Listing	Private persons	Oct 95	-16,125,000		1,370,625,000
Nordbanken	Listing	Institutions (Sw)	Oct 95	-16,125,000		1,483,500,000
Nordbanken	Listing	Institutions (int)	Oct 95	-32,250,000	65.50	2,967,000,000
Nordbanken	Redemption / repurchase	Private persons	Oct 96	n.a.		50,000,000
Nordbanken Holding	Merger Merita		Oct 97	0	42.60	
	Redemption	issue	Jan 00	0	25.92	
Nordea	Acquisition UniDanmark	new issue	Mar 00	0	18.31	0
Nordea		issue	Jun 00	0	18.19	0
		issue	aug 00	0	18.18	
		issue	Dec 00	0	18.17	
		issue	Jan 01	0	18.17	
		issue	May 02	0	18.17	
		issue	Dec 01	0	18.17	
OK Petroleum AB	Sale	strategic (int)	Mar 94			1,500,000,000
OM AB	Purchase		1997	0		
OM AB	Purchase		1998	6,413,154		
OM AB	Purchase		2000	1,580,312	9.40	
Pharmacia AB	Sale	Private persons	Jun 94	-47,500,000	7	5,225,000,000
Pharmacia AB	Sale	Institutions (Sw)	Jun 94	-12,000,000		1,440,000,000
Pharmacia AB	Sale	Institutions (int)	Jun 94	-20,000,000		2,400,000,000
Pharmacia Upjohn	Sale	strategisk	Jan 99		0	15,400,000,000
Sakab	Sale	strategic (int)	Aug 92		9	n.a.
SAQ Kontrol	Sale	strategic (int)	Jun 99			270,000,000
SBL Vaccin	Sale	strategic (Sw)	Jun 97		0	100,000,000
SEMKO	Sale	strategic (int) Inchape Testing Services	1994		0	n.a.
Svensk Exportkredit AB	Purchase		Jun 03		100	
Svenskt Stål AB	Sale	Institutions (Sw)	Sep 86	-6,300,000	66.70	315,000,000
Svenskt Stål AB	Listing	Private persons	May 89	-3,571,000	47.80	499,940,000
Svenskt Stål AB	Sale	Private persons	May 92	-6,666,000		1,133,220,000
Svenskt Stål AB	Sale	Institutions (Sw)	May 92	-4,500,000		765,000,000
Svenskt Stål AB	Sale	Institutions (int)	May 92	-1,500,000	0	255,000,000
SSPA Maritime Consulting AB	Transfer	Teknikbrostiftelsen i Göteborg	1993		0	0
Stadshypotek AB	Sale	strategic (Sw)	Feb 97		0	7,707,000,000
Svalöf AB	Sale	strategic (Sw)	Jun 92		0	50,000,000
Svenska Lagerhus AB	Sale	Brambles Industries Ltd	20 Sep	-120,000	0	75,000,000
Svenska Lagerhus AB	Sale	LTN Logistikkjenester	20 Sep	-120,000	0	75,000,000
Svenska Miljöstyrringsrådet AB	Sale	Federation of County Councils	Sep 03	-5,000	85	5,000
Svenska Skogsplantor AB	Sale	Sveaskog AB	Apr 03	-44,450	0	0
Swedish Real Estate Valuation Corp	Sale	MBO	Jun 92	4,000,000		
Telia AB	Listing	Private persons	Jun 00	-174,170,000	70.6	14,804,450,000
Telia AB	Listing	Institutions (Sw)	Jun 00	-345,500,000		29,367,500,000
Telia AB	Listing	Institutions (int)	Jun 00	-225,090,000		19,132,650,000
Telia AB	Acquisition of Sonera OY by exchange offer	Telia AB	Nov 02	0	46	0
UV Shipping	Sale	Institutions (Sw)	Nov 88		0	210,000,000
VPC AB	Sale	strategic (Sw)	Jul 99	-300,000	0	600,000,000

The summary contains the substantial changes that have taken place between 1986 and May 2004, excluding the holdings in Securum.

# Accounting principles

The companies included in the consolidated accounts are limited companies in which the state's shareholdings are managed by the Government Offices and the three public enterprises the Civil Aviation Administration, the National Maritime Administration and Svenska Kraftnät. A-Banan projekt AB, Svensk-Danska Broförbindelsen AB and Swedish National Road Consulting AB (SWEROAD) are also included. Other limited companies owned by other authorities including the Riksbank and by foundations are thus not included in the consolidated accounts.

The reporting to the Government Offices from state-owned companies is based on the usual form of presentation in the business sector. However, the income statement, the balance sheet and the cash flow statement have been abridged.

Certain adjustments, for which the Swedish Government Offices are responsible, have been made in the reported data for consolidation. The business descriptions that present each company are based on the companies' own information. The key ratios reported may differ from the companies' own key ratios due to different calculation methods (see definitions page 101).

As regards consolidation, the following applies:

- The arrangement of the income statement is the same for all companies, including financial companies that have submitted their report in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The reason for this is that a consolidated income statement can only have one format. The financial companies have therefore had to adapt their reports to the format used by the majority of the companies in question and the public enterprises. Consequently, the financial companies have reported their operating profit gross in a form that applies for non-financial companies.
- Associated companies, where the ownership share is more than 20 but less than

50 per cent, have been included in accordance with the equity method, so that the result from participations in associated companies corresponding to the share owned by the state has been included in the consolidated income statement on one line in the operating profit. Similarly, the owner's share of the associated company's shareholders' equity has been included in the consolidated balance sheet.

- Subsidiaries (where the ownership share exceeds 50 per cent), in which there is a minority interest, have been adjusted in the income statement and balance sheet. This adjustment is made so that the minority owner's share of the subsidiary's result is shown as a deduction in connection with the net profit/loss for the year. The minority owner's share of the subsidiary's capital reduces shareholders' equity in the consolidated balance sheet and is reported as a "liability" to the minority owner.
- Intra-company transactions included in the consolidated accounts have not been eliminated in the consolidation, which does not comply with the usual consolidation technique. The reason for this is that the basis required for this elimination is not available at the companies submitting the reports.
- Certain key ratios have not been calculated for the financial companies and thus not either for the two groups - companies operating under market conditions and companies with special societal interests. The reason for this is primarily that the capital tied up by financial companies in the business is of a different nature compared with most other companies.
- The Civil Aviation Administration, which is included in the consolidated accounts, owns 50 per cent of the shares in A-Banan Projekt AB and reports this holding in accordance with the proportional method. On consolidation of A-Banan Projekt AB, adjustment has been made for the company being included proportionally.

Certain of the companies included in the consolidated accounts have adjusted their historic comparison figures for various reasons. In the cases where the changes have had a substantial effect, the comparison figures in the consolidated accounts have also been adjusted. In conjunction with the annual report for 2003, Teracom has been reclassified from previously having been categorised as a company with special societal interests to a company subject to market conditions. The comparison figures reported for 2002 and 2001 have been adjusted in accordance with this reclassification in the consolidated accounts.

## OWNERSHIP CHANGES DURING THE YEAR

On 30 June 2003, the Swedish state became the sole (100 per cent) owner of AB Svensk Exportkredit by acquisition of the 35 per cent share previously owned by ABB Structured Finance AB. In the consolidated accounts, AB Svensk Exportkredit has been treated as a 65 per cent owned subsidiary for the period prior to 30 June 2003 and as a wholly-owned subsidiary from 1 July 2003.

Svenska Skogsplantor was transferred to the Sveaskog group on 1 April 2003 and is included in the Sveaskog group's accounts for the period April to December 2003. Svenska Skogsplantor's earnings related to the period 1 January to 31 March 2003 have also been included in the consolidated accounts.

At the beginning of December, the state reduced its ownership share of AB Svenska Miljöstyrningsrådet from 90 to 85 per cent. The company has been treated as a 90 per cent owned subsidiary for the period January to November 2003 and as an 85 per cent owned subsidiary for December 2003.

A new activity was established in Bothia Garanti during the year, which is included in the consolidated accounts for 2003.

# Definitions and abbreviations

## **Average no. of employees**

Recalculated as annual employees.

## **Net indebtedness**

Current and long-term interest-bearing liabilities and interest-bearing appropriations less interest-bearing current and fixed assets including shares in associated companies.

## **Operating capital**

Balance sheet total less non-interest-bearing liabilities and interest-bearing assets.

## **Return on equity (Re)**

*In general* – net profit/loss as a percentage of average shareholders' equity.

*Page 56 and 92* – net profit/loss as a percentage of shareholders' equity at the beginning of the year.

*Page 87* – profit/loss with a deduction for standard tax as a percentage of adjusted shareholders' equity defined as the average value of the total of initial and closing state restricted equity and 72 per cent of non-restricted equity.

*Page 93* – Profit after standard tax as a percentage of adjusted shareholders' equity at the beginning of the year.

## **Return on operating capital (Rop)**

Operating profit as a percentage of average operating capital.

## **Return on capital employed (Rsyss)**

Profit/loss after financial items plus expenses as a percentage of average capital employed.

## **Return on total capital (Rt)**

Profit/loss after financial items with the reinstatement of financial expenses as a percentage of total capital.

## **Sick leave**

Total sick leave among all employees during the year in relation to the ordinary working hours of all employees.

## **Equity/assets ratio**

*In general* – shareholders' equity including minority as a percentage of the balance sheet total.

*Page 87* – adjusted shareholders' equity at the end of the year divided by total capital.

## **Capital employed**

Balance sheet total less non-interest-bearing liabilities.

## **Total capital**

Balance sheet total.

## **Dividend**

For 2003, dividends refer to the proposed dividend, which will be decided upon at the annual general meeting of shareholders in 2004. Certain companies have distributed additional dividend for the financial years 2002 and 2003. Additional dividend refers to dividend decided upon at an extraordinary shareholders' meeting held after the annual general meeting of shareholders.

## INDUSTRY-SPECIFIC KEY RATIOS

### **Property companies**

#### **Yield**

Operating profit in relation to average book value, properties.

### **Finance companies**

#### **Income/expense ratio including loan losses**

Total operating income in relation to total operating expenses.

#### **Capital adequacy ratio**

Capital base divided by risk-weighted amount.

#### **Loan loss provision ratio**

Provision for anticipated loan losses in relation divided by gross bad debts.

### **Gambling companies**

#### **Winners' share**

Proportion of gambling income paid out to winners.

## ABBREVIATIONS

### **n.app.**

Not applicable

### **pp**

And following pages.

### **n.a.**

Not available

# Review of companies

## OVERVIEW OF STATE-OWNED COMPANIES

MINISTRY OF FINANCE						
Company	Ownership share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2003, SEKm
Bothia Garanti AB	100	S	Yes			
Svenska Spel AB	100	S	Yes	Partial monopoly		

MINISTRY OF AGRICULTURE						
Company	Ownership share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2003, SEKm
SIS Miljömärkning AB	10,0	S	No		Partial	4.4/27

MINISTRY OF CULTURE						
Company	Ownership share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2003, SEKm
Kungliga Dramatiska Teatern AB	100	S	No		Partial	183/228
Kungliga Operan AB	100	S	No		Partial	316/382
Voksenåsen AS	100	S	No	Sole	Partial	

MINISTRY OF THE ENVIRONMENT						
Company	Ownership share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2003, SEKm
Swedesurvey AB	100	M	Yes			
AB Svenska Miljöstyrningsrådet	85.0	S	No	Sole	Partial	3/5
Sydskraft SAKAB AB	1 share	M				



Photo: Lasse Davidson

The Government Offices administer 57 companies/groups/public enterprises. 29 companies operate under market conditions and 27 companies have special societal interests to fulfil.

