

Annual Report
State-owned
Companies 2002



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The Swedish state is Sweden's largest company owner. The Swedish Government Offices administer around 60 state-owned companies with a turnover of almost SEK 340 billion. There are approximately 200,000 employees in these companies, which provided a dividend of approximately SEK 10.2 billion in 2002. The state is moreover the largest owner on Stockholmsbörsen, the Stockholm stock exchange.

Altogether, this involves a considerable responsibility and demands long-term, professional administration. 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 government's overall objective is creating value for the owners, the Swedish people. 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.

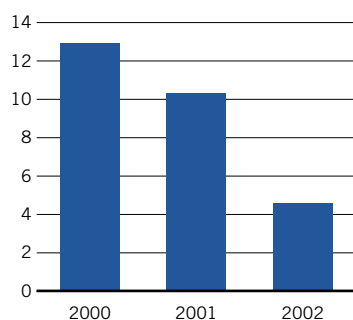
The annual report is a tool for increasing the transparency of state-owned companies. The following report contain a description of the state's ownership policy and a financial description of the state-owned corporate sector and the performance of individual companies.

Important events in 2002 – large and small ►►

STATE-OWNED COMPANIES

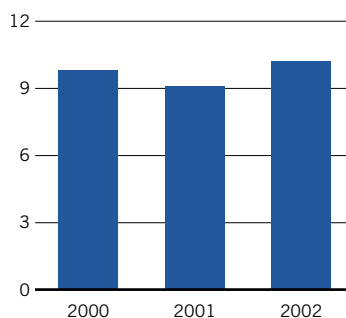
FINANCIAL FACTS, SEK billion	2002	2001	Change, %
Net turnover	337.5	294.2	14.8
Profit before tax	8.5	26.1	-67.4
Net profit	8.6	17.4	-50.6
Shareholders' equity	195.2	176.0	7.7
Total assets	876.6	962.9	-9.6
Cash flow from operating activities	75.0	50.9	47.3
Gross investment	67.6	129.0	-47.6
Average no. of employees	199,302	201,059	-1
Return on equity, %	4.6	10.3	-5.6 %-points
Equity/assets ratio, %	18.7	22.0	-3.3 %-points
Dividend	10.2	9.1	11

RETURN ON EQUITY, %



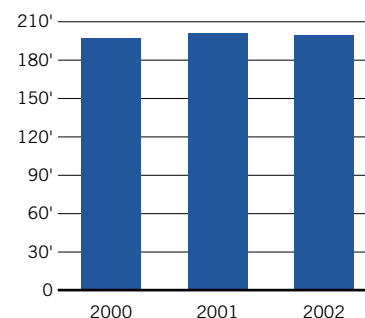
Return on equity amounted to 4.6 per cent in 2002.

DIVIDEND, SEK billion



Despite the weak profit performance, dividends increased to approximately SEK 10.2 billion.

AVERAGE NUMBER OF EMPLOYEES



The average number of employees fell marginally in 2002.

TeliaSonera

In March 2002 Telia and Sonera announced plans for a merger and final agreement was reached in December. The largest corporate transaction in Europe in 2002 was then a fact. The merger creating the leading telecommunications operator in the Nordic countries with approximately two and a half times as many subscribers as the nearest competitor in both fixed and mobile operations and one of the largest companies in the Stockholm region. Turnover in 2002 was SEK 80,979 pro forma with an underlying gross profit of (EBITDA) of SEK 25,457 million.

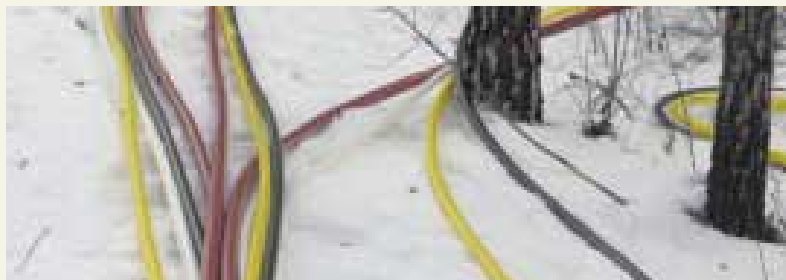


Photo: Carl-Axel Fridolf

Dramaten

In 2002, Dramaten has had 28 (27) productions in its repertoire, 18 (19) of which have been new productions. A total of 997 (957) performances have taken place on the theatre's six stages for a public of 296,368 (269,248). Booking during the year has been 89 (92) per cent and the proportion of non-Stockholmers in the audience has been estimated at 24 per cent.



Apoteket

Apoteket is to meet the need for pharmaceutical products throughout Sweden and is obliged to stock all pharmaceutical products that have been approved for the Swedish market. As from 1 October 2002, a replacement of pharmaceutical products was introduced at pharmacies which means that a prescribed pharmaceutical product is to be replaced at the pharmacy if a cheaper equivalent is available. Among other things, this has led to price cuts by pharmaceutical companies.

Apoteket's 900 pharmacies have had 87 million customer visits during 2002 and processed 68 million prescription order items. Apoteket's costs account for approximately 18 per cent of the total costs for pharmaceutical products. The Swedish pharmacy system has a low distribution cost compared with other European pharmacy systems.



SOS Alarm

The company is required to have an average response time of 8 seconds. The average response time in 2002 was 7.1 (6.7) seconds. However, the big city alarm centres do not comply with this requirement at present. SOS Alarm is going to install a new technology platform in the next few years which will improve the prerequisites for meeting the requirements made on the activity as the same time as enabling efficiency improvement.

SJ

SJ AB's board drew up a balance sheet for liquidation purposes on 4 December 2002 for the parent company, for the company's position on 30 September 2002, which was examined by the company's auditors. It was noted that there was a deficiency of capital. This balance sheet was presented at the extraordinary shareholders' meeting on 15 January 2003, whereupon the board decided to continue the company's operations to examine the possibilities to remove the deficiency of capital. The company's financial situation requires that the deficiency of capital that has arisen be remedied at the latest by 15 September 2003. The government has presented a bill with proposals on how the capital requirement is to be dealt with.



Photo: Industrifotografen AB



Posten

The new service network was established in 2002, increasing access to Posten's services. The daily nationwide cash service provided for by statute is taken care of by the subsidiary Svensk Kassaservice while Posten provides letter and parcels services.

Vattenfall

Vattenfall consolidated its German holdings during the year under Vattenfall Europe which now accounts for approximately 60 per cent of the company's turnover. Profit before tax increased by 34 per cent to SEK 9,987 million, primarily due to increased profitability in Germany, improved earnings in Electricity production Nordic region and Market Nordic region and reduced losses in IT operations that have been wound up.

Vattenfall, with a vision of becoming a leading European energy company, has a market share of approximately 20 per cent in the Nordic countries and is the fifth largest electricity company in Europe. Consolidation in the energy industry continued in 2002 and in early 2003 with, for instance, the German E.ON's acquisition of Ruhrgas.



Vasallen

Vasallen was given an expanded commission in 2002, which entails that the company may also acquire municipal residential properties on commercial terms. The government has also proposed that Vasallen be able, on commercial terms, to develop and refine properties established for the needs of the defence industry. The intention is to transform these properties into commercial premises or for other appropriate purposes to be eventually sold on commercial terms.



Photo: Dan Coleman

ALMI Företagspartner

ALMI made a total of 40,000 contributions in the form of information, general advice, financing and in-depth inputs in existing expanding companies in 2002. ALMI moreover participated in the establishment of new companies and support to new companies by contributions to approximately 43,000 persons and companies. ALMI had 24,000 contacts during the year with innovators and innovations companies.

Total new lending in 2002 increased compared with the previous year. New lending totalled SEK 918 million in loans granted to 2,282 companies.



Swedish Civil Aviation Administration

The air industry, both internationally and in Sweden, is having to deal with considerable financial difficulties. Most airline companies are losing money and this is increasing the pressure on all players in the industry to change, make efficiency improvements and reduce costs. An energetic action programme to achieve durable improvements in earnings was embarked upon in autumn 2001 and is expected to continue until 2006 and provide improvements in earnings of approximately SEK 1,000 million.



Photo: Mats Bäcker

Operan

The number of performance and other arrangements by Operan was 415 in 2002 in comparison with 418 the previous year. The number of visitors increased for the third year running to 239,314. The average booking at performances on the Operan's large stage remained high – 80 per cent (85) for opera and 78 per cent (73) for ballet.

V&S Vin & Sprit

V&S has endeavoured for a number of years to strengthen the company's position internationally, in order to be able to make use of scale benefits and to hold its own in competition with other major international players. In 2002, V&S reinforced its position in the Nordic market by completing the acquisition of Oy Nordic Wine Group. This acquisition and partnership has enabled the company to strengthen its position in the international alcoholic beverages market.



Sveaskog

Sveaskog is Sweden's largest forest owner with 4.6 million hectares of land, corresponding to approximately 16 per cent of the country's total forested area. The company owns Sweden's largest sawmill business and AssiDomän Cartonboard, a cartonboard factory in Frövi. After the acquisition of AssiDomän in 2001, the operations of both companies have been integrated.

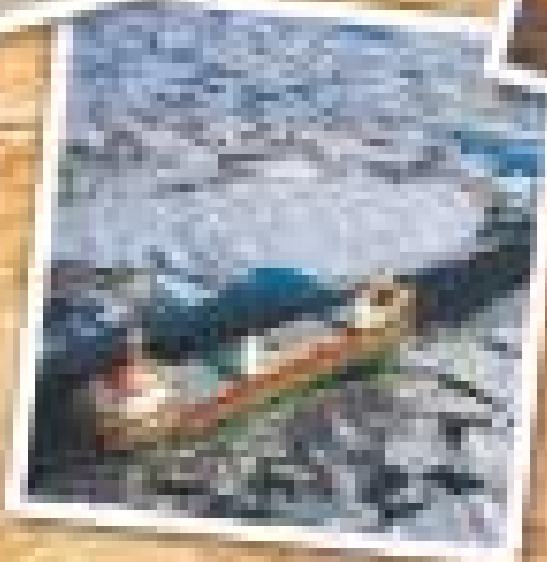
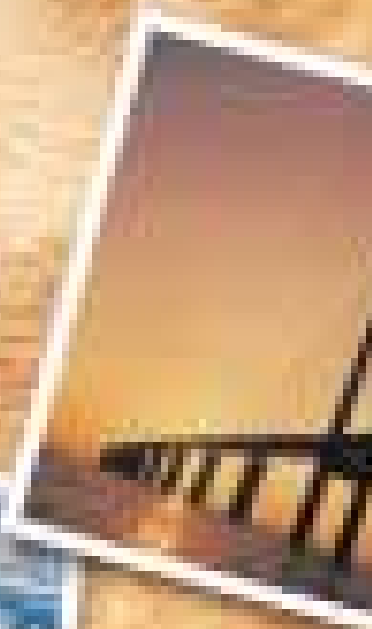


Teracom

2002 was another loss year for Teracom. The negative result was largely due to the company being unable to charge prices that correspond to cost coverage for digital radio and TV broadcasts. The company initiated a cost cutting programme during the year which is to reduce costs by SEK 150 million as from 2004. The subsidiary Boxer continued to make a loss, mainly as a result of subsidy of digital-TV receivers (boxes) for new subscribers. However, the increased subscriber stock meant that the rate of loss was considerably reduced. Both the equity-assets ratio and liquidity were insufficient at the turn of the year. This has led the government to propose a capital contribution to Teracom of SEK 500 million. The government makes the assessment that the identified cost-saving measures combined with a successively improved cost coverage for the digital broadcasts makes possible repayment of the capital contribution in the medium term.