MINISTRY OF INDUSTRY, EMPLOYMENT AND COMMUNICATIONS					Performance	Grant financing	Grant/turnover 2003, SEKm
Company	Ownership share, %	Category	requirement	Competition			
A/O Dom Shvetsii	36.0	M	Yes				
AB Swedcarrier	100	M	Yes	Partial sole			
Akademiska Hus AB	100	M	Yes	Partial sole			
Civitas Holding AB (Vasakronan)	100	M	Yes				
Förvaltningsaktiebolaget Stattum	100	M	Yes	Partial sole			
Green Cargo AB	100	M	Yes				
Kasernen Fastighets AB	100	M	Yes				
Lernia AB	100	M	Yes				
LKAB	100	M	Yes				
Posten AB	100	M	Yes		Partial		400/24,569
SBAB	100	M	Yes				
SJ AB	100	M	Yes				
Specialfastigheter Sverige AB	100	M	Yes	Partial sole			
Sveaskog AB	100	M	Yes				
Swedish Space Corporation	100	M	Yes				
Swedish Ships Mortgage Bank	100	M	Yes				
Sweroad AB	100	M	Yes				
Teracom AB	100	M	Yes	Partial monopoly			4/1,852
V&S Vin och Sprit AB	100	M	Yes				
Vasallen AB	100	M	Yes				
Vattenfall AB	100	M	Yes				
Venantius AB	100	M	No				
Nordea AB	19.0	B	Yes				
OMHEX AB	6.9	B	Yes				
SAS AB	21.4	B/M	Yes				
TeliaSonera AB	45.3	B/M	Yes				
AB Bostadsgaranti	50.0	S	No				
AB Svensk Bilprovning	52.0	S	No	Statutory monopoly			
A-Banan Projekt AB	100	S	No		Partial		
ALMI Företagspartner AB	100	S	No		Partial		54/534
AB Göta kanalbolag	100	S	No		Partial		22/45
IRECO Holding AB	55.0	S	No				
Civil Aviation Administration	Affärsverk	S	Yes	Partial sole			
Norrland Center AB	33.3	S	No				
Samhall AB	100	S	No		Partial		4,137/8,066
Swedish Maritime Authority	Affärsverk	S	Yes		Partial		133/1,494
SOS Alarm Sverige AB	50.0	S	Yes	Partial sole			150/671
SP Sveriges Provnings- och Forskningsinstitut AB	100	S	Yes		Partial		59/487
Statens Väg- och Baninvest AB	100	S	No				
SVEDAB	100	S	No			Öresund bridge	
Svenska kraftnät, Affärsverket	Affärsverk	S	Yes				267/3,982
Sveriges Rese- och Turistråd AB	50	S	No		Partial		136/136
Zenit Shipping AB	100	Being wound up					

MINISTRY OF HEALTH AND SOCIAL AFFAIRS					Performance	Grant financing	Grant/turnover 2003, SEKm
Company	Ownership share, %	Category	requirement	Competition			
Apoteket AB	100	S	Yes	Statutory monopoly			
Systembolaget AB	100	S	Yes	Statutory monopoly			

MINISTRY OF EDUCATION AND SCIENCE					Performance	Grant financing	Grant/turnover 2003, SEKm
Company	Ownership share, %	Category	requirement	Competition			
Imego AB	100	M	Yes		Partial		20/39

MINISTRY FOR FOREIGN AFFAIRS					Performance	Grant financing	Grant/turnover 2003, SEKm
Company	Ownership share, %	Category	requirement	Competition			
AB Svensk Exportkredit	100	M	Yes				30/5,027
Swedfund International AB	100	S	Yes				

<sup>1)</sup> S – Company with special societal interests.

M – Company operating under market conditions.

B/M – Listed companies are included, however, in the consolidation of companies operating under market conditions when the state's share of ownership exceeds 20 per cent.

B – Listed company.

# List of government bills

COMPANY	GOVERNMENT BILL
A-Banan projekt AB	(Bill 1991/92:44, bet. 1991/92:FiU8, rskr. 1991/92:107) (Bill 1992/93:37, bet. 1992/93:FiU8, rskr. 1992/93:123) (Bill 1997/98:137, bet. 1997/98:FiU25, rskr. 1997/98:252)
Akademiska Hus AB	(Bill 1991/92:44, bet. 1991/92:FiU8, rskr. 1991/92:107) (Bill 1992/93:37, bet. 1992/93:FiU8, rskr. 1992/93:123) (Bill 1997/98:137, bet. 1997/98:FiU25, rskr. 1997/98:252)
ALMI Företagspartner AB	(Bill 1993/94:40, bet. 1993/94:NU11 rskr. 1993/94:80)
Apoteket AB	(Bill 1970:74, bet. 1970:2LU, rskr. 1970:234) (Bill 1984/85:170, bet. 1984/85:SoU29, rskr. 1984/85:357) (Bill 1996/97:27, bet. 1996/97:SoU5, rskr. 1996/97:58) (Bill 1998/99:1, bet. 1998/99:SoU1, rskr. 1998/99:104) (Bill 1998/99:106, bet. 1998/99:SoU14, rskr. 1998/99:209) (Bill 2001/02:63, bet. 2001/02:SoU10, rskr. 2001/02:194)
Bostadsgaranti, AB	(Bill 1993/94:39)
Civitas Holding AB (Vasakronan AB)	(Bill 1992/93:37, bet. 1997/92:FiU8, rskr. 1991/92:107)
Dom Shvetsii, A/O	
Green Cargo AB	(Bill 1999/2000:78, bet. 1999/2000:TU11, rskr. 1999/2000:238) (Bill 2001/02:141) (Bill 2003/04:127)
Göta kanalbolag, AB	(Bill 1991/92:134, bet. 1991/92:NU33, rskr. 1991/92:351) (Bill 1993/94:100, bet. 1993/94:NU16, rskr. 1993/94:224)
Imego AB	(Bill 1997/98:1, bet. 1997/98:Ubu1, rskr. 1997/98:108) (Bill 1997/98:114, bet. 1997/98:Ubu17, rskr. 1997/98:271)
IRECO Holding AB	(Bill 1996/97:150, bet. 1996/97:FiU20, rskr. 1996/97:284)
Kasernen Fastighets AB	(Bill 1991/92:44, bet. 1991/92:FiU8, rskr. 1991/92:107)
Kungliga Dramatiska Teatern AB	(Bill 1996/97:3)
Kungliga Operan AB	
Lernia AB	(Bill 1992/93:152, bet. 1992/93:AU6, rskr. 1992/93:175) (Bill 1993/94:126, bet. 1993/94:Ubu10, rskr. 1993/94:341) (Bill 1995/96:145, bet. 1995/96:Ubu08, rskr. 1995/96:224) (Bill 1996/97:55, bet. 1996/97:AU6, rskr. 1996/97:108) (Skr. 1996/97:95)
Civil Aviation Administration	(Bill 1997/98:56) (Bill 2003/2004:100 utg. 22 bet. 2003/2004:TU1, rskr. 2003/2004:75)
Luossavaara Kirunavaara AB, LKAB	
Nordea Bank AB	(Bill 1991/92:21) (Bill 1991/92:153) (Bill 1995/96:141)
Norrland Center AB	
OMHEX AB	(Bill 1996/97:150)
Posten AB	(Bill 1993/94:38)
Samhall AB	(Bill 1977/78:30, bet. 1977/78:AU16, rskr. 1977/78:74) (Bill 1978/79:25 bil 9, 1 & 2, bet. 1978/79:AU17, rskr. 1978/79:118) (Bill 1978/79:139, bet. 1978/79:AU29, rskr. 1978/79:293) (Bill 1982/83:149, bet. 1982/83:AU25, rskr. 1982/83:153) (SOU: 1991:67, Bill 1991/92:91, bet. 1991/91:AU16, rskr. 1991/92:249) (rskr. 1996/97:120)
SAS AB	
SIS Miljömärkning AB	(Bill 1997/98:1)
SJ AB	(Bill 1999/2000:78, bet. 1999/2000:TU11, rskr. 1999/2000:238) (Bill 2001/02:141) (Bill 2002/03:86)
Swedish Maritime Administration	(Bill 1986/87:100, bet. 1986/87:14:1, rskr. 1986/87:178)
SOS Alarm Sverige AB	(Bill 1972:129, bet. 1972:TU20, rskr. 1972:329) (1990/91:87, bet. 1990/91:TU28, rskr. 1990/91:369) (1992/93:132, bet. 1992/93:TU11, rskr. 1992/93:152) (1992/93:200, bet. 1992/93:TU30, rskr. 1992/93:943) (1993/94:150, bet. 1993/94:TU38, rskr. 1993/94:432)
Specialfastigheter Sverige AB	(Bill 1991/92:44, bet. 1991/92:FiU8, rskr. 1991/92:107) (Bill 1992/93:37, bet. 1992/93:FiU8, rskr. 1992/93:123) (Bill 1997/98:137, bet. 1997/98:FiU25, rskr. 1997/98:252)
Sveriges Bostadsfinansieringsaktiebolag, SBAB	(Bill 1993/94:228)
Statens Väg- och Baninvest AB	(Bill 1997/98:150)
Stattum, Förvaltningsaktiebolaget	(Bill 2001/02:39, bet. 2001/02:NU7, rskr. 2001/02:108) (Bill 2002/03:24, bet. 2002/03:NU4, rskr. 2002/03:107)
Sveaskog AB	(Bill 1998/99:1 expenditure area 24, bet. 1998/99:NU1, rskr. 1998/99:108) (Bill 1999/2000:1 expenditure area 24, bet. 1999/2000:NU1, rskr. 1999/2000:111) (Bill 2001/02:39, bet. 2001/02:NU7, rskr. 2001/02:108) (Bill 2002/03:24, bet. 2002/03:NU4, rskr. 2002/03:107)
Svensk Bilprovning, AB	
Svensk-Danska Broförbindelsen SVEDAB AB	
Svensk Exportkredit AB, SEK	(Bill 1995/96:141) (Bill 2002/03:142)
Svenska kraftnät, Affärsverket	(Bill 1990/91:87, bet. 1991/92:NU38, rskr. 1991/92:318) (Bill 1999/2000, bet. 1999/2000:TU09, rskr. 1999/2000:256) (Bill 2001/02:143, bet. 2001/02:NU17, rskr. 2001/02:317) (Bill 2002/03:40, bet. 2002/03:NU06, rskr. 2002/03:133) (Bill 2002/03:85, bet. 2002/03:NU11, rskr. 2002/03:233)
Svenska Miljöstyrringsrådet, AB	(Bill 1994/95:101, bet. 1994/95:JoU9, rskr. 1994/95:86) (Bill 2003/04:1 expenditure area 20 s. 27, bet. 2003/04:MU1, rskr. 2003/04:103)
Swedish Space Company	(Bill 1972:48) (Bill 1978/79:142) (Bill 1985/86:127, bet. 1985/86:NU21, rskr. 1985/86:305)
Swedish Ships Mortgage Bank	The Ship's Mortgage Act (1980:1097)
Svenska Spel, AB	(Bill 1995/96:169, bet. 1995/96:FiU14, rskr. 1995/96:248)
Sveriges Provnings- och Forskningsinstitut AB, SP	(Bill 1992/93:239, bet. 1992/93:NU32, rskr. 1992/93:384)
Sveriges Rese- och Turistråd AB	(Bill 1994/95:100 bil. 13 och Bill 1994/95:177, bet. 1994/95:KrU28, rskr. 1994/95:395)
Swedcarrier AB	(Bill 1999/2000:78, bet. 1999/2000:tu11, rskr. 1999/2000:238)
Swedesurvey AB	(Bill 1992/93:100 annex 15, bet. 1992/93:BoU14, rskr. 1992/93:217)
Swedfund International AB	(Bill 1991/92:100)
SweRoad AB	
Sydkraft SAKAB	(Bill 1989/90:100, bil 16) (bet. 1989/90:JoU16) (Bill 1991/92:69) (bet. 1991/92:NU10) (Bill 1993/94:110, bet. 1993/94:JoU16, rskr. 1993/94:210)
Systembolaget AB	(Bill 1976/77:108, bet. SkU 1976/77:40, rskr. 1976/77:231) (Bill 1993/94:136, bet. 1993/94:SoU22, rskr. 1993/94:249) (Bill 1994/95:89, bet. 1994/95:SoU9, rskr. 1994/95:106) (Bill 1998/99:134, bet. 1999/2000:SoU14 rskr. 1999/2000:42) (Bill 2000/01:97, bet. 2000/01:SoU19, rskr. 2000/01:260) (Bill 2002/03:87, bet. 2002/03:SoU16, rskr. 2002/03:152)
TeliaSonera AB	(Bill 1992/93:200, bet. TU 11992/93:30, rskr. 1992/93:443) (Bill 1997/98:121, bet. 1997/98:NU14, rskr. 1992/93:308) (Bill 1998/99:99, bet. NU 1998/99:14, rskr. 260) (Bill 1999/2000:84, bet. 1999/2000:NU18, rskr. 1999/2000:204) (bet. 2000/01:NU11, rskr. 2000/01:272)
Teracom AB	(Bill 1991/92:140, bet. 1991/92:KrU28, rskr. 1991/92:329) (Bill 1996/97:67, bet. 1996/97:KrU17, rskr. 1996/97:178) (Bill 1998/99:1, utg. omr. 17, bet. 1998/99:KrU1, rskr. 1998/99:55) (Bill 2000/01:1, utg. omr. 17, bet. 2000/01:KrU1, rskr. 2000/01:59) (2001/02:76, bet. 2001/02:KrU07, rskr. 2001/02:149) (2002/03: 110, bet. 2002/03:TU06, rskr. 2002/03:228) (2002/03:64, bet. 2002/03:195) (2002/03:72, bet. 2002/03:KU33, rskr. 2002/03:196) (2003/04:118, bet. 2003/04:KU24)
Vasallen AB	(Bill 1996/97:4, bet. 1996/97:FöU1, rskr. 1996/97:36) (Bill 1996/97:150, bet. 1996/97:FiU20, rskr. 1996/97:284) (Bill 1999/2000:30, bet. 1999/2000:FöU2, rskr. 1999/2000:168) (Bill 1999/2000:97, bet. 1999/2000:FöU7, rskr. 1999/2000:250, bet. 1999/2000:FöU8, rskr. 1999/2000:251) (Bill 2000/01:100, bet. 2000/01:FiU20, rskr. 2000/01:288) (Bill 2001/02:100, bet. 2001/02:FiU20, rskr. 2001/02:336) (Bill 2001/02:58, bet. 2001/02:BoU4, rskr. 2001/02:160)
Vattenfall AB	(Bill 1990/91:87, bet. 1991/92:NU38, rskr. 1991/92:318) (1991/92:49, bet. 1991/92:NU10, rskr. 1991/92:92) (1996/97:84, bet. 1996/97:NU12, rskr. 1996/97:272)
Venantius AB	(Bill 1994/95:219, bet. 1994/95:BoU20)
Vin & Sprit AB, V&S	(Bill 1993/94:136, bet. 1993/94:SoU22, rskr. 1993/94:249) (Bill 1994/95:SoU223, bet. 1995/96:SoU3)
Voksenåsen A/S	

# Changes of Managing Director and Chairman of the Board

## CHANGES DURING 2003 AND 2004 UNTIL 4 MAY 2004

### MANAGING DIRECTORS

COMPANY	Taking up appt	Leaving
IRECO Holding AB	Eva Sjöblom (26 Feb 03)	Håkan Widmark
Kungliga Operan AB	Anders Franzén (1 April 04)	Bengt Hall
OMHEX AB	Magnus Böcker (30 May 03)	Per E Larsson
Posten AB	Erik Olsson (April 03)	Börge Österholm
Samhall AB	Birgitta Böhlin (March 04)	Göran Sevebrandt
Akademiska Hus AB	Joakim Ollén (15 Nov 03)	Christina Rogestam
SBAB	Eva Cederbalk (24 March 04)	Christer Malm
Sveriges Rese- och Turistråd AB	Lars Carmén	Karl-Erik Strand
AB Swedcarrier		Arne Berggren
Teracom AB	Acting Göran Arvedahl (26 March 04)	Jan Danielsson

### CHAIRMEN OF THE BOARD

COMPANY	Taking up appt	Leaving
Akademiska Hus AB	Claes Ljungh (29 April 04)	Lennart Nilsson
Imego AB	Christina Ullenius (29 March 04)	Mauritz Sahlin
Posten AB	Marianne Nivert (25 April 03)	Claes Ånstrand
Samhall AB	Peter Lagerblad (1 April 03)	Håkan Tidlund
SBAB	Claes Kjellander (19 May 03)	Christina Ragsten Pettersson
Svenska Kraftnät, Affärsverket	Sven Hulterström (1 April 03)	Per-Olof Eriksson
Sveriges Rese- och Turistråd AB	Elisabeth Nyström (30 March 04)	Lars Carmén
Swedcarrier AB	Katja Elväng (June 03)	Ingrid Bonde
Swedesurvey AB	Stig Jönsson (23 April 04)	Joakim Ollén
TeliaSonera AB	Tom von Weymarn (2 March 03)	Tapio Hintikka
Teracom AB	Håkan Tidlund (14 May 03)	Per-Ola Eriksson
Vasallen AB	Sten Olsson (10 April 03)	Per Nuder



# Division of responsibility within the Government Offices for state-owned companies

THE GOVERNMENT OFFICES SWITCHBOARD +46 8-405 10 00, [www.regeringen.se](http://www.regeringen.se)

## NAME

Leif Pagrotsky / Tel +46 8-405 10 00	Minister for Industry, Employment and Communications
Claes Ånstrand / Tel +46 8-405 31 29	State Secretary, Ministry of Industry, Employment and Communications

UNIT FOR STATE OWNERSHIP, MINISTRY OF INDUSTRY, EMPLOYMENT AND COMMUNICATIONS,  
[www.naring.regeringen.se/fragor/statliga\\_foretag](http://www.naring.regeringen.se/fragor/statliga_foretag) (E-mail [firstname.surname@industry.ministry.se](mailto:firstname.surname@industry.ministry.se))

## NAME/TELEPHONE:

## RESPONSIBILITY:

Eva Halvarsson / Tel +46 8-405 36 18	Head of Division
Viktoria Aastrup / Tel +46 8-405 36 92	TeliaSonera AB, Lernia AB, Affärsverket svenska kraftnät, Förvaltningsaktiebolaget Statum
Christer Berggren / Tel +46 8-405 22 70	AB Göta kanalbolag, IRECO Holding AB, LKAB, SP Sveriges Provnings- och Forskningsinstitut AB, Swedish Ships Mortgage Bank, Zenit Shipping AB
Lars Johan Cederlund / Tel +46 8-405 22 00	Swedish Space Corporation, Sveaskog AB, Vasakronan AB
Marianne Förander / Tel +46 8-405 16 06	Akademiska Hus AB, Specialfastigheter Sverige AB, Vasallen AB
Tobias Henmark / Tel +46 8-405 36 25	Teracom AB, Samhall AB
Jonas Iversen / Tel +46 8-405 22 44	Posten AB, V&S Vin och Sprit AB
Peter Lindell / Tel +46 8-405 29 31	Vattenfall AB, SOS Alarm Sverige AB, AB Svensk Bilprovning
Björn Mikkelsen / Tel +46 8-405 10 25	SAS AB, SJ AB, Green Cargo AB
Michael Thorén / Tel +46 8-405 21 01	Venantius AB, Sveriges Bostadsfinansieringsaktiebolag, SBAB, OMHEX AB, Nordea Bank AB, AB Bostadsgaranti
Kristina Ekengren	Finance analysis (parental leave)
Fredrik Eliasson / Tel +46 8-405 26 42	Real estate analysis, Logistics
Lotta Göransson / Tel +46 8-405 23 71	Energy analysis, Basic industry
Elisabet Johansson / Tel +46 8-405 28 93	External financial information, Ownership control issues
Patrik Jönsson / Tel +46 8-405 48 87	Transport analysis
Marie Lidgard / Tel +46 8-405 14 08	Board nomination process
Karolina Qvarnström / Tel +46 8-405 15 23	Financial analysis
Hans Ragnhäll / Tel +46 8-405 28 56	Legal matters
Richard Reinius / Tel +46 8-405 15 49	AB Swedcarrier/Telecom analysis
Jenny Stark	Transport analysis (parental leave)
Ewa Christenson / Tel +46 8-405 56 06	Assistant to Head of Division
Stina Johannesson / Tel +46 8-405 29 63	Division Clerical Officer
Katarina Karinsdotter / Tel +46 8-405 22 59	Budget issues
Helena Malmberg / Tel +46 8-405 14 07	Administrative Officer

## OTHER PERSONS AT THE MINISTRY OF INDUSTRY, EMPLOYMENT AND COMMUNICATIONS WITH RESPONSIBILITY FOR STATE-OWNED COMPANIES

### NAME/TELEPHONE:

### COMPANY RESPONSIBLE FOR:

Matilda Sommelius / Tel +46 8-405 42 76	Sveriges Rese- och Turistråd AB
Bertil Carlstedt / Tel +46 8-405 22 19	Norrland Center AB
Gunilla Anander / Tel +46 8-405 38 28	Svensk-Danska Broförbindelsen SVEDAB AB, A-Banan Projekt AB, Statens Väg- och Baninvest AB, SweRoad AB, Botniabanan AB
Mattias Moberg / Tel +46 8-405 43 03	ALMI Företagspartner AB
Pia Stork Edhall / Tel +46 8-405 50 96	Civil Aviation Administration
Johan Ericson / Tel +46 8-405 36 82	Swedish Maritime Administration, Affärsverket Statens järnvägar

**MINISTRY OF FINANCE** (E-mail [firstname.surname@finance.ministry.se](mailto:firstname.surname@finance.ministry.se))

NAME/TELEPHONE:	RESPONSIBILITY:
Ola Göransson / Tel +46 8-405 44 94	Bothia Garanti AB
Monica Lundberg / Tel +46 8-405 16 36	Svenska Spel AB (Kasernen Fastighets AB, A/O Dom Shvetsii)
Per Östensson / Tel +46 8-405 16 38	Corporate issues, budget division

**MINISTRY OF HEALTH AND SOCIAL AFFAIRS** (E-mail [firstname.surname@social.ministry.se](mailto:firstname.surname@social.ministry.se))

NAME/TELEPHONE:	RESPONSIBILITY:
Fredrik Lennartsson / Tel +46 8-405 23 81	Apoteket AB
Gert Knutsson / Tel +46 8-405 33 27	Systembolaget AB
Ingvar Löfstrand / Tel +46 8-405 33 34	Internal and external co-ordination of corporate issues etc.
Ulrika Ternby / Tel +46 8-405 43 98	Internal and external co-ordination of corporate issues etc.

**MINISTRY OF AGRICULTURE** (E-mail [firstname.surname@justice.ministry.se](mailto:firstname.surname@justice.ministry.se))

NAME/TELEPHONE:	COMPANY RESPONSIBLE FOR:
Carin Wahren / Tel +46 8-405 43 87	SIS Miljömärkning AB

**MINISTRY OF CULTURE** (E-mail [firstname.surname@culture.ministry.se](mailto:firstname.surname@culture.ministry.se))

NAME/TELEPHONE:	COMPANY RESPONSIBLE FOR:
Eva Bergquist / Tel +46 8-405 21 66	Kungliga Dramatiska Teatern AB, Kungliga Operan AB, Svenskhemmet Voksenåsen A/S

**MINISTRY OF THE ENVIRONMENT** (E-mail [firstname.surname@environment.ministry.se](mailto:firstname.surname@environment.ministry.se))

NAME/TELEPHONE:	COMPANY RESPONSIBLE FOR:
Charlotta Andersson / Tel +46 8-405 19 76	Sydkraft SAKAB AB
Gun Tombrock / Tel +46 8-405 20 77	AB Svenska Miljöstyvningsrådet
Monica Lagerqvist Nilsson / Tel +46 8-405 39 08	Swedesurvey AB

**MINISTRY OF EDUCATION AND SCIENCE** (E-mail [firstname.surname@education.ministry.se](mailto:firstname.surname@education.ministry.se))

NAME/TELEPHONE:	COMPANY RESPONSIBLE FOR:
Mats Johnsson / Tel +46 8-405 18 40	Imego AB

**MINISTRY FOR FOREIGN AFFAIRS** (E-mail [firstname.surname@foreign.ministry.se](mailto:firstname.surname@foreign.ministry.se))

NAME/TELEPHONE:	COMPANY RESPONSIBLE FOR:
Anders Oljelund / Tel +46 8-405 34 47	Swedfund International AB
Christian de Filippi / Tel +46 8-405 56 97	AB Svensk Exportkredit, SEK