Foreword





REGERINGSKANSLIET

Large amounts have been lost at stock exchanges around the world. In Sweden, the value of shares on Stockholmsbörsen has fallen three years in a row, not only due to the bursting of the IT and finance bubbles but also as a result of a decrease in profitability in companies. More than half of the companies listed on Stockholmsbörsen last year made a loss. The state-owned companies have not been immune. At the same time as Stockholmsbörsen fell by 37 per cent last year, the value of the state's market portfolio fell by 30 per cent.

Profit in the state-owned companies was halved in 2002. In addition, financial problems have led to a need for capital contributions. It is difficult to be satisfied with this kind of development.

In difficult times and after bubbles burst, we also see how normally viable companies risk failure if their owners do not adopt a sufficiently long-term approach. It is evident that different types of owner fulfil different functions and contribute to a balanced dynamic in the business sector. Developments in recent years have, however, indicated that there is an increased need for long-term owners. The government assumes its long-term responsibility as an owner – both in upswings and downturns.

Despite the difficult economic situation that the world and many companies are in, there are bright spots. More than half of the state-owned companies improved their results compared with last year. The companies' dividend payments to the treasury are expected to be over SEK 10 billion this year. Through deliberate targeted work with nominations, the government has also shown that it is possible to change the skewed gender representation on company boards. Women now make up 42 per cent of the board members of wholly-owned state companies. The government makes the assessment that the goal of 40 per cent women will also be achieved for the expanded group of companies in which the state's share exceeds 20 per cent when annual general meetings have been held in all companies.

In the light of the accounting scandals in recent years and the unreasonable levels of compensation for leading executives in many quarters in the business sector, the importance of the government's having communicated its point of view in important ownership issues appears even greater. This does not least apply to guidelines for terms of employment which means that salaries are other benefits to leading executives are to be competitive but not wage-setting for the market. These guidelines must be carefully evaluated and updated in the coming period.

In conjunction with the cabinet reshuffle, it was decided to take an overall grip on the administration of state-owned companies. The ownership administration has therefore been concentrated to the Ministry of Industry, Employment and Communications, which also has overall responsibility for ownership issues. The intention is to achieve clearer owner control of state-owned companies.

Measuring how successful companies are controlled is complex. However, all owners and the state in particular bear a great responsibility for providing companies with the best prerequisites for long-term creation of value. This includes nominating boards with broad, relevant competence combined with specific leading-edge expertise.

Transparency, clear and fair accounting, and independent auditors are fundamental for establishing confidence in executive managements and boards. This also applies to state-owned companies. Expectations and demands for transparency on the companies that are ultimately owned by the Swedish people shall be at a high level.

With this annual report, the government is taking a further step in its endeavour to increase insight into the companies that are the Swedish people's common property.

Stockholm, 15 May 2003

Göran Persson
Prime Minister

Leif Pagrotsky
Ministry for Industry, Employment and Communications

State ownership policy

The Swedish state is Sweden's largest company owner. The Swedish Government Offices administer 59 companies or groups, of which 44 companies are wholly owned and 15 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.

THE OWNERSHIP ROLE AND THE COMMISSION

In the same way as businesses owned by other owners, the state-owned companies are facing increasingly fierce competition. Exemplary transparency is therefore required to be able to evaluate the performance of the companies in a situation of stiffer competition. State ownership administration therefore requires a clear, open ownership policy adapted to the increased demands made in a changing environment. 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 government's overall objective is creating value. No detailed assessment of the total value of state-owned companies has been made. The Ministry of Industry, Employment and Communications makes the assessment that the total value is between SEK 350 and SEK 410 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 clarifies the

requirements for efficiency, profitability and development capacity.

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 evaluation of these companies is thus more complex.

Like other owners, the government has access to various tools to achieve the set goals. The composition of the board, transparency and the auditors are examples of three important tools.

THE OBJECTIVES AND PREREQUISITES OF THE COMMISSION:

- The commission is to manage the assets that the state-owned companies represent in a professional way.
- The objective is to create value for the owners, the Swedish people.
- The state-owned companies operating under market conditions are to operate under the same conditions and have the same demands made on their activities as other players.
- A number of state-owned companies are primarily intended to fulfil special societal interests. In these companies, value is mainly created from the social benefit produced by the companies.

OWNERSHIP FRAMEWORKS AND TOOLS:

- The Swedish Companies Act provides the framework for the companies and the articles of association specify the general direction of the company's activities.
- The boards bear full responsibility for the activities of the companies.
- The companies' special commissions is decided upon by the Swedish parliament, the Riksdag, regulated by law or by agreement between the company and the state.
- In order to achieve uniform administration, the government provides guidelines for external reporting, terms of employment, etc.
- The Government Offices continuously evaluates the performance of the boards and deals with the ownership matters that arise.

Transparency

For state-owned companies, the requirement for 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.



REPORTING BY THE COMPANIES

From the owner's perspective, financial reporting by the companies is of particular importance since it is an important control instrument in the continuous monitoring and evaluation of the company.

Financial information is the basis for the companies' public reporting and should be supplemented by accounts of market trends, sensitivity analyses, etc. to provide guidance in the interpretation of the factors that create value in the company. The extent to which the special societal interests have been fulfilled, where applicable, should be regarded as just as important as other reporting. Environment, equal opportunities and diversity-related reporting should also be integrated, as far as possible, in the annual report.

On 20 March 2002, the government adopted guidelines for the external financial reporting for state-owned companies (see page 18). There is in addition an explicit ambition that the state-owned companies should submit accounts before 31 January as from 2004's closure of the accounts.

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 which enable the reader to evaluate how the administration of state-owned companies is being managed.

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 published an annual report on state-owned companies.

The annual report is targeted at the general public, the media, trade unions and other interested parties, but is also an appendix to the government's official annual report on state-owned companies. The annual report aims to illustrate the government's management and development of ownership matters. Moreover, 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 interim reports describing the development of state-owned companies. The interim reports are published quarterly and provide readers with continuous monitoring during the year of 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 have the ambition to publish the reports more promptly after the end of the reporting period.

ANNUAL GENERAL MEETINGS

Annual general meetings of limited companies aim to provide shareholders with an opportunity to decide on the company's affairs. The Swedish Companies Act (SFS 1975:1385) makes no distinction between state-owned companies and private limited companies. 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. It can therefore be appropriate for the wholly state-owned companies to offer some kind of outward-directed activity in connection

with the annual general meeting where the public is also given the opportunity to ask questions to the management of the company. The company management and board decide on the practical arrangements for the meeting. For reasons of planning, it is reasonable that those who wish to attend the general meeting or activities in conjunction with the general meeting must notify the company of their intention to attend in good time. There are a number of activities which can be targeted on the public, the media, or other stakeholders within the sphere of interest of the company in question.

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 right of member of the Riksdag to attend

The board is responsible for sending notice of the annual general meeting to the Riksdag Office at the latest four weeks and at the earliest six weeks before the meeting. Members of the Riksdag wishing to attend the meeting should notify the company's board not later than two weeks in advance. This applies to all companies in which the state owns at least 50 per cent of the shares and which have more than 50 employees.

Effective boards

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.

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. Each nomination should thus be based on the competence requirements of each company's board. During the period 1999 to 2002, over 200 new board members were appointed by the government.

LIABILITY

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. Accordingly, board members of state-owned companies have the same unlimited responsibility as Board members of privately-owned companies.

NOMINATION PROCESS

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.

In this process, it can on many occasions be a support for the owner or owners if the board has evaluated itself and drawn up an inventory of changes required regarding its composition and future competence requirements.

THE CHAIRMAN OF THE BOARD

The chairman of the board is to ensure that the work of the board is of high quality and is performed with a degree of uniformity. Particularly high demands should therefore be made on the chairman of the board with regard to competence and ability to lead the work of the board.

GENDER BALANCE

The composition of the boards should also achieve a balance regarding competence, background, age and gender. The target for state-owned companies is equal gender distribution and a sub-target is that, by 2003, at least 40 per cent of the board members should be women. As at 16 May 2003, 39 per cent of the board members and deputy board members of state-owned company boards, who had been elected at annual general meetings, were women. At the turn

of the year 2002/03, the proportion was 37 per cent. In the companies wholly-owned by the state, the proportion of women was 42 per cent on 16 May 2003. The government makes the assessment that the target of 40 per cent will be also be achieved for the expanded group of companies where the state's ownership portion exceeds 20 per cent, when annual general meetings have been held in all the companies.

DIVISION OF RESPONSIBILITY

According to the Swedish Companies Act, responsibility is divided between the managing director (MD) and the board so that the MD is responsible for the day-to-day administration in accordance with the board's guidelines and instructions. With a view to clarifying this division of responsibility, the MD should not normally sit on the board. The government will not therefore appoint any new managing directors to the board.

EVALUATION

It is worthwhile if the board is evaluated as a group but evaluation by individual can also be of value. The overall evaluation, which is usually carried out annually, can serve as the basis for development of the board's working methods and also as supporting information for the owner.



Every nomination is to be based on the competence required in the respective board.

Photo: Ulf Jonsson



SIZE OF THE BOARD

In order for boards to be effective, they should not be too large. The number of members should normally be between six and eight. In 2002, the boards of state-owned companies comprised on average 7.7 members (7.3) including deputies. The size of the boards varies from a minimum of 3 to a maximum of 14 members. The government's intention is to restrict board membership to directors, unless special reasons demand otherwise, since each member should have the same responsibility, driving force and commitment to the development of the company.

THE COMPOSITION OF THE BOARD

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. The board should have a composition that provides it with the capacity to make independent assessments of the company's activities. Owner representation on the boards normally consists of the responsible administrator being a director. During 2002, approximately 40 officials were Board members of state-owned companies.

NOMINATION COMMITTEES IN LISTED LIMITED COMPANIES

Board nominations for listed companies in which the state is a shareholder should be made in consultation with the other principal shareholders through a nomination committee. The proposals reached should be published in good time before the annual general meeting and the committee members should attend the meeting to justify their choice of nominees. In listed companies in which the state has a large participating interest, at least one member of the nomination committee should represent the state.