# Board members elected at the annual general meeting of shareholders

Surname	First name	Born	Present title	Company (elected)
Aamot	Kjell	1950	C.E.O. Schibsted ASA	Nordea (2001)
Aarni	Maarit	1953	Deputy MD Borealis Polymers Oy, Finland	Vattenfall AB (2003)
Aastrup	Viktoria	1971	Deputy Director, Ministry of Industry, Employment and Communications	Affärsverket svenska kraftnät (2001), Lernia AB (2003), Stattum (2001 resigned 2004)
Abrahamsson	Anne	1949	Director, EKN	Swedfund International AB (2002)
Abrahamsson	Mats	1960	Professor Logistics, Linköping University	Posten AB (2003)
Abrahamsson	Tomas	1952	Deputy Chairman SEKO	Swedish Ships Mortgage Bank (2002)
Adeev	Kirill V	1965	Real Estate Department, St Petersburg	Dom Shvetsii (1996)
Adelsohn	Ulf	1942	Former party leader	SJ AB (2002), Chairman
Ahlén	Fredrik	1966	Area Director Ministry of Industry, Employment and Communications	Stattum (2001)
Ahlqvist	Birgitta	1948	Member of Parliament	Swedish Space Corporation (1999)
Ahlqvist	Håkan	1943	MD Cerealia	Sveaskog AB (2003)
Ahlström	Göran	1936	Director	SVEDAB (1992)
Akhtarzand	Minoo	1956	Director Vattenfall	Teracom AB (2001)
Alvemo	Anders	1946	Director	SweRoad (2000 resigned 2004)
Alvemor	Chister	1942	Former Deputy MD Vasakronan, now self-employed	Kasernen Fastighets AB (2000)
Andersson	Björn	1945	Swedish Armed Forces	Kasernen Fastighets AB (2000)
Andersson	Conny	1946	Chairman County Council	AB Swedcarrier (2003 resigned 2004)
Andersson	Elving	1953	Regional Secretary, Västgötaland Region	AB Göta kanalbolag (1999)
Andersson	Jörgen	1946	Director-General	SVEDAB (2001)
Andersson	Margareta	1948	Member of Parliament	Systembolaget AB (2000), deputy
Andersson	Peter	1962	MD Norrvidden Fastigheter AB	Norrland Center AB (1998)
Apelman	Karin	1961	CFO and Financial Manager Luftfartsverket	AB Svensk Exportkredit (2003), A-Banan (2003)
Apler	Lena	1951	MD Collector AB	AB Swedcarrier (2001 resigned 2004)
Arnelid	Håkan	1949	Swedish Metal Workers Union	ALMI Företagspartner AB (2001)
Arnkaeværn	Harald	1939	Partner Adv firma Haavind Vislie	Nordea (2001)
Astermo	Nils-Åke	1950	MD Hydrauto Big Cylinders AB	Norrland Center AB (2002)
Averstad	Kjell-Åke	1953	Regional Manager	A-Banan (2001)
Axelsson	Charlotte	1948	MD Svenska Bostäder AB	Akademiska hus (1998)
Axelsson	Siv	1952	Board member SEKO	Swedish Ships Mortgage Bank (2002), deputy
Axelsson	Ture	1940	Shipowner	Swedish Ships Mortgage Bank (2002), deputy
Back	Ewa	1954	Municipal Commissioner	SOS Alarm Sverige AB (2003)
Bankvall	Claes	1942	MD SP Sveriges Provnings- och Forsknings AB	SP Sveriges Provnings- och Forsknings AB (1993)
Barsotti	Carlo	1939	Director	Kungliga Dramatiska Teatern AB (2003)
Bennet	Carl	1951	Businessman	TeliaSonera AB (2000)
Berg	Hjördis	1955	Chief Financial Officer FRF	SOS Alarm Sverige AB (2000)
Berg	Ingolf	1953	Desk Officer, Ministry of Industry, Employment and Communications	SIS Miljömärkning (1998)
Berg	Jan	1953	Graduate engineer	SBAB (2001)
Berggren	Christer	1944	Deputy Director, Ministry of Industry, Employment and Communications	AB Göta kanalbolag (1992), IRECO Holding AB (2000), LKAB (2001), SP Sveriges Provnings och Forskningsinstitut (2003), Swedish Ships Mortgage Bank (1988), Zenit Shipping AB (1988)
Bergqvist	Jan	1939	Former Member of Parliament	Apoteket AB (1999), Chairman
Bergqvist	Sven-Runo	1943	MD SOS Alarm	Lernia AB (2002)
Bjerkne	Claes	1947	MD Göteborg & Co	Sveriges Rese- och Turistråd AB (1995)
Björck	Anders	1944	County Governor	V&S Vin & Sprit AB (2000)
Björn-Rasmussen	Solgerd	1939	PhD	Swedish Maritime Administration (2001)
Björnsson	Björn	1946	Financial Consultant, board expert	Teracom AB (2003)
Blom	Catharina	1950	Blekinge Region	ALMI Företagspartner AB (2003)
Blomberg	Jan	1939	Vice President Pharmacia UpJohn	Svenska Spel AB (1996)
Blombäck	Stina	1951	MD Billerud Karlsborg AB	LKAB (2002)
Blomgren	Ulf	1948	Director Bilförsäkringsföretagen	AB Svensk Bilprovning (1996)
Blomquist	Gunilla	1957	Desk Officer, Ministry of the Environment	Miljöstyrelsen (2002)
Blomqvist	Anders	1960	MD Funäsdalsfjäll AB	Sveriges Rese- och Turistråd AB (2003), deputy
Bonnier	Eva	1945	Publisher	Kungliga Dramatiska Teatern AB (1997)
Brandin	Claes-Göran	1948	Member of Parliament	Swedish Maritime Administration (2000)
Brock	Gunnar	1950	MD Atlas Copco	OMHEX AB (2001)
Bruce	Tomas	1944	Chairman, European District Heating Association	Affärsverket svenska kraftnät (2004)
Bruzelius	Karin	1951	Supreme Court Justice	Voksenåsen (2001)
Bryngelson	Håkan	1948	MD Vasakronan	Civitas Holding AB (1996)
Buttedahl	Johan	1935	Former Member of Parliament (Norwegian Stortinget)	Voksenåsen (1999)
Bylund	Bo	1946	Director-General	SVEDAB (1997)
Bylund	Curt	1946	MD Specialfastigheter	Specialfastigheter Sverige AB (2000)
Byman	Leif	1946	County Director, Södermanland County Council	Sveriges Rese- och Turistråd AB (2002)
Bådholm	Christer	1943	Executive Chairman Bombardier	Green Cargo AB (2001), Vattenfall AB (2000)
Bärström	Sven	1943	Regional Manager	A-Banan (1995)
Böhlin	Birgitta	1948	MD Samhall AB	Samhall AB (2002 resigned 2004), SP Sveriges Provnings- och Forsknings AB (2002), Chairman
Caesar	Madeleine	1949	MD KK-stiftelsen	IRECO Holding AB (1997)

Surname	First name	Born	Present title	Company (elected)
Cakste	Kristine	1955	Director of Finance, Accent Equity Partners	Swedfund International AB (2002)
Caneman	Monica	1954	Diverse board appointments	SJ AB (2002)
Carlman	Rolf	1944	Divisional Director SIDA	Swedfund International AB (2002)
Carlsson	Barbro	1934	Former Secretary-General	Apoteket AB (2001)
Carlsson	Ingvar	1934	Former Prime Minister, party leader	TeliaSonera AB (2000 resigned 2004)
Carlsson	Nils	1944	Director Sveriges campingvårdars riksförbund	Sveriges Rese- och Turistråd AB (1998)
Carmén	Lars	1946	Director Malmö Tourism	Sveriges Rese-och Turistråd AB (1999 resigned 2004)
Carnhagen	Göran	1942	Former Director-General, National Housing Credit Guarantee Board	Zenit Shipping AB (1986)
Castwall	Annika	1957	Consultant Ahrens Rapid Growth	SOS Alarm Sverige AB (2003)
Cederlund	Lars Johan	1941	Area Director, Ministry of Industry, Employment and Communications	Sveaskog AB (1999), Stattum (2001), Swedish Space Corporation (1994), Civitas Holding AB (2003)
Christiansson	Annika	1946	Head, Strategic Development, Telia Mobile AB	Swedesurvey (1997)
Colliander	Jan	1951	Consultant	SweRoad (2004)
Creydt	Martin	1965	Director Radisson SAS	Sveriges Rese-och Turistråd AB (2001 resigned 2004)
Dahl	Robin	1946	Economist	Systembolaget AB (1995), deputy
Dahlbäck	Claes	1947	Chairman Investor AB	V&S Vin & Sprit AB (1991)
Dahlgren	Hans	1948	State Secretary for Foreign Affairs	Civitas Holding AB (2003)
Dalborg	Hans	1941	Director	Nordea, Chairman (1998), Kungliga Operan AB (1997), Chairman
Danell	Georg	1947	Managing partner KREAB	Civitas Holding AB (1993)
Danielson	Jan	1935	MD	A-Banan (1994)
Danielsson	Jan	1957	MD Teracom AB	Teracom AB (2001 resigned 2004)
Danielsson	Lars	1953	State Secretary Prime Minister's Office	V&S Vin & Sprit AB (2003)
de Neergaard	Claes	1949	Chairman NIB Third AP Fund	AB Svensk Exportkredit (2001)
Dexe	Nils	1948	Justice of the Supreme Administrative Court	AB Bostadsgaranti (2002)
Dillén	Mats	1961	Director Ministry of Finance	Venantius AB (1999)
Dockered	Bo	1941	Agr dr hc	Sveaskog AB, Chairman (1999)
Domeij	Åsa	1962	Member of Parliament	Sveaskog AB (1999)
Duveblad	Gunnel	1955	Head EDS Northern Europe	Nordea (2003)
Dyrssen	Helena	1959	Director of Communications IF Skadeförsäkring	Teracom AB (2001)
Eberstein	Susanna	1948	Member of Parliament	Apoteket AB (2001)
Eklind	Lena	1965	Technical Area Manager Ericsson Radio Systems AB	SP Sveriges Provnings och Forskningsinstitut (2003)
Ekvall	Gunilla	1947	Head of Operations HSO	Samhall AB (2002 resigned 2004)
Elvång	Katja	1947	MD Didaktus Skolor AB	AB Swedcarrier (2001), AB Svensk Bilprovning (1999), Swedish Space Corporation (2003)
Eneroth	Tomas	1966	Member of Parliament	Lernia AB (2002), Chairman
Engdahl	Horace	1948	Author	Kungliga Operan AB (1998)
Engman	Gerd	1942	Former County Governor Närke	Civitas Holding AB (1994 resigned 2004), Statens Väg- och Baninvest (1998)
Engström	Anna-Lisa	1941	Shipowner Dag Engströms Rederi AB	Swedish Ships Mortgage Bank (1996)
Engström	Ingrid	1958	Deputy MD Eniro	Teracom AB (2003)
Engström Laurent	Anna	1949	University lecturer, senior physician	Apoteket AB (1998 resigned 2004)
Engwall	Jens	1956	MD Kungsleden AB	Vasallen (2004)
Engwall	Torsten	1952	Director Rederi AB Norship	Swedish Ships Mortgage Bank (2003)
Enochsson	Pia	1959	Director-General	Voksenåsen (1997)
Eriksson	Ann	1965	Head Business Development Vasallen AB	Bothia Garanti AB (2004)
Eriksson	Björn	1945	County Governor County of Östergötland	AB Göta kanalbolag (2002)
Eriksson	Eva	1947	County Governor	Apoteket AB (2001)
Eriksson	Per-Ola	1946	County Governor County of Norrbotten	LKAB (2004)
Erixon	Lena	1960	Director of Finance	Statens Väg- och Baninvest (2001), SweRoad (2004)
Fagerman	Eva	1964	Deputy Director Ministry for Foreign Affairs	Swedfund International AB (2003)
Fahlén	Roland	1938	Director	SJ AB (2002)
Fallenius	Peter	1951	Self-employed, former Financial Manager AGA AB	SJ AB (2001), Vattenfall AB (2001)
Flink	Lars	1954	MD SIS, Swedish Standards Institute	SIS Miljömärkning AB (2001)
Foenss Schröder	Lone	1960	Self-employed, former Deputy Director AP Möller	Vattenfall AB (2003)
Franke	Sigbrit	1942	University Chancellor, National Agency for Higher Education	Akademiska hus (2001), Kungliga Dramatiska Teatern AB, Chairman (2003)
Franzén	Thomas	1945	Director-General National Debt Office	OMHEX AB (1997)
Fredga	Kerstin	1935	Professor, National Space Board	Swedish Space Corporation (1992)
Frejhagen	Birgitta	1942	MD Infokomp	AB Svensk Bilprovning (1999)
Färm	Gunnel	1945	Director-General Electrical Safety Board	Swedish Maritime Administration (1996), SweRoad (1998)
Förander	Marianne	1967	Deputy Director Ministry of Industry, Employment and Communications	Vasallen (2003), Specialfastigher Sverige AB (2003), Akademiska Hus (2003)
Granström	Per-Erik	1942	Member of Parliament	SBAB (1995)
Grate Axén	Adine	1961	Director Investor	OMHEX AB (2002)
Grönlund Krantz	Anna	1971	Member of Parliament	Civil Aviation Administration (2001)
Grönlund	Jan	1960	State Secretary Ministry of Industry, Employment and Communications	Vattenfall AB (2000)
Grönwall	Kerstin	1948	Head Samhällsansvar Folksam	SBAB (2002)
Gunnarsson	Carl-Johan	1943	Former Deputy Director Ministry for Foreign Affairs	Dom Shvetsii (1995)