The nomination committee should consist of three to five members, and the majority should represent the principal shareholders. The annual general meeting can appropriately instruct the chairman 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. It is appropriate that the nomination committee should also propose board fees.

FEES

The board members receive remuneration for the work and responsibility that rests on them. The fees are determined by the annual general meeting. Historically, board fees in state-owned companies have been relatively low in comparison with privately-owned companies with an equally large turnover and number of employees. In order to increase transparency, a survey of fee levels in state-owned companies is presented in the table below.

FORMAL WORK PLAN

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

pared a proposal as support for the boards when drawing up and revising formal work plans and for handling certain information-related issues. The proposal is couched in general terms and focused on a number of central questions that include contact channels between the representatives of the owners and the companies and work in committees. The proposal also includes material to support the evaluation of the board.

THE AUDIT COMMITTEE

The government has no specific policy on the use of committees in the board. An audit committee can be established to increase insight and checks of the company's accounts, financial reporting and risk management. The establishment of an audit committee should be guided by whether there is a special need, that it should enhance the effectiveness of the work of the board and that a written formal work plan is to be drawn up and approved by the board. A committee never takes over the board's collective and individual responsibility regardless of the questions which it is assigned to deal with.

	Fee 2002 Chairman of the board state-owned company	Fee 2002 Board member, state-owned company
BOARD FEES¹⁾, SEK 000s		
Large companies (5 companies)		
Median	270	170
Mean	331	167
Interval	134–550	67–300
Medium-sized companies (11 companies)		
Median	165	80
Mean	232	78
Interval	73–900	28–129
Smaller companies (13 companies)		
Median	76	48
Mean	101	45
Interval	55–200	28–70
Small-sized companies (17 companies)		
Median	53	28
Mean	62	30
Interval	25–114	7–87

Large companies: turnover of >SEK 24 billion.

Medium-sized companies: turnover of SEK 5–24 billion or with total assets of less than SEK 25 billion.

Smaller companies: turnover SEK 0.5–4 billion.

Small-sized companies: turnover SEK <0.5 billion.

¹⁾ The evaluation includes 46 companies where the state's shareholding is larger than 20 per cent. AO Dom Shvetsii and Swedesurvey are not included in this evaluation.

The role of auditors

The task of the auditors to examine the board's and the managing director's administration of the company and the company's annual report and accounting records in an independent way. This is of central importance for the state as owner.

APPOINTMENT OF AUDITORS

The owner is always responsible for the appointment of auditors for state-owned companies. This does not prevent the practical work of procurement being dealt with by the company's accounting department, an audit committee or another suitable function. The representatives of the owners, the Swedish Government Offices, monitor all stages of the procurement process, however, from procurement criteria to selection and evaluation. The final decision is always made by the owner at the annual general meeting.

Auditors are appointed for a four-year period of office. Before they can be re-appointed for a further period, the auditors of each company must be evaluated. Continuous evaluation should take place in order to correct any deficiencies and to clarify the owner's wishes on how ongoing collaboration is to take place.

DIALOGUE

It is appropriate that the auditors meet the board at least twice a year, or when necessary, to discuss the accounts, the administration and the risk management of the company. There should be an open dialogue on these occasions and it is part of the auditors' commission from the owners to point out any deficiencies or problems.

The officials in the Swedish Government Offices who are responsible for the administration of the wholly state-owned companies should have a good relationship with the auditors and engage in continuous dialogue with them.

GUARANTEEING INDEPENDENCE

Taking into consideration the Auditors Act and the responsibility placed on auditors, it is appropriate that the board establishes its own view on the independence of the auditors. The board should monitor the freestanding advisory assignments that the auditors may be given by the company management and have access to the assessments made by the auditors in accordance with the auditors' analytical model. In the event of other consultancy services providing a considerable part of the auditors' remuneration, this circumstance should be explained and justified in notes which give an account of remuneration to auditors.

SUPPORT FOR COMPLIANCE WITH GUIDELINES

The auditors should due to their insight into the company's administration also assist the board in evaluating implementation of and compliance with the guidelines issued by the government, for, for instance,

incentive schemes, terms of employment and the external financial reporting.

In order to increase transparency, the Swedish Government Offices compiles a survey of auditors' fees and other fees to auditors in state-owned companies (see table).

RIKSREVISIONEN

(THE SWEDISH NATIONAL AUDIT OFFICE)

On 1 July 2003, the Auditing of State Activities etc. Act (SFS 2002:1022) came into force. This act entails that a new authority subject to the Riksdag, Riksrevisionen (the Swedish National Audit Office), shall have the right, within the framework of auditing efficiency, to examine activity engaged in by the state in the form of limited companies. This examination can be carried out if the activity is regulated by law or other statutory provisions or if the state has a decisive influence over the activity.

The Swedish National Audit Office will also be able to appoint one or more auditors to participate in the annual audit of the aforesaid companies. This means that the Swedish National Audit Office, together with other auditors, will examine the companies in accordance with the provisions of the Swedish Companies Act on auditing.



AUDIT FEES¹⁾

COMPANY	Audit expenses, SEK 000s	Other consultancy expenses, SEK 000s	Total, SEK 000s	Share revision, %	Share of total audit expenses, %	Share of total assets, %
	BDO	473	0	473	100	0
Deloitte & Touche	33,949	13,075	47,024	72	18	8
Ernst & Young	46,493	47,037	93,630	50	37	47
KPMG	24,769	25,684	50,454	49	20	35
SET	2,027	789	2,816	72	1	0
Öhrlings						
PricewaterhouseCoopers	24,011	30,762	54,772	44	21	9
Other	4,449	2,098	6,547	68	3	0
Total excluding National Audit Office	136,171	119,445	255,716	53	100	100
National Audit Office	5,416	0	5,416	100		

¹⁾ The summary which includes information from 50 companies where the share owned by the state is over 20 per cent, shows that the audit companies' share of income relating to audit is between 44 and 100 per cent from these state-owned companies.

Effective capital structure

In the past few years, the Swedish Government Offices have undertaken a number of measures, in consultation with the companies, to increase the focus on the core business and optimise the capital structure.

Historically, there have been two problems within the state-owned corporate sector: an inefficient capital balance and expansion outside the core business. One reason that state-owned companies tend to be overcapitalised is uncertainty whether the owner, i.e. the state, is prepared to inject new capital if investment is required.

IMPROVED CAPITAL STRUCTURE IN STATE-OWNED COMPANIES

In its supplementary budget in the Spring Budget Bill 2002/03:100, the government has made a proposal for an improved capital structure in state-owned companies. The Riksdag will consider this bill on 10 June 2003.

The government now has substantial opportunities to influence the size of the state-owned companies dividends to the state budget although it has limited opportunities to restore funds to the companies when this is required. This restricts the owner's freedom of action in an inappropriate way. A possibility of investing funds in the companies also provides better opportunities to adjust the companies' financial structure by additional dividends.

In its administration of the companies, the government is justified in demanding a return and effectiveness corresponding to that achieved by private companies. A private company owner is able to distribute resources between different companies. In certain cases,

measures may be required in companies that have financial problems. Furthermore, partly-owned companies often have redemption agreements of various kinds that the government cannot comply with without special decisions by the Riksdag. Altogether, this means that the state's administration of the companies is hindered at the expense of the development of the businesses.

Access to some capital is required if the state is to be able to adjust the capital structure in the state-owned companies. These funds are to be available in a special interest-bearing account at the National Debt Office. There is not to be any credit facility associated with the account. Normally, the approval of the Riksdag is to be obtained before a capital contribution can be made. The contributions made can be various forms of shareholders' contribution, loans or refer to other purposes decided upon by the Riksdag. Exceptionally, when decisions cannot wait, for instance, during the Riksdag's summer recess, the government is authorised to make the necessary capital contributions with regard to smaller amounts. In these cases, the consent of the Riksdag must be obtained retrospectively.

The contributions made shall be intended to further develop a well-functioning activity that requires additional capital or to enable use to be made of existing pre-emption agreements. The EU regulatory framework for support in accordance with the

"market investor principle" is to be taken into consideration in any capital contributions.

The financial strength and assignment of the companies is to serve as a guideline in the assessment of how large an additional dividend the companies can bear. It is estimated that it is possible to carry out single-occasion dividends of at least SEK 3 billion without damaging the companies' financial position. These are funds that would otherwise not be paid in through the ordinary share dividends but which would remain in the corporate sphere. It is expected that the additional dividends will be decided upon during 2003. Through these measures, tied-up capital will be reduced, the state's capital can be used more effectively and state ownership will be clearer and provide better prospects.

FOCUS ON CORE BUSINESS

The other problem has been that a number of state-owned companies previously expanded within operations outside the company's core business. In general, this increases the company's risk since the company begins to compete in areas in which it has little or no experience. The management loses its focus on the core business and the owner runs the risk that the company's objectives are not met or are disregarded. A number of state-owned companies have clearly focused on the core business in the last few years. For example, Vattenfall disposed of its IT operations which were not classified as a core business.



Inputs are to be intended to further develop an activity that is performing well that requires additional capital or to be able to make use of existing pre-emption agreements.

Important policy issues

Sweden is to take the lead in the changeover to economically and socially sustainable development. The Swedish gender equality work is to be successful and an international example. In the following issues, all companies must assume great responsibility, not least state-owned companies.

The following section provides an account of government policy in certain issues of a principled nature and how they affect state-owned companies. These policy issues are a statement of intent by the government in areas which are of importance for the whole of society.

COMPANIES AS A PART OF SOCIETY

The board and management are responsible for ensuring that state-owned companies are managed in an exemplary manner and well within current legislation. Environmental and ethical considerations should be self-evident evaluation parameters for decisions concerning the administration of state-owned companies.

In March 2002, the Swedish government presented the Global Responsibility initiative, which aims to promote good practice for companies with regard to respect for human rights and basic working conditions, combating corruption and a better environment. The government urged Swedish companies to join the initiative in an open letter. Through Global Responsibility, the government urges Swedish companies to assume an expanded societal responsibility in Sweden and globally. The initiative is based on the OECD guidelines for multinational companies and the UN's "The Global Compact". The OECD guidelines are supported by 36 governments and provide joint recommendations for good corporate practice in a number of important social and environmental issues. They therefore provide an excellent support for both privately-owned and state-owned companies, regardless of whether they are active nationally or multinationally. Joining Global Responsibility can thus be a good objective for the companies' work in this field. The government's ambition is for more companies, not least state-owned companies, such as Vattenfall, to join the initiative. Read more at www.ud.se/ga.

In the Government Declaration, it was stated that Sweden should continue to take the lead in the changeover to an ecologically sustainable society. One result of environ-

mental issues being regarded as commercial and strategic matters is that the board can influence the companies' environmental work. Companies with an environmental impact need to have a serious environmental programme and good environmental competence in order to avoid environment-related risks and costs. The costs may consist of both high rectification or decontamination costs and the costs due to a deterioration in the company's reputation with suppliers, customers and the general public. Environmental adaptation is in many cases a prerequisite for profitability. State-owned companies should therefore, like the rest of the business sector, contribute to the fulfilment of national environmental objectives.

The boards should actively monitor the companies' efforts in matters concerning ecologically sustainable development.

THE GENDER PERSPECTIVE IS SELF-EVIDENT

The government's target for gender distribution on the boards of state-owned companies is equal gender distribution. A sub-target is that, by 2003, at least 40 per cent of board members are to be women. (rskr. 1999/2000:24). As at 16 May 2003, the proportion of women among the board members and deputies elected by the annual general meetings in the boards of state-owned companies³⁾ was 39 per cent. At the year-end 2002/03, the proportion was 37 per cent. The proportion of women in the companies wholly owned by the state was 42 per cent on 16 May 2003. The government's assessment is that the objective of 40 per cent will also be achieved with regard to the expanded group of companies where the state's ownership share exceeds 20 per cent when general meetings have taken place in all companies.

The government regards making use of women's competence and experience as an ongoing and important task, not least by mana-

gerial appointments. The government's ability to give detailed instructions and to directly influence developments in this sphere is limited, except in the cases where the appointment is decided upon by the government itself. The managements and boards of the state-owned companies should set a good example in equality work. This applies not least when new executive appointments are to be made.

DIVERSITY PAYS

Experience from companies in both Sweden and abroad shows that diversity pays. Increasing globalisation and keener competition require employees to have a higher and broader level of competence. Diversity work involves taking advantage of human differences and creating strength from the fact that each employee has his or her personal skills, qualities and characteristics. The overall objective of diversity work is that the competence and experience of all employees should be utilised in business activities. For example, action plans can be drawn up to take advantage of the human resources available in people from different cultural, ethnic and social environments. The action plans should be used as tools to broaden the recruitment base in order to recruit the most suitable candidates.

The government considers that diversity work is important and assumes that state-owned companies take this into account in their operations and that this is reflected in their human resources policy.

THE AIM OF A HEALTHIER WORKPLACE

In the Government Declaration, the government set the target of halving the number of sick leave days by 2008.

All companies and workplaces have an important role in the work of increasing health. Strategies to create workplaces where people can work, perform well and feel good at the same time are an important discussion for company managements. It is

³⁾ Does not apply to the "10/24 companies". The provision does not apply to employees abroad.

also a discussion that can be conducted in the boardrooms in the same way as other issues of a strategic character.

There are many good instances of measures that have been taken. The government hopes that the state-owned companies can set an example with regard to reducing sick leave. The government intends therefore to report on the development of sick leave in the state-owned companies.

As from 1 July 2003, a new provision comes into effect in the Annual Accounts Act. This provision means that all³⁾ companies are to provide information on the employees' absence due to illness during the financial year. The government is complying with this principle in advance by providing information on sick leave on the respective company page on page 34 pp.

STATE-OWNED COMPANIES IN THE IT SOCIETY

The government's IT policy objective is that Sweden should be the first country to become an information society for all. The government considers that IT is a tool which facilitates opportunities for achieving objectives in a number of important areas, including growth, employment, regional development and diversity, and for achieving a sustainable society. State-owned companies account for a large part of the domestic corporate sector, and the IT development of these companies will thus also be important for Swedish growth and contribution to job creation and increased productivity. Many state-owned companies have a well-developed IT strategy, e.g. SJ, SBAB and the Swedish Civil Aviation Administration. As an owner, it is a question of ensuring that the companies create the best conditions for being competitive in the market in which they operate.

ACTION PROGRAMME FOR ARCHITECTURE, GRAPHICS AND DESIGN

The Riksdag passed a resolution concerning objectives for the government's work on architecture, graphics and design (Government Bill 1997/98:117, Report 1997/87:KrU14, rskr. 1997/98:225). The government's involvement in these matters should include the following objectives: quality and aesthetic aspects should not be subordinate to short-term financial considerations. Historical and aesthetic values in existing environments should be preserved and strengthened. Moreover, public and publicly subsidised construction, decoration and purchasing should treat quality matters in an exemplary manner.

ENVIRONMENT	Proportion yes, no. of companies		Proportion yes, no. of companies		Proportion yes, total assets 2002, %	Proportion yes, total assets 2001, %
	Yes	No	2002, %	2001, %		
Environmental policy	38	14	73	70	97	92
Environmental policy adopted by board	22	26	46	n.a.	52	n.a.
Makes environmental demands on suppliers	37	15	71	57	95	74
Provides employees with environmental training	27	25	52	57	74	60
Publishes separate environmental report	12	40	23	19	56	21
Has an environmental management system	33	19	56	53	75	71

A review of state-owned companies¹⁾ shows that 38 companies and 97 per cent of the total assets in state-owned companies are covered by an environmental policy. Environmental management systems have been introduced by 33 companies with 75 per cent of the total assets. Of the companies which do not have an environmental management system, four have resolved to introduce such a system and several others conduct operations of a nature that has only a very limited impact on the environment. The board of state-owned companies have demonstrated that environmental issues are important in that 46 per cent of the environmental policies in state-owned companies have been resolved upon by the board. 14 of the companies have revised their environmental policy since 1 January 2002.

GENDER DISTRIBUTION Post	Women	Men	Total	Proportion of women		Proportion of women		Proportion of women	
				16.05.03, %	31.12.02, %	31.12.01, %	31.12.00, %	31.12.99, %	
Representatives appointed by general meeting									
Chairman	8	43	51	16	13	13	7	n.a.	
Deputy chairman	3	10	13	23	22	24	11	n.a.	
Other board members	135	169	304	44	43	43	36	n.a.	
Deputy members	6	15	21	21	25	27	27	n.a.	
Total deputies appointed by general meeting	154	235	389	39	37	37	30	29	
Employee representatives²⁾									
Directors	16	60	76	–	21	22	17	n.a.	
Deputies	15	49	64	–	23	22	28	n.a.	
MD and senior management²⁾									
MD/DG	6	45	51	–	12	15	12	n.a.	
Senior management	76	257	333	–	23	25	n.a.	n.a.	

²⁾ Relates to situation on 31 December 2002.

GENDER DISTRIBUTION, WHOLLY-OWNED COMPANIES	Women	Men	Total	Proportion women	
				16.05.03, %	31.12.02, %
Representatives appointed by general meeting					
Chairman	8	32	40	20	
Deputy chairman	3	8	11	27	
Other board members	111	128	239	46	
Deputy members	5	10	15	33	
Total members appointed by general meeting	127	178	305	42	

As at 16 May 2003, the proportion of women of the board members and deputy members appointed at general meetings in the boards of state-owned¹⁾ companies was 39 per cent. At the turn of the year 2002/03, the proportion was 37 per cent. In the companies wholly-owned by the state, the proportion of women was 42 per cent as at 16 May 2003. The government makes the assessment that the target of 40 per cent will also be achieved for the expanded group of companies where the state's share of ownership is larger than 20 per cent when annual general meetings have been held for all companies.

DIVERSITY	Proportion yes of		Proportion yes of total	
	Yes	No	no. of cos, %	no. of employees, %
Active diversity work	39	13	75	91

91 per cent of the employees in state-owned companies¹⁾ are covered by active diversity work. The companies that have stated that they do not have a plan for diversity issues mainly consist of companies with fewer than 10 employees.

¹⁾ The evaluation includes companies where the state's share of ownership exceeds 20 per cent.

Guidelines

The following section describes the guidelines adopted by the government regarding incentive schemes, terms of employment, and external reporting by state-owned companies.

INCENTIVE SCHEMES

On 25 November 1999, the government adopted guidelines regarding incentive schemes for employees in state-owned companies. An incentive scheme is a system for rewarding the performance of employees, whereby the reward is dependent on how the employee's performance raises the value of the company. It is the duty of the board of directors to ensure that the company – if an incentive scheme is introduced – complies with the government's guidelines regarding incentive schemes for employees in state-owned companies.

The fact that the government has worked out guidelines for incentive schemes should not be interpreted as that the government recommends that such schemes be introduced.

The guidelines pertain to companies that are wholly-owned by the Swedish government. In companies where the government is a shareholder, the guideline should, in accordance with a government decision, be applied as far as possible after a dialogue with the other shareholders.

The intention of the incentive programme for employees is to encourage all employees in the company to work towards achieving the overall business goals set for the company. Incentive schemes are often associated with "value-based management systems". These systems are an instrument for directing attention to the increase in value by more efficient capital utilisation.

The guidelines also state that all employees are to be covered by the incentive scheme and the company shall describe all incentive schemes in the annual report.

TERMS OF EMPLOYMENT IN STATE-OWNED COMPANIES

Negotiation of terms of employment for managing directors is primarily a matter for the chairman of the board in consultation with several other board members.

However, the company's elected board shall jointly take the final decision on the terms of employment for managing directors and shall decide whether these terms of employment comply with the guidelines issued by the government in December 1996. The board and the managing director shall ensure that these guidelines are also applied to other persons who hold managerial or comparable positions and that the guidelines are applied in an equivalent manner in other group companies, if such companies exist.

The government's guidelines state, among other things, that company managers shall receive a competitive salary and benefits but that salaries in state-owned companies shall not generally be higher than the salary level in corresponding private companies. If notice of termination is given on the part of the company, severance pay may be payable. This severance pay shall not exceed the equivalent of 24 monthly salary payments, including the period of notice and shall be paid in monthly instalments.

If the manager takes up new employment or receives income from other business, the severance pay shall be reduced by an amount equivalent to the new income during the 24-month period.

EVALUATION

A survey of around 500 employment contracts was carried out in 1996 and followed

up in 1997/98 to ensure compliance with the guidelines. The Standing Committee on Economic Affairs decided in February 2002 to allow the Riksdag's auditors to conduct a new evaluation of bonuses and pension benefits among company managers of state-owned companies. The parliamentary auditors published their report in March 2003. The auditors noted there, among other things, that most companies comply with the government's guidelines. The Swedish Government Offices will make a survey of the guidelines during 2003.

EXTERNAL FINANCIAL REPORTING

On 21 March 2002, the government decided on guidelines for external financial reporting in state-owned companies. The purpose of the guidelines is to improve transparency so that state-owned companies are at least as transparent as listed companies. The government considers this to be a democracy-related issue since the companies that the guidelines encompass are ultimately owned by the citizens of Sweden. The guidelines state, among other things, that companies shall publish quarterly reports, within two months of the close of the financial period. All companies should also publish the company's financial information on the company's website. The board is responsible for ensuring that the guidelines are applied at the latest by 1 January 2003. During 2002, a number of state-owned companies have improved their external financial reporting. The Swedish Government Offices intend to return in their next document to the Riksdag with an evaluation of compliance with the guidelines during 2003.