Surname	First name	Born	Present title	Company (elected)
Gunnarsson	Gösta	1938	Former County Governor	Statens Väg- och Baninvest (1995)
Gustafsson	Eva-Britt	1950	MD Venantius	Specialfastigheter Sverige AB (1998), Venantius (2000), Statens Väg- och Baninvest (1997), Civitas Holding (Vasakronan) (2004)
Gustafsson	Henry	1942	Director	Miljöstyrringsrådet (1995)
Gustafsson	Yvonne	1952	DG National Financial Management Authority	Affärsverket svenska kraftnät (1995)
Gustafzon	Anders	1943	Deputy MD Föreningsbanken	Svenska Spel AB (2003), Chairman
Gustavsson	Christina	1952	MD Svenskt Fastighetsindex	Swedesurvey (2001)
Gyllenhammar	Pehr G	1935	Med dr, tekn dr hc	Swedish Ships Mortgage Bank (1984), Chairman
Gårdmark-Nylen	Margareta	1956	Area Director Ministry of Industry, Employment and Communications	Stattum (2002)
Gårdö	Lars	1941	Director/Chairman 3i Nordic	Swedfund International AB (2001)
Göransson	Ola	1964	Desk Officer Ministry of Finance	Bothia Garanti (2003)
Haglund	Ingrid	1951	Environmental Analyst AssiDomän	Miljöstyrringsrådet (1999)
Haglund	Elisabeth	1957	Hotel Director	Sveriges Rese- och Turistråd (2004)
Hallander Larsson	Marie	1961	Personnel Director Wedins	Samhall AB (2004)
Halse	Bengt	1943	Director	OMHEX AB (2003)
Halvarsson	Eva	1962	Director Ministry of Industry, Employment and Communications	Stattum (2002), SJ AB (2001 resigned 2004), AB Swedcarrier (2004)
Hammerich	Kai	1943	Director-General Invest in Sweden Agency	ALMI Företagspartner AB (2003), Chairman
Hedborg	Anna	1944	Director-General National Social Insurance Board	Systembolaget AB (2002), Deputy Chairman
Hedlund	Lena	1961	Acting Head, Lending, SBAB	Vasallen AB (2001)
Helgesson	Lars-Åke	1941	Former MD STORA	LKAB (2000)
Henmark	Tobias	1968	Desk Officer Ministry of Industry, Employment and Communications	Samhall AB (2003), Teracom AB (2003)
Henriksson	Bo	1940	Director	SweRoad (2003)
Hintikka	Tapio	1942	MD Hackman	TeliaSonera AB (2002 resigned 2004)
Hjelmåker	Lennarth	1950	Director, Ministry for Foreign Affairs	Swedfund International AB (2003 resigned 2004)
Hoeg Madsen	Claus	1945	Partner Law firm Jonas Bruun	Nordea (2000)
Hoeg Pedersen	Jörgen	1938	Director	Nordea (2000)
Hofslagare	Toivo	1943	University lecturer, County Council Commissioner	Samhall AB (2002)
Holm	Staffan Valdemar	1958	Theatre Director, MD	Kungliga Dramatiska Teatern AB (2002)
Holm	Stig	1951	MD Tekniska Verken, Linköping	AB Swedcarrier (2004)
Holmgren	Gunnar	1957	Head of Administration	Statens Väg- och Baninvest (1995)
Holmqvist	Karl Gunnar	1946	Diverse board appointments	Green Cargo AB (2001)
Holmström	Inger	1948	Director of Information Posten AB	Sveriges Rese- och Turistråd AB (2000)
Homquist	Carin	1948	Stockholm School of Economics	ALMI Företagspartner AB (2002)
Hulterström	Sven	1938	Former Minister	Affärsverket svenska kraftnät (2003), Chairman
Höglund	Lars	1958	Shipowner Furetank AB	Swedish Ships Mortgage Bank (2002), deputy
Hörnfeldt	Anders	1956	MD Länsförsäkringar Västernorrland	Norrland Center AB (2002)
Ihamuotila	Timo	1966	Group Treasurer Nokia	OMHEX AB (2003)
Iversen	Jonas	1965	Area Director, Ministry of Industry, Employment and Communications	Posten AB (2001), V&S Vin och Sprit AB (2003)
Jacobsson	Egon	1940	Former MD Vin & Sprit, Chairman Vasakronan	V&S Vin och Sprit AB (1983 resigned 2004), Civitas Holding AB (2000), Chairman
Jeding	Lars	1946	MD Samhällsaktörerna	Swedesurvey (1994)
Jenstav	Marika	1948	MD Transek	A-Banan (2003)
Jeppsson	Karin	1944	County Council politician	Swedish Maritime Administration (1995)
Johannesson	Rolf	1956	MD SCA Transforest AB	Swedish Maritime Administration (2000)
Johansson	Anders L	1955	Director-General National Labour Market Board	Samhall AB (2002)
Johansson	Anita	1944	Member of Parliament	V&S Vin & Sprit AB (1992)
Johansson	Börje	1943	Professor Physics UU/Royal Institute of Technology	Imego AB (2003)
Johansson	Hasse	1949	Head R&D Scania	SP Sveriges Provnings- och Forsknings AB (2000 resigned 2004)
Johansson	Karin	1956	Sales Director Microsoft	Svenska Spel AB (2003)
Johansson	Kenneth	1956	Member of Parliament	Samhall AB (2004)
Johansson	Lena	1955	Director-General Swedish Institute for Food and Agricultural Economics	Sveaskog AB (1999)
Johansson	Olof	1937	Former Minister	AB Svensk Bilprovning (2000), Systembolaget AB, Chairman (2002)
Johansson	Per	1954	MD Swedish National Association for Motor Trades and Repairs	AB Svensk Bilprovning (2003)
Johansson-Hedberg	Birgitta	1947	Director	Sveaskog AB (2001)
Johnsson	Lars	1961	Head Business Development AP-Fastigheter	Vasallen AB (2001)
Jonsson	Jan-Peter	1943	MD Vasallen	Vasallen AB (1997)
Jorholm	Bernt	1940	Director	Venantius AB (2003)
Josefsson	Lars G.	1950	MD Vattenfall	Vattenfall AB (2001)
Jönsson	Benny	1949	Lay judge	SOS Alarm Sverige AB (1999)
Jönsson	Lena	1958	Director-General National Gaming Board	Kasernen Fastighetsaktibolag (2000)
Jönsson	Stig	1946	Director-General National Land Survey	Swedesurvey AB (2004)
Kantola	Birgitta	1948	Director	Akademiska Hus (1995), Civitas Holding AB (2000), Nordea (2003)
Karnberger	Gert	1943	MD Clas Ohlson	Systembolaget AB (2004)
Kastman Heuman	Åsa	1946	Director-General National Board of Accident Investigation	Swedish Ships Mortgage Bank (1986)
Kjellander	Claes	1945	MD Jones Lang LaSalle AB	Specialfastigheter Sverige AB (1998), SBAB (2003), Chairman
Kjellberg	Jan-Erik	1944	Director, Swedish Bus and Coach Federation	AB Svensk Bilprovning (2003)
Kjöll	Berit	1955	MD Steen & Ström	SAS AB (2001)

Surname	First name	Born	Present title	Company (elected)
Kjörnsberg	Solveig	1943	Municipal Commissioner	SP Sveriges Provnings- och Forsknings AB (1996)
Klackenberg	Dag	1948	MD Svensk Handel	Vattenfall AB (2001), Chairman
Klaesson	Bengt	1945	Stockholm Convention Bureau	Sveriges Rese- och Turistråd AB (2000)
Knutsson	Pernilla	1951	Director Ministry of the Environment	SIS Miljömärkning (1998)
Korpela	Tarmo	1942	Chairman Confederation of Finnish Industry and Employers	OMHEX AB (1986)
Kristensson	Sara	1972	Project manager	Voksenåsen (2003)
Kristiansen	Tormod	1952	Site manager Ericsson Radio Systems	Swedesurvey (1999)
Kronstam	Karin	1950	Board expert, former subsidiary MD Samhall AB	Lernia AB (1996)
Kruse Nielsen	Helle	1944	Director	V&S Vin & Sprit AB (2004)
Kvarnström	Jan	1948	Director	Posten AB (2001)
Kvart	Sussi	1956	Consultant, former company lawyer Ericsson	Affärsverket svenska kraftnät (1999 resigned 2004)
Kylberg	Lars	1940	Director	Civitas Holding AB (1997)
Kårström	Jan	1944	MD Viking Line AB	Sveriges Rese-och Turistråd AB (2003), deputy
Kärre	Malin	1950	Director	SweRoad (1998 resigned 2004)
Köhler	Maria	1953	Mining engineer	Swedish Space Corporation (2002)
Lagerblad	Peter	1944	MD Vin & Sprit	V&S Vin & Sprit AB (2000), Samhall AB (2003), Chairman, Apoteket AB (2002)
Lagerqvist Nilsson	Monica	1967	Desk Officer Ministry of the Environment	Swedesurvey AB (2004)
Lagrell	Lars-Åke	1940	County Governor Kronoberg	Svenska Spel AB (2001)
Landgren	Gunnar	1953	Professor Microelectronics Royal Institute of Technology	Imego AB (2003)
Larsson	Gunnar	1940	Chairman Swedish Sports Confederation	Samhall AB (2002 resigned 2004)
Lemne	Carola	1958	MD Danderyd Hospital	Apoteket AB (2004)
Lennersand	Håkan	1944	Former MD Diligentia	Specialfastigheter Sverige AB (1998 resigned 2004)
Levander	Helena	1957	Chairman Nordic Investor Services	SBAB (2004), AB Svensk Exportkredit (2004)
Lewin	Leif	1936	Former MD KF	Zenit Shipping AB (1983)
Lewin	Margareta	1951	Recruitment consultant	Lernia AB (2000)
Liffner	Christina	1950	Economist	Sveaskog AB (1999), V&S Vin och Sprit AB (2000 resigned 2004), AB Svensk Exportkredit (2003), Civitas Holding (Vasakronan) (2004)
Lillius	Mikael	1949	MD Fortum	OMHEX AB (2003)
Liljebloom	Eva	1958	Professor Helsinki School of Economics	TeliaSonera AB (2002)
Linde	Leif	1955	Director-General, National Board for Youth Affairs	Systembolaget AB (2002 resigned 2004)
Lindell	Peter	1972	Expert Ministry of Industry, Employment and Communications	Vattenfall AB (2002), SOS Alarm Sverige AB (2001), AB Svensk Bilprovning (2003)
Linder Aronson	Lars	1953	MD Ventshare Management	SBAB (2000)
Lindgren	Sylvia	1945	Member of Parliament	Imego AB (2004)
Lindh	Susanne	1955	Director of Roads	SweRoad (2002 resigned 2004)
Lindholm	Evert	1942	Director Swedish Association of Local Authorities	Systembolaget AB (1999), deputy
Lindström	Anders	1945	Director-General National Mediation Institute	Swedish Ships Mortgage Bank (1996), deputy
Lindståhl	Kajsa	1943		SweRoad (2004)
Litzén	Ulla	1956	MD Wallenbergstiftelserna	Posten AB (2001)
Ljungh	Claes	1950	State Secretary Ministry of Finance	Akademiska Hus (2002) Chairman, Teracom AB (2003)
Loiborg	Ebbe	1945	Formerly GB Glace/Unilever	V&S Vin & Sprit AB (2000)
Lorentzon	Arne	1946	MD Kasernen	Kasernen Fastighetsaktibolag (1991)
Lundberg	Gunnar	1944	Property Director Skanska	Dom Shvetsii (1997)
Lundberg	Monica	1942	Deputy Director Ministry of Finance	Kasernen Fastighets AB (1995), Dom Shvetsii (2003)
Lundin	Inger	1954	First Financial Secretary, City of Göteborg	Swedish Ships Mortgage Bank (2003), deputy
Lundin	Ulf	1961	Director Ministry of Industry, Employment and Communications	Statens Väg- och Baninvest (1999), A-Banan (1996)
Lundius	Annika	1951	MD Swedish Insurance Federation	Lernia AB (2002)
Luthman	Sten	1945	Area Director Ministry for Foreign Affairs	Dom Shvetsii (2004)
Lübeck	Lennart	1938	Tekn dr hc	Swedish Space Corporation, Chairman (1998), IRECO Holding AB (2000)
Lydahl	Rolf	1945	Chairman IndeCap AB	AB Swedcarrier (2003)
Låftman	Lennart	1945	Director	Kungliga Dramatiska Teatern AB (1997), TeliaSonera AB (2004)
Löfstrand	Ingvar	1942	Deputy Director Ministry of Health and Social Affairs	Systembolaget AB (1996), deputy
Magnusson	Bernt	1941	Director	Nordea (1991 resigned 2004)
Magnusson	Jan	1948	Director-General Affärsverket svenska kraftnät	Affärsverket svenska kraftnät (1998)
Magnusson	Lars	1949	Director-General BKN	Bothia Garanti AB (2004)
Malm	Christer	1943	Former MD SBAB	SBAB (2000 resigned 2004)
Malmborg	Curt	1951	State Secretary Ministry of Finance	Svenska Spel AB (2003)
Markström	Elisebeht	1955	Member of Parliament	Systembolaget AB (1999)
Martinsson	Martin	1950	County Museum Director	Voksenåsen (2001)
Mattsson	Annaa	1951	Consultant Friends of the Earth	Miljöstyrningsrådet (1998), SIS Miljömärkning (1998)
Mattsson	Karin	1972	Federation of Swedish Farmers Head Competence Development	Sveriges Rese- och Turistråd AB (2002)
Melin	Ulf	1952	Head of Development Moderate Party	Systembolaget AB (1999)
Mikkelsen	Björn	1962	Deputy Director Ministry of Industry, Employment and Communications	SJ AB (2002), Green Cargo (2003)
Moberg	Mattias	1966	Desk Officer Ministry of Industry, Employment and Communications	ALMI Företagspartner AB (2001)
Modin	Anita	1939	Former MD Hasseludden Yasuragi	AB Göta kanalbolag (1995)
Mohlin	Katarina	1961	Head of Information Red Cross	Posten AB (2003)
Mohlin	Per-Erik	1946	Graduate engineer	Swedish Space Corporation (1998)
Molander	Harald	1928	MD Zenit Shipping	Zenit Shipping AB (1978)
Myklebust	Egil	1942	Director	SAS AB (2001), Chairman