Ownership administration within the Government Offices

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 section 9, 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 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 or close-

downs since this is part of normal administration. Neither is a decision by the Riksdag required for acquisitions or disposals that companies carry out within the direction of operations stated in the basic bill. 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 matter 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 Nordbanken Holding AB, now Nordea AB and Svenska Skogsplantor AB. The Riksdag has also authorised the government to reduce state ownership of Svensk Exportkredit AB. On the initiative of the Committee on Industry and Commerce (Näringsutskottet), the Riksdag has withdrawn the previous restriction regarding a possible reduction of ownership of Telia AB. The restriction in

the previous mandate meant that the government could reduce ownership to a minimum of 51 per cent. The government can now, if it wishes reduce state ownership of Telia AB to zero per cent.

OWNERSHIP ADMINISTRATION WITHIN THE GOVERNMENT OFFICES

As from the turn of the year 2002/2003, the government has collected resources and competence for the administration of state ownership within special ownership divisions at the Ministry of Industry, Employment and Communications. This provides better conditions for pursuing a uniform ownership policy with clear objectives and guidelines for the companies. The new ownership division is mainly a merger of the Ministry of Industry, Employment and Communications' Division for State Enterprises and part of the Ministry of Finance's Division for Companies and Properties. The Ministry of Industry, Employment and Communications' ownership division is responsible for the majority of state-owned companies administered by the Government Offices.

The Government Offices is responsible for actively monitoring and administering



Photo: Lasse Nybom

Collecting resources and competence for the administration of state ownership within a special ownership division at the Ministry of Industry, Employment and Communications provides better conditions for being able to pursue a uniform ownership policy.

the state's assets to obtain the best possible growth in value and – where applicable – the fulfilment of special societal interests. Monitoring and evaluation take place both through financial and industrial analyses and by work on the board and dialogue with the chairman of the board. When the companies have special objectives, these are monitored specially as well as the financial creation of value. The objectives and their monitoring are stated for each company in this report.

The owner administration also includes developing and implementing the government's ownership policy and the tools that are at the disposal of the owners in all state-owned companies. In addition, the Government Offices draws up the annual document for state-owned companies, of which the annual report on state-owned companies forms a large part.

Altogether, the Ministry of Industry, Employment and Communications administers 42 companies, three public enterprises plus two liquidation companies. 28 of the companies operate under market conditions. Other ministries are responsible for the administration of 13 companies. In these companies, the Minister for Industry, Employment and Communications is responsible for such issues that require a uniform ownership policy or which concern board nominations.

The Ministry of Finance administers Svenska Spel and the Ministry of Agriculture administers SIS Miljömärkning. The Ministry of Health and Social Affairs administers

Apoteket and Systembolaget which have social policy objectives. The Ministry of Culture administers Dramaten, Operan with cultural policy objectives and Voksenåsen which is Norway's national gift to Sweden. Swedesurvey, Sydkraft SAKAB and Svenska Miljöstyvningsrådet (the Swedish Environmental Management Council) which operate within the field of the environment are administered by the Ministry of the Environment. The Ministry for Foreign Affairs administers Svensk Exportkredit and Swedfund International and the Ministry of Education administers Imego. See also the tables below and on page 21.

ADMINISTRATION EXPENSES

During 2002 there were two company divisions within the Swedish Government Offices, one at the Ministry of Industry, Employment and Communications and one at the Ministry of Finance. These two divisions administer 34 of 58 companies, excluding the three liquidation companies. The other companies are administered by staff of several different ministries which also have other duties. The internal administration expenses for the latter are not shown here, as they mainly consist of wage costs which also relate to other duties.

The internal expenses 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 amounted to SEK 55.7 million (35.2), of which SEK 40 million related to services purchased externally. Overall, total administration expenses were equivalent to approximately 0.015 (0.01) 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 410 billion. The estimated value varies and depends on the assumptions made for each respective company.



OVERVIEW OF STATE-OWNED COMPANIES

MINISTRY OF FINANCE Company	Ownership Share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2002, SEK m
Svenska Spel AB	100	S	Yes	Partial monopoly		
MINISTRY OF AGRICULTURE Company	Ownership Share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2002, SEK m
SIS Miljömärkning AB	10.0	S	No		Partial	4.4/32
MINISTRY OF CULTURE Company	Ownership Share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2002, SEK m
Kungliga Dramatiska Teatern AB	100	S	No		Partial	178/237
Kungliga Operan AB	100	S	No		Partial	308/367
Voksenåsen A/S	100	S	No	Sole	Partial	
MINISTRY OF THE ENVIRONMENT Company	Ownership Share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2002, SEK m
Swedesurvey AB	100	M	Yes			
AB Svenska Miljöstyvningsrådet	90.0	S	No	Sole	Partial	3
Sydkraft SAKAB AB	1 share	M				

MINISTRY OF INDUSTRY, EMPLOYMENT AND COMMUNICATIONS						
Company	Ownership Share, %	Category ¹⁾	Performance requirement	Competition	Grant financing	Grant/Turnover 2002, SEK m
A/O Dom Shvetsii	36.0	M	Yes			
AB Swedcarrier	100	M	Yes			
Akademiska Hus AB	100	M	Yes	Partial sole		
Civitas Holding AB	100	M	Yes			
Förvaltningsaktiebolaget Statum	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	400/23,632
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			
Svenska Skogsplantor, AB	100	M	Yes			
Sweroad AB	100	M	Yes			
V&S Vin och Sprit AB	100	M	Yes			
Vasakronan AB	100	M	Yes			
Vasallen AB	100	M	Yes			
Vattenfall AB	100	M	Yes			
Venantius AB	100	M	No			
Celtica AB	38.5	B	Yes			
Nordea AB	18.5	B	Yes			
OM AB	9.5	B	Yes			
SAS AB	21.4	B/M	Yes			
TeliaSonera AB	46.0	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	60/486
AB Göta kanalbolag	100	S	No		Partial	17/40
IRECO Holding AB	55.0	S	No			
Civil Aviation Administration	Public enterprise	S	Yes	Partial sole		
Norrland Center AB	33.3	S	No			
Samhall AB	100	S	No		Partial	4,262/8,557
Swedish Maritime Authority	Public enterprise	S	Yes		Partial	136/1,450
SOS Alarm Sverige AB	50.0	S	Yes	Partial sole		150/619
SP Sveriges Provnings- och Forskningsinstitut AB	100	S	Yes		Partial	58/469
Statens Väg- och Baninvest AB	100	S	No			
SVEDAB	100	S	No		Øresund Link	
Svenska kraftnät, Affärsverket	Public enterprise	S	Yes			275/3,841
Sveriges Rese- och Turistråd AB	100	S	No		Partial	
Teracom AB	100	S	Yes	Partial monopoly		3/1,784
SKDföretagen AB	100	Being wound up				
Zenit Shipping AB	100	Being wound up				

MINISTRY OF HEALTH AND SOCIAL AFFAIRS						
Company	Ownership Share, %	Category	Performance, requirement	Competition	Grant financing	Grant/turnover 2002, SEK m
Apoteket AB	100	S	Yes	Statutory monopoly		
Systembolaget AB	100	S	Yes	Statutory monopoly		

MINISTRY OF EDUCATION						
Company	Ownership Share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2002, SEK m
Imego AB	100	M	Yes		Partial	20/38

MINISTRY FOR FOREIGN AFFAIRS						
Company	Ownership Share, %	Category	Performance requirement	Competition	Grant financing	Grant/turnover 2002, SEK m
AB Svensk Exportkredit	64.7	M	Yes			33/5,707
Swedfund International AB	100	S	Yes			

¹⁾ 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.

The state-owned corporate sector in 2002

The weak performance of the world economy in 2002 had a negative effect on the level of economic activity in Sweden and thus the prospects for a number of state-owned companies. Earnings for these companies were halved during the year and totalled SEK 8.6 billion (17.4). The total shareholders' equity increased to SEK 195.2 billion (176.0) in 2002. Return on equity decreased from 10.3 to 4.6 per cent.

At the end of 2001, an upswing started and the stock exchange paused for breath. However, there was more bad news at the beginning of 2002 including accounting scandals in the United States. The level of economic activity looked as if it was going to continue to stabilise in spring 2002 but the threat of war against Iraq became more and more concrete during the autumn. Uncertainty in the market restrained the recovery. Reduced uncertainty is important for the economy and share prices to stabilise, but company's willingness to invest also contributes. In 2002, companies have reduced their investments and made substantial cost savings. As long as there is a high level of uncertainty in the market, the companies will continue to act cautiously.

The value of the Stockholm stock exchange, Stockholmsbörsen, fell during the year by 37 per cent.

A DETERIORATION IN EARNINGS

Net profit for state-owned companies decreased by SEK 8.9 billion in 2002 to SEK 8.6 billion (17.4). The poorer performance can be partially explained by the large write-downs.

The state's share of TeliaSonera's loss amounted to SEK -5.9 billion (1.3), a deterioration in earnings of SEK 7.2 billion. TeliaSonera carried out substantial write-downs in 2002 of the value primarily in International Carrier and the Danish fixed network activities.

Substantial reductions in earnings were also reported by Posten, SJ and Civitas. Reductions in earnings in Civitas and Posten were due to capital gains having a great effect on last year's earnings. Altogether, earnings decreased in these companies by SEK 6.5 billion.

Most companies, 38 of 52 companies (73 per cent) in the state corporate sector reported a profit or a zero result, however, in 2002. This can be compared with only approximately half of listed companies reporting a profit. Among the companies with improved earnings were Vattenfall, Samhall, Vin & Sprit, Svenska Spel, Sveaskog and LKAB. These companies improved their result by a total of SEK 5.2 billion in 2002.

INCREASED NET TURNOVER

State-owned companies increased their turnover by SEK 43.3 billion in 2002 to SEK 337.5 billion (294.2). This increase is primarily explained by Vattenfall which consolidated new activities during 2002. Vattenfall increased its turnover in 2002 by SEK 32.0 billion.

Among the other companies that increased their turnover were Vin & Sprit and Posten. These companies increased their turnover by SEK 2.4 and SEK 2.0 billion respectively. Apoteket and Svenska Spel increased their turnover by 8 and 15 per cent respectively.

HALVED INVESTMENT AND IMPROVED CASH FLOW

Gross investment for state-owned companies were in principle halved in 2002 compared with last year from SEK 129.0 billion to SEK 67.6 billion. The level of investment in the companies reduced generally during 2002 although it was particularly noticeable in some companies. For instance, Vin & Sprit reduced its investments by SEK 7.4 billion to SEK 1.1 billion.

The reduced level of investment in 2002 also entailed a substantial improvement in the companies' cash flows. The cash flows were

not either affected by the large write-downs that took place in some of the companies. The cash flow from operating activities increased in 2002 by 47 per cent compared with 2001 and totalled SEK 75.0 billion (50.9).