Surname	First name	Born	Present title	Company (elected)
Mårtensson	Arne	1951	Chairman Handelbanken	V&S Vin & Sprit AB (1992)
Möller	Peter	1949	Deputy MD Saab Ericsson Space AB	Imego AB (2004)
Narvinger	Anders	1948	MD Teknikföretagen	IRECO Holding AB (2003), Chairman
Nettelvik Söderberg	Christel	1957	Sweden manager JET, Conoco Philips Nordic AB	Affärsverket svenska kraftnät (2001 resigned 2004)
Netz	Bo	1962	Director Ministry of Finance	Vasallen AB (1997)
Netzler	Göran	1938	MD Netzler & Dahlgren Co	Imego AB (1998)
Nilsson	Aina	1953	Design Manager Volvo Lastvagnar	Imego AB (1998 resigned 2004)
Nilsson	Annika	1971	Member of Parliament	Teracom AB (2003)
Nilsson	Elisabeth	1953	MD SSAB Merox AB	Swedish Maritime Administration (1995)
Nilsson	Lennart	1942	Director	Akademiska hus (1995)
Nilsson	Mats	1956	Major General	Civil Aviation Administration (2001)
Nilsson	Sven Christer	1944	Former MD Ericsson	TeliaSonera AB (2003)
Nilsson	Thomas	1948	MD Luleå Näringsliv AB	ALMI Företagspartner AB (2001)
Nivert	Marianne	1940	Former MD Telia	Posten AB, Chairman (2002), AB Svensk Exportkredit (2000 resigned 2004), Systembolaget AB (2002)
Nordmark-Nilsson	Anna-Stina	1956	Director of Roads Region Norr	Affärsverket svenska kraftnät (2004) Lernia AB (1999 resigned 2004)
Nordström	Kjell	1949	Member of Parliament	Svenska Spel AB (2000)
Nordström	Lars G	1943	MD Nordea	Nordea (2003)
Nyström	Elizabeth	1942	Member of Parliament	Swedish Maritime Administration (1993), Sveriges Rese- och Turistråd AB (2004), Chairman
Ollén	Joakim	1952	MD Akademiska Hus	Swedesurvey AB (1997 resigned 2004)
Olson	Hans Christer	1944	Director Ministry of Industry, Employment and Communications	LKAB (1993)
Olsson	Hans-Olov	1941	MD Volvo Personvagnar	Vattenfall AB (2004)
Olsson	Kent	1944	Member of Parliament	Swedish Maritime Administration (1996)
Olsson	Sten	1953	State Secretary Prime Minister's Office	Vasallen AB (2003), Chairman
Oscarsson	Berit	1940	Former Member of Parliament	Voksenåsen (2003), Chairman
Palmér	Ingegerd	1946	University lecturer	Kungliga Operan AB (2003)
Patriksson	Folke	1940	Shipowner B&N Nordsjöfrakt AB	Swedish Ships Mortgage Bank (1988)
Peltola	Timo	1946	CEO Huhtamäki Oyj	Nordea (1998), TeliaSonera AB (2004)
Persson	Bertil	1961	MD Beijer Alma	AB Svensk Bilprovning (1999), AB Swedcarrier (2001 resigned 2004)
Persson	Curt	1938	Former Secretary General	SOS Alarm Sverige AB (1995), Chairman, Venantius AB (1995)
Persson	Jan	1957	Chief Financial Officer PEAB	AB Bostadsgaranti (2002)
Persson Göransson	Ewa	1951	State Secretary Ministry of Health and Social Affairs	Systembolaget AB (2001)
Pilsäter	Karin	1960	Member of Parliament	Systembolaget AB (1999), deputy
Plegas	Panos	1957	Deputy MD Volvo Aero Corporation	SP Sveriges Provnings- och Forsknings AB (2004)
Plogéus	Eva	1942	County Employment Director, County of Jönköping	Civil Aviation Administration (1995)
Pohjola	Markku	1948	Deputy CEO Nordea	OMHEX AB (2003)
Ragsten-Pettersson	Christina	1958	Director Ministry of Industry, Employment and Communications	SBAB (1999), Posten AB (2003), Civitas Holding AB (Vasakronan) (2003 resigned 2004)
Reinius	Ulla	1937	Director	Kungliga Operan AB (1998)
Rekke	Lars	1944	Director-General Civil Aviation Administration	Civil Aviation Administration (2001), A-Banan (2001)
Rempler	Helena	1958	Lawyer Mannheimer Swartling	Venantius AB (2003)
Rennerstedt	Kristina	1952	Director-General National Public Art Council	Green Cargo AB (2001)
Ringesten	Mats	1951	Partner Neuman & Nydahl	V&S Vin & Sprit AB (2004)
Rodosi	Agneta	1957	Director of Finance Akademiska Hus	Vasallen (2001 resigned 2004), Swedish Ships Mortgage Bank (1998)
Rogestam	Christina	1943	Former MD Akademiska Hus	Akademiska hus (1992 resigned autumn 2003), Bothia Garanti AB (2004)
Ros	Carl Wilhelm	1941	Former Deputy MD Ericsson	LKAB (1993)
Rudeng	Erik	1941	MD	Voksenåsen (2001)
Rundkvist Nihlén	Veronika	1973	Business analyst SKF Nova AB	Akademiska hus (2001 resigned 2004)
Ruth	Arne	1943	Author	Voksenåsen (1999)
Ryding	Sven-Olof	1948	MD Miljöstyrringsrådet	Miljöstyrringsrådet (1997)
Rådberg	Åke	1948	Chief lawyer Swedish Construction Federation	AB Bostadsgaranti (2002)
Sahlin	Mauritz	1935	Former MD SKF	Imego AB (1998 resigned 2004)
Salomonson	Christina	1946	Director-General Rescue Services Agency	SOS Alarm Sverige AB (2000)
Salzmann	Tomas	1954	MD Quebecor World Norden AB	IRECO Holding AB (1999)
Samuelsson	Christer	1954	MD Sensa Corporate Advisors AB, Former MD Kjessler Mannerstråle, Gullspångskraft	Affärsverket svenska kraftnät (2001)
Samuelsson	Marianne	1945	Former Member of Parliament	Svenska Spel AB (2003)
Sandberg	Peter	1959	MD and CEO Bure Equity	Green Cargo AB (2001 resigned 2004)
Sander	Anna	1967	Director Ministry of the Environment	Swedesurvey (2002 resigned 2004)
Schur	Fritz H.	1951	MD Fritz Schur Group	SAS AB (2001)
Sedolin	Maria	1962	Controller Svenska Spel	AB Bostadsgaranti (2003)
Selén	Jan-Olof	1944	Director-General Swedish Maritime Administration	Swedish Maritime Administration (2001)
Sevebrant	Göran	1945	Former MD Samhall AB	Lernia AB (2004)
Severed	Bo	1955	Former MD Stena Line	Swedish Ships Mortgage Bank (1999) deputy, SJ AB (2002 resigned 2004)
Silander	Risto	1957	Graduate in business administration	AB Svensk Exportkredit (2004)
Silfverstrand	Bengt	1941	Municipal Commissioner Höganäs	Systembolaget AB (1996 resigned 2004)
Sjöberg	Mikael	1967	State Secretary Ministry of Health and Social Affairs	Apoteket AB (2001)

Surname	First name	Born	Present title	Company (elected)
Sjöqvist	Jan	1948	Director	Green Cargo AB (2001)
Skoglund	Johan	1960	MD JM	AB Bostadsgaranti (2002)
Skogö	Ingemar	1949	Director-General	SVEDAB (1994)
Sköldfors	Walter	1942	Director Svensk Handel	SIS Miljömärkning (1998)
Smith	Eva	1948	Director Swedish Environmental Protection Agency	Miljöstyrningsrådet (1998), SIS Miljömärkning (2002)
Smits	Paul	1946	Former Deputy Managing Director KPN	TeliaSonera AB (2003)
Sparby	Monica	1946	Cultural Director	Kungliga Dramatiska Teatern AB (2003)
Sprängare	Björn	1940	Governor	LKAB (1997), Chairman
Starkerud	Lars	1939	Economist Swedish Trade Union Confederation (LO)	Swedish Maritime Administration (1987)
Starrin	Karin	1947	County Governor	Kungliga Operan AB (1998)
Stavenow	Annette	1961	Local government politician	Civil Aviation Administration (2003)
Steen	Anitra	1949	MD Systembolaget AB	SAS AB (2001)
Stenberg	Jan	1939	Director	Kungliga Operan AB (1998)
Stenhammar	Olof	1941	Director	OMHEX AB (1984), Chairman
Strömberg	Birgitta	1947	Board and consultancy commissions	Green Cargo AB (2001)
Strömberg	Karin	1956	Entrepreneur	Civil Aviation Administration (2003)
Strömdahl	Inger	1951	Environmental Consultant Confederation of Swedish Enterprise	Miljöstyrningsrådet (2001)
Sundberg	Kjell	1941	MD A-Banan	A-Banan (1995)
Sundewall	Caroline	1958	Business consultant	TeliaSonera AB (2001)
Sundgren	Jan-Eric	1951	Vice-Chancellor Chalmers Institute of Technology	SP Sveriges Provnings- och Forsknings AB (1999)
Sundström	Anders	1952	Member of Parliament	Vattenfall AB (2004)
Sundström	Björn	1946	Economist Swedish Association of Local Authorities	Bothia Garanti AB (2004)
Svedberg	Gunnar	1947	Vice-Chancellor University of Göteborg	IRECO Holding AB (1997)
Svenheim	Lars-Olof	1943	Former MD Sterling European	AB Göta kanalbolag (1994)
Söderblom	Anna	1963	Partner Startup factory	Svenska Spel AB (2000 resigned 2004)
Söderlund	Thord	1941	Former MD Göta kanalbolag	AB Göta kanalbolag (1992)
Söderström	Lars-Olov	1952	Chairman Norrland Fund Foundation	Norrland Center AB (1993)
Sørensen	Lars Rebien	1954	MD Novo nordisk	SAS AB (2001)
Talermo	Roger	1955	MD Amer Group	TeliaSonera AB (2002)
Tengberg	Eva-Carin	1948	MD Q-sense AB	ALMI Företagspartner AB (2003)
Tengelin	Ursula	1956	Secretary-General Cancer Fund	LKAB (1999), Samhall AB (2003), Norrland Center AB (2003)
Tham	Åsa	1954	Diocese Forest Officer Diocese of Västerås	Sveaskog AB (2003)
Thorén	Michael	1969	Desk Officer Ministry of Industry, Employment and Communications	SBAB (2003), Bostadsgaranti (2003), Venantius (2003)
Tidlund	Håkan	1943	Chairman Malmbergs Elektriska etc.	Teracom AB (2003)
Tivéus	Meg	1943	MD Svenska Spel	Svenska Spel AB (2000), Kungliga Operan AB (1998)
Torell	Lena	1946	MD IVA	IRECO Holding AB (2001), Imego AB (1998)
Torkko	Maija	1946	Deputy MD Nokia Corp	Nordea (2002)
Tunhammar	Göran	1946	Director	Civil Aviation Administration (2003)
Tuevegarn	Ingela	1951	Hospital Director Södra Älvsborg Hospital	SJ AB (2003)
Ullebø	Egil M.	1941	Director	LKAB (2001)
Ullenius	Christina	1946	Vice-Chancellor Karlstad University	Imego AB (2003), Chairman
Unger	Kerstin	1950	Head of Administration Kaupthing Bank Sverige AB	Venantius AB (2003)
Waldner	Lars	1951	Technical Officer SWEDAC	Miljöstyrningsrådet (1996)
Wallenberg	Jacob	1956	Director	SAS AB (2001)
Wallin	Bosse	1942	Expert Ministry of Industry, Employment and Communications	AB Swedcarrier (2003 resigned 2004)
Wallin	Maj Charlotte	1953	Financial Director Alecta	Akademiska Hus (2004)
Veierod	Tove	1941	Director	Voksenåsen (2001)
Wenblad	Axel	1949	Environmental Manager Skanska	Miljöstyrningsrådet (1995)
Wenster	Peter	1947	Geologist Swedish Association of Local Authorities	Miljöstyrningsrådet (2001)
Wenström	Anders	1946	Director Ministry for Foreign Affairs	AB Svensk Exportkredit (2003)
Werner	Jan-Erik	1957	Director Swedish Automobile Association	AB Svensk Bilprovning (2003)
Westberg	Elisabeth	1948	Director Handelsbanken	Swedfund International AB (2003)
Wetterberg	Ulf	1945	MD Swedish Federation of County Councils	SOS Alarm Sverige AB (2003)
Wirdenius	Fredrik	1961	Subsidiary MD Skanska	Dom Shvetsii (2001)
Wolrath	Björn	1943	Chairman Momentum AB	Samhall AB (2000), AB Svensk Exportkredit (1998)
von Weymarn	Tom	1944	MD Rettig AB	TeliaSonera AB (2002)
Wång	Carina	1966	Group Contoller Boliden Mineral	Specialfastigheter Sverige AB (2003)
Wärn	Ragnhild	1936	Chairman County Council	AB Göta kanalbolag (1999)
Wästberg	Per	1933	Author	Kungliga Dramatiska Teatern AB (1999)
Wästlund	Holger	1938	Management consultant	Vasallen AB (2000)
Zetterberg	Christer	1941	Director/Chairman IDI	Swedfund International AB (2002)
Ziegler	Ingemar	1947	MD Locum AB	Specialfastigheter Sverige AB (1997)
Åbyhammar	Marianne	1952	Acting Consumer Ombudsman	AB Bostadsgaranti (2000)
Ånstrand	Claes	1945	State Secretary, Ministry of Industry, Employment and Communications	Stattum (2001), Chairman
Öjefors	Lars	1941	MD Industrifonden	Swedfund International AB (1998)
Örnfjäder	Krister	1952	Member of Parliament	Civil Aviation Administration (1996)
Östensson	Per	1959	Area Director Ministry of Finance	AB Svensk Exportkredit (2001), deputy
Österberg	Sven Erik	1955	Member of Parliament	Systembolaget AB (2004)
Östlund	Carl Viggo	1955	MD SalusAnsvar	Green Cargo AB (2001)

# Employee representatives

Surname	Forename	Born	Company (elected)	Surname	Forename	Born	Company (elected)
Aldenmark	Lena	1956	SJ AB (2001)	Grinne	Norbert	1946	Swedish Maritime Administration (2002), deputy
Andersson	Jan	1956	AB Swedcarrier (2001 resigned 2004)	Gröntvedt	Ulla	1948	SAS AB (2001)
Andersson	Lars	1953	Civil Aviation Administration (1995)	Gustafsson	Marianne	1948	Civitas Holding (1998)
Andersson	Magdalena	1967	Swedesurvey (2002)	Hagelberg	Eva	1945	Systembolaget (1998)
Andréason	Gunnar	1953	AB Göta kanalbolag (2003), deputy	Hallén	Bertil	1954	AB Swedcarrier (2001)
Angelín	Carl-Gustaf	1951	Vattenfall AB (2003)	Hansson	Hans	1943	Specialfastigheter Sverige AB (1998)
Axelsson	Mats	1951	SP Sveriges Provnings- och Forsknings AB (2003)	Haug	Liv	1954	Nordea AB (2001)
Bagge	Johan	1947	Swedish Maritime Administration (2002)	Hedberg	Gerd	1941	Svenska Spel AB (2000)
Bergh	Ola	1959	AB Svensk Bilprovning (2003)	Hjalmarsson	Deirdre	1972	Kungliga Operan AB (2002)
Bergström	Håkan	1956	Svenska Spel AB (2000), deputy	Hoffrén	Tapani	1964	Swedish Maritime Administration (1998)
Bergström	Peter	1962	Kungliga Operan AB (2002)	Howe	Peter	1964	Teracom (2003)
Bergström	Ronny	1945	Civitas Holding (2002)	Höglund	Britta	1948	Svenska Spel AB (2003), deputy
Bernhardsson	Johnny	1952	Vattenfall AB (1995)	Isaksson	Elof	1942	TeliaSonera AB (2000)
Bider	Stefan	1958	Green Cargo AB (2001)	Jakobsson	Rolf	1945	AB Svensk Bilprovning (1998)
Bjälkefors	Ulf	1938	Swedesurvey (2001)	Jansson	Carina	1951	Apoteket AB (2002), deputy
Björkling	Lisa	1955	Affärsverket svenska kraftnät (2001), deputy	Johansson	Billy	1950	AB Göta kanalbolag (1999), deputy
Blom	Anders	1955	SBAB (2004)	Johansson	Björn T	1960	Green Cargo AB (2001), deputy
Blomkvist	John-Olof	1949	Teracom (1992)	Johansson	Bo	1942	AB Svensk Bilprovning (2001)
Bogren	Bengt	1954	SP Sveriges Provnings- och Forskningsinstitut (2001)	Johansson	Bo	1946	Samhall (2002)
Brattström	Magnus	1953	TeliaSonera (2001), deputy	Johansson	Lennart	1952	Swedish Maritime Administration (1995), deputy
Brinkhof Walter	Margaretha	1943	Samhall (2002)	Johansson	Roland	1943	Sveaskog (2002)
Carlsson	Lars	1951	Vattenfall AB (1991), deputy	Jonasson	Erik	1948	AB Svensk Bilprovning (2001)
Carlsson	Tommy	1944	Samhall (2002)	Jonasson	Lennart	1957	Swedish Space Corporation (2002), deputy
Carlsson	Stefan	1956	TeliaSonera (2002), deputy	Jonsson	Sveinn	1942	Akademiska hus (2001)
Celin	Stig-Arne	1953	Teracom (2003), deputy	Jääarvi	Nina	1965	SP Sveriges Provnings- och Forskningsinstitut (2001), deputy
Cling	Thord	1943	Specialfastigheter Sverige AB (1998)	Karlsson	Göte	1954	Swedish Maritime Administration (1996)
Colliander	Christer	1950	Swedish Space Corporation (2003), deputy	Karlsson	Kent	1950	V&S Vin & Sprit AB (2004), deputy
Collins	Brendan	1966	Kungliga Operan AB (2002)	Karlsson	Yvonne	1959	TeliaSonera AB (2002)
Danielsson	Sven-Olof	1945	Systembolaget (1989)	Kihlberg	Åke	1944	Posten (1995)
Ekvall	Anders	1964	SP Sveriges Provnings- och Forsknings AB (2003), deputy	Kjellberg	Karl-Åke	1949	Sveaskog (2003), deputy
Ekwall	Ronny	1953	Vattenfall AB (1998)	Kokoinen	Thomas	1965	LKAB (1999), deputy
Eriksson	Ann	1965	Vasallen AB (2003)	Kovin	Arja	1964	TeliaSonera (2002), deputy
Eriksson	Christer	1955	Samhall (2003), deputy	Larsson	Agneta	1942	ALMI Företagspartner AB (2002)
Eriksson	Olle	1954	Lernia (1998), deputy	Lems	Dan	1959	Affärsverket svenska kraftnät (2004)
Eriksson	Pelle	1955	Sveaskog (2002)	Lennartsson	Peter	1972	Civil Aviation Administration (2003), deputy
Ersson	Örjan	1944	AB Swedcarrier (2001)	Lindberg	Lars	1946	Kungliga Dramatiska Teatern AB (2003)
Finskas	Bertel	1948	Nordea AB (2000)	Lindberg	Monica	1963	SweRoad (2003), deputy
Fischer	Nicolas E	1951	SAS AB (2003)	Lindberg	Stig	1946	Vattenfall AB (1998), deputy
Florin	Gunnar	1958	Swedish Space Corporation (2000)	Lindell	Anders	1944	Lernia (2002), deputy
Forsgårdh	Barbro	1954	Kungliga Dramatiska Teatern AB (2003)	Lindquist	Rolf	1942	SweRoad (1999)
Fred	Gunnel	1955	Kungliga Dramatiska Teatern AB (2001)	Lindroth	Inge	1954	Lernia (2002)
Furberg	Inga-Lill	1946	Apoteket AB (2000)	Lund	Johan	1958	V&S Vin & Sprit AB (2003)
Fångvall	Hans	1963	LKAB (2003), deputy	Lundberg	Gunnar	1958	Kungliga Operan AB (2002)
Gardelin	Olle	1948	Samhall (1998), deputy	Lundberg	Lena	1946	Lernia (2002)
Granath	Björn	1946	Kungliga Dramatiska Teatern AB (2003), deputy	Lundin	Jan	1946	V&S Vin & Sprit AB (1998)

Surname	Forename	Born	Company (elected)
Lundman	Kjell	1953	Affärsverket svenska kraftnät (2004), deputy
Lundmark	Peter	1958	Green Cargo AB (2001)
Lyng	John	1953	SAS AB (2002)
Löfström	Britt-Marie	1956	AB Göta kanalbolag (1998)
Lööf	Ann-Cathrin	1966	SOS Alarm Sverige AB (2003)
Lööv	Per-Ove	1961	Vattenfall AB (1999), deputy
Mellström	Alf	1956	Posten (2001)
Möller	Roger	1956	V&S Vin & Sprit AB (2000), deputy
Mörtberg	Carl-Ivar	1948	Swedish Space Corporation (1993)
Nilssen	Roal	1950	Civil Aviation Administration (1985), deputy
Nilsson	Kristina	1956	Swedesurvey AB (2004)
Nilsson	Tomas	1965	LKAB (2004)
Nordin	Åke	1943	SOS Alarm Sverige AB (2000)
Nyholm	Nils-Gunnar	1944	SJ AB (2001)
Olsson	Sven-Erik	1950	Civil Aviation Administration (2002)
Olsson	Torgny	1963	Swedcarrier AB (2004)
Persson	Agata	1946	Affärsverket svenska kraftnät (2004)
Persson	Claes-Göran	1958	Teracom (2003), deputy
Persson	Lars-Åke	1959	Green Cargo AB (2001), deputy
Persson	Sture	1957	Sveaskog (2003), deputy
Petersen	Kent	1967	Nordea AB (2003)
Rand	Eva	1959	Systembolaget (2004), deputy
Sandström	Bertil	1948	Svenska Spel AB (1996)
Sandström	Daniel	1976	Imego (2002)
Sanneus	Pontus	1957	ALMI Företagspartner AB (2003)
Sellbrand	Rolf	1943	Sveaskog (2002)
Seradji	Parzin	1959	Akademiska hus (2001)
Skoglösa	Britt-Marie	1944	Apoteket AB (1993)
Ström	Patrik	1972	Systembolaget (2004), deputy
Strömbäck	Kjell	1950	Posten (1995)
Söderlund	Rauni	1960	Nordea AB (2003)
Thornberg	Bertil	1950	LKAB (2003)
Torneus	Torsten	1946	LKAB (1999), deputy
Utterström	Anna Karin	1967	Apoteket AB (2000), deputy
Wallroth	Billy	1950	Swedish Maritime Administration (2003), deputy
Westling	Richard	1945	Vasallen AB (2000)
Westman	Berith	1945	TeliaSonera AB (1993)
Wikström	Karl	1951	LKAB (1993)
Winäs	Thomas	1952	SJ AB (2003)
Witting	Claes-Göran	1943	Samhall (2002), deputy
Åhfeldt	Per-Olof	1946	AB Göta kanalbolag (1999)



# Addresses

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# From the State Power Board to an internationally competitive group

In November 1999, Vattenfall AB acquired 25 per cent of the German company HEW, with an option to acquire an additional 25 per cent. This was the first step for Vattenfall, like so many successful Swedish industrial companies before them, to expand abroad to ensure its long-term competitiveness and growth. Vattenfall anticipated a transformation of the energy sector throughout Europe, and in the first place in Germany due to the initiatives to de-regulate that had taken place.

## THE FOURTH POWER

In 2000, two giant groups were created by mergers, E.ON and RWE and the German competition authority made demands for divestments in Bewag, Veag and Laubag. At the same time, there was an explicit political desire in Germany to create a fourth power in the market. Vattenfall soon received political support from the highest level in Germany to become this fourth power and was now able to use its ownership of HEW to become established in earnest in Europe's largest economy. In 2000, an agreement was concluded to acquire additional shares in HEW and HEW in turn concluded agreements on acquisition of shares in Bewag, Veag and Laubag.