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 company involvement 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.

The results differ in certain areas from those reporting in the latest interim report. This is due to the fact that the consolidated income statements and balance sheets prepared contain supplementary data, which was not available when the year-end report was published.

The reports have been consolidated (or summarised) despite the fact that there is no actual parent company. The principles for accounting and the divisions of the companies are described in the section on accounting principles on page 102.

INCOME STATEMENT, SEK m			
	2000	2001	2002
Net turnover	246,749	294,165	337,487
Expenses	-215,931	-274,003	-320,799
Items affecting comparability	219	4,744	-375
Profit/loss from participations in associated companies	1,197	7,685	143
Operating profit	32,232	32,592	16,455
Financial income	6,169	6,611	5,790
Financial expenses	-8,818	-13,123	-13,791
Profit before tax	29,583	26,080	8,454
Tax	-5,366	-6,961	-1,604
Minority	-3,753	-1,712	1,705
Net profit/loss for the year	20,463	17,406	8,555

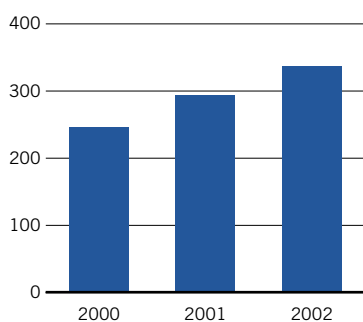
BALANCE SHEET, SEK m			
	2000	2001	2002
Assets			
Non-interest bearing fixed assets	297,769	429,624	401,836
Interest-bearing fixed assets	294,019	311,743	297,468
Non-interest bearing current assets	73,186	82,208	69,425
Interest-bearing current assets	194,605	139,333	107,846
Total assets	859,579	962,908	876,575
Shareholders' equity, provisions and liabilities			
Shareholders' equity	161,765	176,016	195,230
Minority	23,681	38,869	11,960
Interest-bearing provisions	13,117	9,271	6,792
Non-interest bearing provisions	34,478	115,754	111,845
Interest-bearing long-term liabilities	397,850	368,248	315,371
Non-interest bearing long-term liabilities	26,090	25,670	18,723
Interest-bearing current liabilities	138,689	150,080	153,588
Non-interest bearing current liabilities	63,908	78,999	63,067
Total liabilities and shareholders' equity	859,579	962,908	876,575

CASH FLOW, SEK m			
	2000	2001	2002
Cash flow from operating activities	47,401	50,925	75,005
Cash flow from investment activities	-83,633	-90,334	-59,767
Cash flow from financing activities	36,725	37,723	-39,209

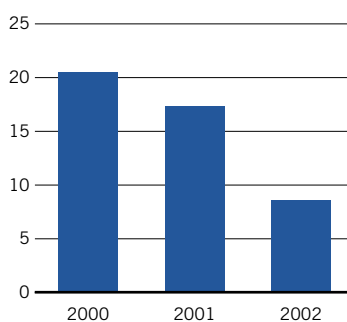
OTHER INFORMATION, SEK m			
	2000	2001	2002
Gross investment	89,726	128,980	67,640
Depreciation and write-downs	21,240	34,128	43,772
Turnover from government grants	21,620	22,685	24,320
Return on equity, %	12.9	10.3	4.6
Equity/assets ratio, %	20.4	22.0	18.7
Dividend	9,808	9,087	10,163
Average no. of employees	196,758	201,059	199,302



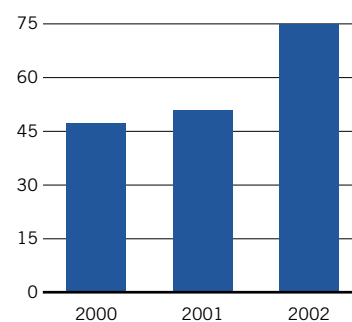
Photo: Mats Johansson

NET TURNOVER, SEK bn

Net turnover increased by SEK 43 billion in 2002, of which Vattenfall accounted for SEK 32 billion.

NET PROFIT, SEK bn

Net profit halved in 2002, which can be partially explained by large write-downs.

CASH FLOW FROM OPERATING ACTIVITIES, SEK bn

The cash flows, which were not affected by large write-downs, improved considerably.

Turnover and earnings

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

COMPANY	Turnover			Net profit		
	2000	2001	2002	2000	2001	2002
Vattenfall AB	31,695	69,003	101,025	2,970	4,190	7,566
SAS AB	47,540	51,433	64,944	2,135	-1,064	-132
TeliaSonera AB	54,064	57,196	59,483	10,278	1,869	-8,067
Apoteket AB	27,866	29,668	32,026	-4	-126	12
Posten AB	24,508	21,668	23,632	-1,082	3,432	-788
Systembolaget AB	17,368	18,241	19,132	108	133	142
AB Svenska Spel	14,138	15,799	18,240	3,835	3,842	4,210
V&S Vin & Sprit AB	5,816	6,788	9,218	934	1,009	1,265
Samhall AB	10,090	9,084	8,557	244	-473	1
Sveaskog AB	488	431	8,390	105	70	579
Green Cargo AB	3,254	6,303	6,141	n.app.	-177	-275
SJ AB	5,041	5,546	5,711	74	-49	-994
Civil Aviation Administration	5,007	5,088	5,384	447	13	105
LKAB	4,882	4,870	5,186	403	40	295
Akademiska Hus AB	3,712	4,057	4,277	567	567	495
Affärsverket Svenska kraftnät	3,280	3,713	3,841	763	727	541
Civitas Holding AB (Vasakronan AB)	2,736	2,878	2,943	331	1,767	420
AB Swedcarrier	3,092	3,287	2,865	-8	-790	-449
Lernia AB	1,770	1,746	1,837	-160	12	27
Teracom AB	1,549	1,618	1,778	115	-301	-204
Swedish Maritime Administration	1,358	1,327	1,450	24	-45	18
AB Svensk Bilprovning	1,165	1,239	1,399	-43	-99	84
SBAB	890	1,058	1,163	337	388	444
Specialfastigheter Sverige AB	888	938	997	116	107	80
Svensk Exportkredit AB	963	729	664	602	541	480
SOS Alarm Sverige AB	569	583	619	27	11	0
SVEDAB	319	559	592	-125	-413	-347
Venantius AB	486	335	509	280	878	908



28 state-owned companies (27) had a turnover of over SEK 500 million. Of these seven (eight) had a turnover exceeding SEK 10 billion. 16 companies (18) had a turnover of between SEK 1 and 10 billion.

Vattenfall, SAS, TeliaSonera, Apoteket and Posten had the largest turnover. These companies accounted for 83 per cent of the total turnover.

The turnover for state-owned companies increased by 13 per cent (19) in 2002. This increase is primarily explained by Vattenfall which, partly due to Bewag being consolidated in Vattenfall as from 1 February 2002, increased its turnover by SEK 32 billion in 2002.

The highest earnings were reported by Vattenfall, Svenska Spel (however, Svenska Spel is exempt from tax) and V&S Vin och Sprit. Net profit for these companies totalled SEK 13.0 billion, of which Vattenfall accounted for SEK 7.6 billion. Among other companies with improved earnings were, for instance, Samhall, SBAB, Sveaskog and LKAB.

Net profit for state-owned companies decreased in 2002 by 51 per cent (15). The

largest decline in profit was reported by TeliaSonera and the state's share in TeliaSonera's earnings deteriorated by SEK 7.2 billion. Substantial decreases in earnings were also reported by Posten, SJ and Civitas. Deteriorations in earnings in Civitas and Posten are due to last year's earnings being affected by capital gains. Overall, earnings decreased in these companies by SEK 6.5 billion.

Most companies (38 of 52 companies) in the state-owned company sector reported a profit or broke even in 2002, however.



Investment

Gross investments in state-owned companies decreased in 2002. Excluding Telia's acquisition of Sonera, gross investments in state-owned companies amounted to SEK 67.6 billion which is a reduction of 48 per cent from last year.

Disregarding Telia's acquisition of Sonera OY, Telia's gross investment decreased to SEK 9,095 million (20,735). This reduction is primarily due to reduced investment in International Carrier, the Swedish fixed network operation and in the mobile operation.

Vattenfall's gross investment totalled SEK 39,932 million (43,443). Of this amount, SEK 30,650 million (38,478) was for company acquisitions and expansion investments in fixed assets. The largest company acquisition was Mirant's shares (44.76 per cent) in Bewag and Hamburg Stad's remaining shares (25.1 per cent) in HEW. In addition, final payment has been made to the German state for the privatisation of VEAG and LAUBAG. Vattenfall's investment in tangible fixed assets amounted to SEK 7,975 million (7,454).

Investment in aircraft and other flight material accounted for SEK 8,014 million (5,141) of gross investment by SAS.

Statens väg- och baninvest's gross investment of SEK 3,360 million (2,765) consist of project financing through the subsidiaries Stockholmsleder AB and Göteborgs Trafikleder AB as well as the construction of the Botniabanan railway line.

Sveaskog's gross investment in 2002 consisted mainly (SEK 2,047 million) of the acquisition of approximately 200,000 ha productive forest land and sawmill operations in Korsnäs from Kinnevik.

Investments by the Civil Aviation Administration totalled SEK 2,081 million (3,224). Half of the investments consisted of the continued expansion of terminal capacity and the third runway at Arlanda and a new air traffic management system. Other investment consisted mainly of re-investment for safe, competitive and environmentally compatible air transport.

Akademiska Hus' investments mainly consisted of new construction and redevelopment.

In 2002, Posten has, among other things, invested SEK 634 million in the new service network and cash office network. SEK 228 million has been invested in a new business support system.

V&S Vin och Sprit's gross investment of SEK 1,110 million (8,539) consisted partly of the acquisition of Nordic Wine Group and also of almost SEK 400 million in capacity and environmental investment in Åhus.

LKAB's reduced investment is mainly explained by the completion of strategic investment in new main levels, the expansion of plant capacities and preparations for breaking of bog ore in Kiruna.

Due to Teracom's financial position, investments were considerably lower in 2002 than the preceding year.

Disregarding Swedcarrier's acquisition of the public enterprise Affärsverket Statens järnvägar's property holdings, the company's gross investment only decreased by SEK 24 million to SEK 140 million. The major part of this investment relates to the subsidiary Jernhusen's renovations and redevelopment of existing properties.

GreenCargo's investment consisted largely of maintenance investment in rail rolling stock and expansion investment in terminal properties for third-party logistics and combi traffic.