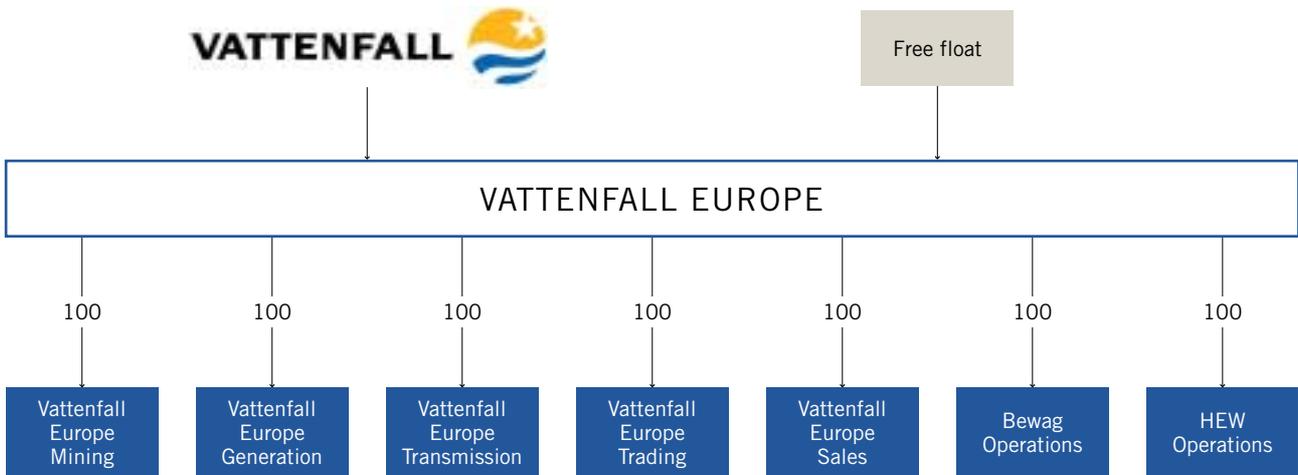
## FULL POWER AHEAD IN INTEGRATION

Integration work started sluggishly. The US company Mirant Corporation which was a joint owner of Bewag blocked the work and it became clear in 2001 that the collaboration would not work. Vattenfall concluded an agreement with Mirant in December 2001 to acquire their share of Bewag. Vattenfall was now able to go ahead with full power in integrating all four companies into one, Vattenfall Europe. The goal is to achieve savings of around SEK 5 billion per year and approximately 2/3 of this goal had been realised by the turn of the year 2003. Vattenfall AB now controls about 94 per cent of Vattenfall Europe.

## BORDERS BETWEEN COUNTRIES BECOME LESS IMPORTANT

The logic underlying the expansion is in Vattenfall's experience of operating on a de-regulated market and the scale benefits that exist in capital-intensive industry. In addition, there are substantial savings of a one-off nature in a market that is in the process of being de-regulated. Through its growth, Vattenfall improves its profitability and thus its competitiveness. Although it may seem paradoxical, this also reduces the risks in the business. By adding different sources of production, dependence on a particular source is decreased. Nuclear power is, for instance, to be phased out in both Sweden and Germany and the compa-





ny must therefore acquire expertise in other areas. Cross-border expansion also reduces exposure to a particular region and the risks that may exist there in the form of weather, political decisions or other business-related risks. Financial strength is a prerequisite for Vattenfall to be able to continue to invest in research and development, technology that is not yet commercially viable and to take part in change work with full force. It is also necessary in order to implement the massive investment programme in Sweden. In the coming years, over SEK 30 billion will be invested in hydroelectric power, nuclear power, wind power, grids and in different projects to improve service to customers.

**PROUD OWNER**

For the first time since 1997, Vattenfall created value in 2003 by its operating profit being higher than the average cost of capital. The dividend to the state was SEK 2.4 billion, the highest in the company's history. In the coming years, there are prospects for considerable creation of value. The Swedish state has assumed its responsibility as a long-term owner, among other ways by allowing a larger share of the funds earned remain in the company during the expansion phase. Today, Vattenfall has implemented most of the state's ownership policy, and is setting an example as regards transparency. The company also has a board with great industrial, financial and interna-

tional expertise and experience. The development of Vattenfall is part of Swedish industrial history and a company that all Swedes can be proud of.

SEKm	1996	1999	2003
Net turnover	29,030	27,754	111,935
Net profit	3,725	2,538	9,123
Dividend	1,500	1,500	2,400
Return on equity, five-year average	15	11	14
Average no. of employees	8,263	7,991	35,296

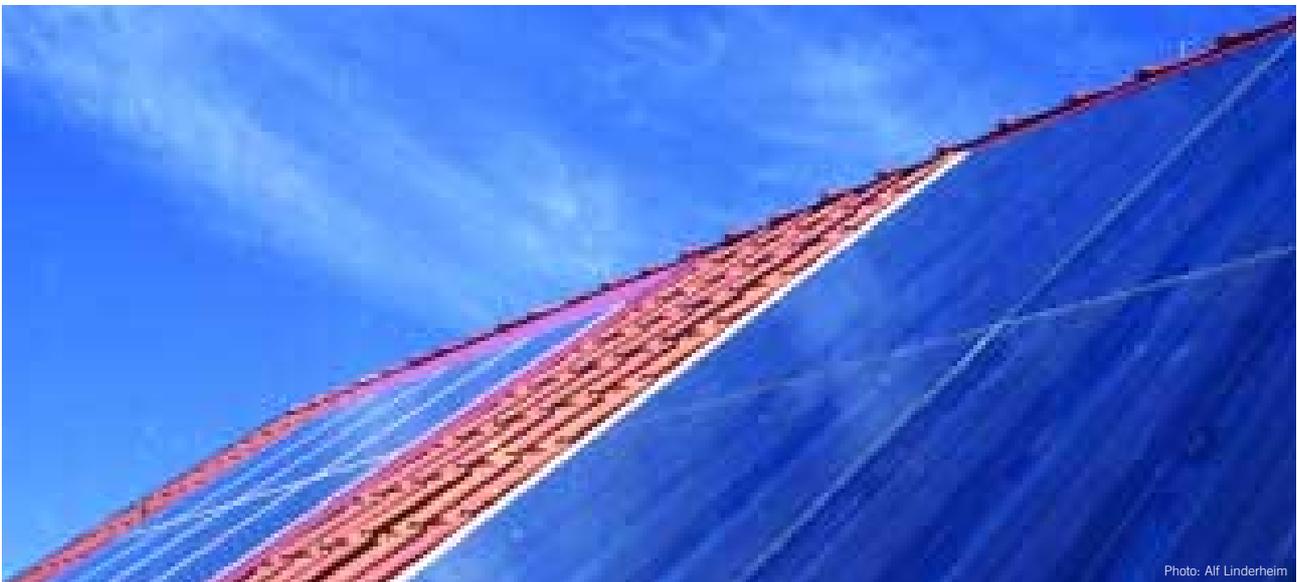


Photo: Alf Linderheim

# Report dates for state-owned companies

Company	Annual General Meeting	Interim report January–March 2004	Interim report January–June 2004	Interim report January–September 2004	Report on operations January–December 2004
A-Banan projekt AB	.04.05.26	.n.a.	.n.a.	.n.a.	.n.a.
Akademiska hus AB	.04.04.29	.04.05.06	.04.08.26	.04.11.05	.05.02.28
ALMI Företagspartner	.04.05.25	.n.a.	.04.08.11	.n.a.	.05.01.28
Apoteket AB	.04.04.14	.04.04.26	.04.08.01	.04.10.25	.05.02.21
Bostadsgarantin, AB	.04.04.10	.n.a.	.n.a.	.n.a.	.n.a.
Civitas Holding (Vasakronan)	.04.04.27	.04.04.27	.04.07.12	.04.10.26	Jan 2005
Dom Shvetsii	.04.05.14	.n.a.	.n.a.	.n.a.	.n.a.
GreenCargo AB	.04.04.29	.n.a.	.n.a.	.n.a.	.n.a.
Göta Kanalbolag	.04.04.19	.n.a.	.n.a.	.n.a.	.n.a.
Imego AB	.04.03.29	.n.a.	.n.a.	.n.a.	.n.a.
Ireco Holding AB	.04.04.23	.n.a.	.n.a.	.n.a.	.n.a.
Kasernen Fastighets AB	.04.03.25	.n.a.	.n.a.	.n.a.	.n.a.
Kungliga Dramatiska Teatern AB	.04.04.21	.04.05.07	.04.09.05	.04.11.08	.n.a.
Kungliga Operan AB	.04.05.18	.04.05.07	.04.09.05	.04.11.08	.n.a.
Lernia AB	.04.04.15	.04.04.30	.04.08.30	.04.10.29	.05.01.28
LKAB	.04.04.28	.04.04.28	.04.08.12	.04.11.27	Feb 2005
Civil Aviation Administration	.04.02.16	.04.05.25	.04.08.25	.04.11.25	.05.02.25
Nordea Bank AB	.04.03.31	.04.04.28	.04.08.18	.04.10.27	.n.a.
Norrland Center AB	.04.05.26	.n.a.	.n.a.	.n.a.	.n.a.
OMHEX AB	.04.03.25	.04.04.20	.04.07.21	.04.10.29	.n.a.
Posten AB	.04.04.28	.04.04.28	.04.08.26	.04.11.08	.05.02.25
The Government Offices	.n.app.	.04.05.28	.04.09.13	.04.11.24	Mar 2005
Samhall AB	.04.04.19	.04.04.28	.04.08.27	.04.11.02	.05.02.24
SAS AB	.04.04.22	.04.05.05	.04.02.11	.04.11.02	.05.02.01
SIS Miljömärkning AB	.04.05.24	.n.app.	.04.09.13	.n.app.	Mar 2005
SBAB	.04.03.24	.04.05.06	.04.08.26	.04.11.04	.n.a.
SJ AB	.04.04.15	.04.05.01	.04.08.01	.n.a.	.n.a.
Swedish Maritime Administration	.public enterprise	.04.04.27	.04.08.13	.04.10.29	.n.a.
SOS Alarm Sverige AB	.04.03.25	.04.04.29	.04.08.27	.04.10.29	.05.01.28
SP Sveriges Provnings och Forskningsinstitut AB	.04.04.14	.04.04.23	.04.08.13	.04.10.29	.05.02.18
Specialfastigheter Sverige AB	.04.04.21	.04.04.23	.04.08.30	.04.10.25	.n.a.
Statens väg- och baninvest AB	.04.06.11	.04.05.01	.04.08.01	.04.11.01	.05.02.01
Stattum, Fövaltningsaktiebolaget	.n.a.	.n.a.	.n.a.	.n.a.	.n.a.
Sveaskog AB	.04.04.28	.04.04.28	.04.08.25	.04.10.25	.n.a.
Svedab	.04.04.29	.n.a.	.04.08.27	.n.a.	.n.a.
Swedcarrier AB	.04.03.25	.04.04.30	.04.07.30	.04.10.30	.05.02.28
Swedesurvey AB	.n.a.	.n.a.	.n.a.	.n.a.	.n.a.
Swedfund International AB	.04.04.28	.04.04.30	.04.07.30	.04.10.30	.05.01.30
Svensk Bilprovning AB	.04.04.21	.04.04.30	.04.08.31	.04.10.29	.05.01.31
Svensk Exportkredit AB	.04.04.26	.n.a.	.n.a.	.n.a.	.n.a.
Svenska kraftnät, Affärsverket	.public enterprise	.04.05.31	.04.08.31	.04.11.30	.05.02.28
Svenska Miljöstyrrådet, AB	.04.06.15	.n.app.	.n.app.	.n.app.	.n.app.
Swedish Space Corporation	.04.05.04	.04.05.28	.04.09.13	.04.11.24	Jan 2005
Swedish Ships Mortgage Bank	.Govt. decision	.n.a.	.n.a.	.n.a.	.n.a.
Svenska Spel AB	.04.04.27	.04.04.23	.04.07.19	.04.10.25	.05.01.23
Sveriges Rese- och Turistråd AB	.04.03.30	.n.a.	.n.a.	.n.a.	.n.a.
Sweroad AB	.04.04.27	.04.04.30	.04.08.31	.n.a.	.n.a.
Systembolaget AB	.04.04.26	.04.05.15	.04.08.25	.04.11.03	.05.02.10
TeliaSonera AB	.04.04.17	.04.04.17	.04.07.28	.04.10.27	.n.a.
Teracom AB	.04.04.20	.04.05.05	.04.08.30	.04.10.28	.05.02.28
V&S Vin & Sprit AB	.04.03.25	.04.04.29	.04.08.23	.04.10.29	.n.a.
Vasallen AB	.04.04.22	.04.04.28	.04.08.31	.04.10.27	.05.02.28
Vattenfall AB	.04.04.22	.04.04.27	.04.07.29	.04.10.25	.n.a.
Venantius AB	.n.a.	.04.05.10	.04.09.10	.04.11.10	.n.a.
Voksenåsen AS	.04.05.14	.04.05.07	.04.09.05	.04.11.08	.n.a.





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