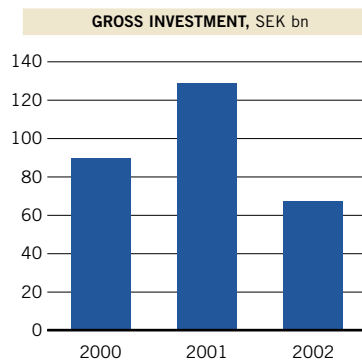
GROSS INVESTMENT 2000-2002, SEK m

COMPANY	2000	2001	2002
TeliaSonera AB (46.0%)	47,742	20,735	54,438 ¹⁾
Vattenfall AB	23,840	43,443	39,932
SAS AB (21.4%)	9,886	10,850	9,654
Statens väg- och baninvest AB	304	2,765	3,360
Sveaskog AB	95	24,944 ²⁾	2,426
Civil Aviation Administration	2,660	3,224	2,081
Akademiska hus AB	1,900	2,832	1,907
Posten AB	1,603	1,187	1,740
Vin & Sprit AB	1,093	8,539	1,110
Civitas Holding AB	2,949	1,009	708
Svenska Spel, AB	273	753	651
LKAB	943	1,069	560
Green Cargo AB	510	174	570
Affärsverket svenska kraftnät	998	363	460
Vasallen AB	475	644	439
SJ AB	n.app.	1,291	342
Specialfastigheter Sverige AB	156	210	327
Apoteket AB	284	253	260
Systembolaget AB	393	278	232
Teracom AB	697	807	187
AB Svensk Bilprovning (52%)	98	98	165
AB Swedcarrier	112	7,903 ³⁾	140
Swedish Maritime Administration	114	128	126
Samhall AB	274	246	94
SOS Alarm Sverige AB (50%)	22	49	66
AB Svensk Exportkredit (64.7%)	12	5	47
Lernia AB	47	36	39
SP Sveriges, Provnings- och Forskningsinstitut AB	53	36	28
Swedish Space Corporation	288	49	27
SBAB	24	13	14
ALMI Företagspartner AB	17	10	14
AB Göta kanalbolag	8	5	7
Imego AB	7	18	6
Svenska Skogsplantor AB	16	11	5
Kungliga Dramatiska Teatern AB	9	6	5
Venantius AB	7	3	3
Kungliga Operan AB	5	3	3
Sveriges Rese- och Turistråd AB	0	1	1
Kasernen Fastighets AB	0	44	1

¹⁾ Includes the acquisition of Sonera OY.

²⁾ Includes the acquisition of AssiDomän AB.

³⁾ Includes the acquisition of the public enterprise affärsverkets Statens Järnvägar's property holdings.



Gross investment decreased by 48 per cent in 2002. Adjusted for Telia's acquisition of Sonera OY, investment decreased by 56 per cent.

Employees

A total of 199,302 persons were employed in state-owned companies in 2002, of whom 40 per cent were women. Four companies, Posten, SAS, Vattenfall and Samhall all had more than 20,000 employees. A total of 23 (23) companies had more than 500 employees and 18 (19) companies had more than 1,000 employees.

Sveaskog, Vattenfall and SAS accounted for the largest staff increase. Sveaskog's increase was due to the acquisition of Assi Domän. Vattenfall's increase is explained by the acquisitions in Germany. The increase in the number of employees in SAS is due to the inclusion of 5,310 employees in Braathens and Spanair.

TeliaSonera accounted for the largest staff decrease. The reduction is mainly due to the phasing-out and sale of activities outside the core operation.

42 per cent (approximately 33,000) of the woman employed in state-owned companies were employed in Posten and SAS. The highest percentage of women were employed in Apoteket where 90 per cent of the employees are women.

REGIONAL DISTRIBUTION

State-owned companies contribute for a number of reasons to a high service level and equal conditions nationwide. A number of the companies such as ALMI Företagspartner, Lernia, Samhall and Vattenfall are located in all counties. Compared with an average of the total number of employees in Sweden, the state-owned companies are more represented in regions such as Norrbotten, Västerbotten, Jämtland, Gotland and Östergötland. In many cases, the companies' operations are of such a nature, for example, LKAB and Rymdbolaget that they are located in places where there are both production resources and competence. Consequently, state-owned companies form an important basis for economic activity in all parts of Sweden.

Many of the state-owned companies have long been operating on markets fully open to competition. Others have recently changed from monopolies to companies fully exposed to competition, as a result of deregulation driven by technological and market

developments. These companies establish their operations on a commercial basis.

The articles of association of a company or special sector legislation or other decisions by the Riksdag show whether a compa-

ny has to fulfil special societal interests. In such cases, there are appurtenant licensing conditions or agreements stating whether a particular company, for instance, has a service obligation that covers the whole of Swe-

COMPANIES WITH MORE THAN 500 EMPLOYEES

COMPANY	Average	Share in Sweden, %	Share women, %	Change	Change	Change
	no. of employees			2002–2001	2002–2001	2002–2001
	2002			no. of employees total, %	no. of employees in Sweden, %	no. of employees
Posten AB	39,554	96	46	0	-2	3
SAS AB (21.4%)	35,506	26	43	14	0	18
Vattenfall AB	34,248	23	23	44	-2	46
Samhall AB	23,428	100	42	-6	-6	-5
TeliaSonera AB (46%)	17,277	73	44	-31	-40	-18
Apoteket AB	10,827	100	90	2	2	1
Civil Aviation Administration	4,507	100	36	0	0	-2
Green Cargo AB	3,737	97	12	-4	-5	0
SJ AB	3,666	100	38	2	3	2
LKAB	3,078	91	7	-3	-5	-8
Systembolaget AB	3,003	100	62	-12	-12	-13
Lernia AB	2,606	100	34	4	4	5
Sveaskog AB	2,433	98	13	1,201	1,171	1,973
AB Swedcarrier	2,279	100	8	-23	-23	-71
AB Svensk Bilprovning	2,181	100	12	-2	-2	-9
V&S Vin och Sprit AB	1,879	40	37	33	15	41
Swedish Maritime Administration	1,285	100	19	-2	-2	5
AB Svenska Spel	1,224	100	51	63	63	67
Teracom AB	997	99	22	-1	5	14
SOS Alarm Sverige AB	790	100	59	4	4	5
SP Sveriges Provnings- och Forskningsinstitut AB	582	100	24	1	1	4
Kungliga Operan AB	571	100	48	-5	-5	-1
ALMI Företagspartner AB	512	100	45	-2	-2	2

EMPLOYEES PER COUNTY¹⁾

COUNTY	Average no. of employees	Share, %	National average ²⁾ , %
Blekinge	1,394	1	2
Dalarna	3,094	3	3
Gotland	1,085	1	1
Gävleborg	2,672	2	3
Halland	3,591	3	3
Jämtland	1,882	2	1
Jönköping	3,670	3	4
Kalmar	2,145	2	2
Kronoberg	2,161	2	2
Norrbotten	6,664	6	3
Skåne	11,923	11	12
Stockholm	23,470	21	23
Södermanland	2,686	2	3
Uppsala	4,186	4	3
Värmland	2,944	3	3
Västerbotten	3,457	3	3
Västernorrland	3,676	3	3
Västmanland	2,961	3	3
Västra Götaland	17,014	16	17
Örebro	3,485	3	3
Östergötland	5,163	5	5
Total	109,323	100	100

¹⁾ The list includes companies where the state's share exceeds 20 per cent. However, corresponding information is not available for Bostadsgaranti, Civitas Holding, Dramaten, the Civil Aviation Administration, SAS, Vin & Sprit, Sveaskog and TeliaSonera.

²⁾ Source Statistics Sweden.

den. Svensk Bilprovning, Apoteket, Systembolaget och Posten are examples of companies with a service obligation of this kind.

The government looks very positively at state-owned companies being represented

nationwide. In this way, the state-owned companies contribute in a natural way to evening out the balance between different regions with different conditions. This circumstance favours the regional development throughout

Sweden. In the light, it is therefore important that state-owned companies also take account of the importance of operations from a regional perspective within the framework of each company's market conditions.



OPERATIONS ABROAD

State-owned companies increased both sales and the number of employees abroad. The number of employees abroad amounted to 60,400 (45,700), which was equivalent to 30 per cent (23) of the total number of employees.

Foreign sales amounted to SEK 103,238 million (70,151).

Vattenfall accounted for the greatest increase in operations abroad in 2002.

FOREIGN SALES AND EMPLOYEES ABROAD

COMPANY	Foreign sales, SEK m			Employees abroad		
	2000	2001	2002	2000	2001	2002
Vattenfall AB	8,558	38,641	67,686	5,037	15,667	26,265
SAS (21.4%)	n.app.	n.app.	n.app.	20,933	21,725	26,188
TeliaSonera AB	9,602	12,741	16,998	4,924	4,057	4,684
Posten AB	180	336	1,984	552	710	1,658
V&S Vin & Sprit AB	4,437	5,437	7,494	704	762	1,134
LKAB	3,134	3,399	3,581	273	281	319
Sveaskog AB	0	0	3,797	0	0	56
Sweroad AB	58	68	73	30	40	45
Sveriges Rese- och Turistråd AB	0	0	0	22	22	22
Swedesurvey AB	101	93	91	9	16	15
Teracom AB	0	0	63	4	4	8
Lernia AB	0	6	9	0	0	2
Affärsverket Svenska kraftnät	262	372	0	2	3	2
Swedish Space Corporation	337	325	313	1	1	1
AB Swedcarrier	0	46	56	n.app.	0	1
Imego AB	1	11	0	0	0	0
Apoteket AB	14	16	22	0	0	0
Samhall AB	1,599	1,174	1,013	1	0	0
SP Sveriges Provnings- och Forskningsinstitut AB	55	58	58	0	0	0
Svenska Skogsplantor AB	12	20	0	0	0	0
AssiDomän AB	20,605	7,412	n.app.	9,074	2,406	n.app.
Svenska Lagerhus AB	0	0	n.app.	5	7	n.app.
A/O Dom Shvetsii	21	20	n.app.	2	2	n.app.
Total	28,350	62,743	103,238	32,493	45,703	60,400

Dividend

Dividends from the state-owned companies make a considerable contribution to the state budget. Despite the general economic downturn in 2002, the state's share of dividends totals over SEK 10 billion.

A total of 24 companies (21) provide dividend. Svenska Spel is exempt from tax and distributes the whole of its earnings. Part of these earnings are paid as a grant to the Swedish Sports Confederation, the other part is paid to the state. The companies that have increased their dividend include Svenska Spel and also Vattenfall, TeliaSonera, Sveaskog and SBAB. These companies with the exception of TeliaSonera also reported improved earnings in 2002. TeliaSonera's increased dividend is explained by a changed dividend policy.

The five companies Svenska Spel, Vattenfall, Nordea, TeliaSonera and V&S Vin och Sprit account for over 80 per cent of the total dividends from state-owned companies.

More information about the companies' dividend policy is contained in the company presentations (page 34 pp).

STATE'S SHARE OF COMPANY DIVIDENDS, SEK m

COMPANY	1999	2000	2001	2002
Svenska Spel AB ¹⁾	3,563	3,561	3,806	4,210
Vattenfall AB	1,500	990	1,030	1,485
Nordea AB (18.5%)	949	1,084	1,140	1,122
TeliaSonera AB (46.0%)	1,470	1,060	424	847
V&S Vin & Sprit AB	230	455	500	500
Affärsverket Svenska kraftnät	814	496	474	356
Sveaskog AB	0	0	0	296
Akademiska hus AB	600	200	270	245
LKAB	231	231	231	231
Civitas Holding AB	164	165	537	216
AB Svensk Exportkredit (64.7%)	225	259	233	207
SBAB	89	103	120	137
Apoteket AB	100	100	0	100
Systembolaget AB	50	80	80	80
Specialfastigheter Sverige AB	60	116	54	40
Civil Aviation Administration	0	52	4	35
Vasallen AB	0	8	13	17
Kasernen Fastighets AB	2	3	3	10
Lernia AB	0	0	6	9
OM AB (9.5%)	32	48	8	8
Swedish Maritime Administration	0	8	0	6
SOS Alarm Sverige AB (50%)	3	4	2	2
SweRoad	0	0	0	2
Swedish Space Corporation	9	0	2	1
Svenska Lagerhus AB	7	0	0	0
Swedfund International AB	0	112	36	0
SAS AB (21.4%)	141	158	0	0
Svenska Skogsplantor AB	3	2	0	0
Teracom AB	0	13	0	0
Förvaltningsaktiebolaget Statum	11,400	300	114	0
AssiDomän AB	230	200	0	n.app.
Total	21,498	9,808	9,087	10,163

¹⁾ Profit from Svenska Spel is distributed in full. Of the company's profits of SEK 4,210 million (3,842), SEK 910 million (509) has been paid to local organisations.



Photo: Lasse Nybom

Despite the deterioration in economic development overall in 2002, the state's share of dividends totalled over SEK 10 billion.

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.

All companies in this group are to have relevant and clearly communicated financial objectives. The objectives are set on the basis of market requirements. During the last four years, the government's administration has focused on a financial transformation of the companies in order to maximise shareholder value. For a number of these companies, the usual measure of value creation is

used, i.e. that the present value of future cash flows should be larger than the company's weighted cost of borrowed capital and shareholders' equity. The objectives should, not least from the point of view of competition, correspond at least to an average for the sector to the extent that such comparisons can be made. In cases where benchmarking is not possible, more extensive work

is required to be able to set relevant financial demands. The work of setting the required return and financial objectives takes place in consultation with the companies' board of directors. Assessment of the companies in this group takes place annually and is presented in annual reports which form part of the government's submission to the Riksdag.

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Companies operating under market conditions 2002

Companies operating under market conditions comprise 29 companies of which 26 are included in the consolidation. Earnings for these companies deteriorated greatly in 2002 and totalled SEK 4.1 billion (14.1). The total shareholders' equity increased to SEK 170.0 billion (151.1). The return on equity decreased from 9.8 till 2.5 per cent.

The deterioration in earnings is primarily explained by the reduction in TeliaSonera's earnings. The state's share of TeliaSonera's loss was SEK -5.9 (1.3) billion, a deterioration in earnings of SEK 7.2 billion. Large reductions in earnings were also reported by Posten, SJ and Civitas (Vasakronan and Posten which last year reported large capital gains). Overall, earnings in these companies decreased by SEK 6.5 billion. Of the companies in this group, as many as 18 of 26 companies reported a profit and 14 of the companies improved their earnings in 2002 compared with 2001.

Turnover increased by 18 per cent in 2002 compared with the previous year and totalled SEK 242.1 billion (205.8). This increase is primarily explained by Vattenfall consolidating new activities in 2002. Vin & Sprit, Posten and LKAB also reported large increases turnover.

INVESTMENT

Gross investment for companies operating under market conditions has been halved in

2002 compared with the previous year from SEK 122.0 billion to SEK 59.4 billion. The level of investment in the companies was generally reduced in 2002 although it was particularly noticeable in some companies. Vin & Sprit reduced its investment by SEK 7.4 billion to SEK 1.1 billion. In 2001 Vin&Sprit invested in a new distribution organisation.

CASH FLOW

The reduced level of investment in 2002 also entailed a considerable improvement in the companies' cash flows. The cash flows were not either affected by the large write-downs that took place in some companies.

Vattenfall's cash flow from operating activities has almost doubled and totalled SEK 20,103 million (10,442). The cash flow from operating activities in TeliaSonera strengthened by SEK 2,033 million till SEK 12,449 million. Through consolidation of Sonera, the interest-bearing net indebtedness increased to SEK 25,034 million (10,661).

EARNINGS AND TURNOVER

Vattenfall increased its turnover in 2002 by 46 per cent to SEK 101,025 million (69,003). This increase in turnover was mainly due to Bewag being consolidated in the Vattenfall group from 1 February 2002. The merger process was legally completed at the beginning of 2002 when Bewag merged with Vattenfall Europe. In 2003, restructuring will continue in Germany with the objective of reducing the level of costs by between EUR 400-500 million per year – with full effect from 2005. Net profit increased in 2002 by 81 per cent to SEK 7,566 million (4,190). This improvement is primarily due to increased profitability in Germany, improved earnings in the profit areas Electricity production Nordic countries and Nordic Market and reduced losses in IT-operations which have been phased out. The company was able to make use of loss carry forwards in Germany which resulted in an especially low tax rate of approximately 18 per cent. Return on



Of the companies in this group, 18 of 26 companies reported a profit and 14 of the companies improved their earnings in 2002 compared with 2001.

equity increased to 19.1 per cent (11.8), and was accordingly affected by the low tax rate.

The part of the turnover of **TeliaSonera** which was included in the consolidation decreased in 2002 compared with the previous year and totalled SEK 53,898 million (57,196). This reduction is related to Telia being consolidated as a subsidiary until the end of November. Sales in Telia separately were unchanged. Taking into consideration divested activities, turnover increased by 5 per cent, however.

The underlying profitability in TeliaSonera expressed as profit before depreciation, amortisation and write-downs (EBITDA) increased by 22 per cent to SEK 15,692 million and the margin was improved from 23 to 26 per cent. The improvement was mainly related to improved profitability in Telia Mobile and the Swedish fixed network operation, and reduced operating losses in Internet Services and International Carrier.

The state's share of net loss decreased to SEK -5,851 million (1,298). This amount includes expenses for restructuring and efficiency improvements primarily within the international 3G-operation, International Carrier and the Danish fixed network operation. These expenses have been reported in Telia at a total of SEK 53,278 million. Return on equity was negative in 2002.

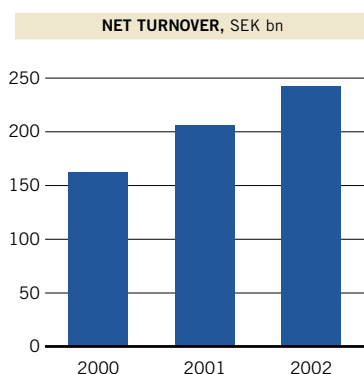
Posten's turnover amounted to SEK 23,632 million (21,668), an increase by SEK 1,964 million. Net profit deteriorated in 2002 by SEK 4,220 million compared with the previous year and totalled SEK -788 million. The deterioration in earnings is mainly due to high development and administration expenses and that Posten reported large capital gains the previous year. Furthermore, the company has had difficulties

INCOME STATEMENT, SEK m	2000	2001	2002
Net turnover	162,128	205,783	242,141
Expenses	-136,982	-189,629	-230,957
Items affecting comparability	-287	4,961	-325
Profit/loss from participations in associated companies	1,190	7,545	76
Operating profit	26,049	28,660	10,935
Financial income	4,668	5,170	5,217
Financial expenses	-7,285	-10,805	-12,129
Profit before tax	23,432	23,025	4,023
Tax	-4,820	-7,036	-1,623
Minority	-3,755	-1,856	1,688
Net profit/loss for the year	14,857	14,133	4,088

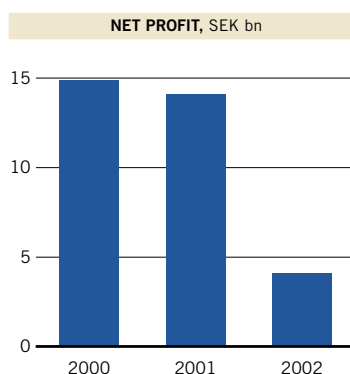
BALANCE SHEET, SEK m	2000	2001	2002
Assets			
Non-interest bearing fixed assets	250,717	378,633	349,895
Interest-bearing fixed assets	287,864	302,917	284,803
Non-interest bearing current assets	58,233	67,231	55,167
Interest-bearing current assets	182,314	127,354	95,446
Total assets	779,128	876,134	785,311
Shareholders' equity, provisions and liabilities			
Shareholders' equity	135,972	151,144	169,960
Minority	23,150	38,386	11,479
Interest-bearing provisions	8,561	4,902	2,675
Non-interest bearing provisions	32,571	114,121	110,054
Interest-bearing long-term liabilities	371,490	334,397	278,826
Non-interest bearing long-term liabilities	22,273	22,890	15,854
Interest-bearing current liabilities	135,036	145,734	147,942
Non-interest bearing current liabilities	50,075	64,560	48,520
Total liabilities and shareholders' equity	779,128	876,134	785,311

CASH FLOW, SEK m	2000	2001	2002
Cash flow from operating activities	39,607	44,271	66,755
Cash flow from investment activities	-77,844	-81,478	-52,528
Cash flow from financing activities	38,987	36,102	-39,275

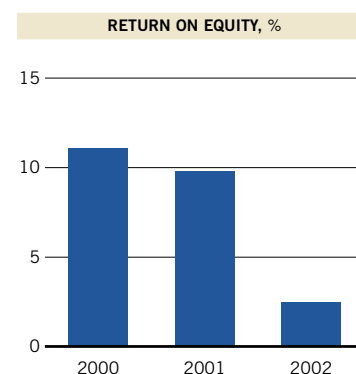
OTHER INFORMATION, SEK m	2000	2001	2002
Gross investment	82,313	121,978	59,406
Depreciation and write-downs	18,187	30,661	40,465
Turnover from government grants	400	257	453
Return on equity, %	11.1	9.8	2.5
Equity/assets ratio, %	19.1	21.3	17.1
Dividend	5,382	4,685	5,373
Average no. of employees	128,187	139,225	148,455



Net turnover increased by 36 billion in 2002, of which Vattenfall's increase totalled SEK 32 billion.



Net profit fell by 71 per cent in 2002.



Return on equity fell by 7.3 percentage points in 2002.



Net turnover for companies operating under market conditions increased in 2002 by almost 18 per cent to SEK 242 billion.

in quickly adapting expenses in production to falling letter volumes and decreasing transaction volumes in the cash network. The staff cuts of 1,000 people which have already been planned in the administration will be carried out and it is not excluded that further reductions will be necessary. Return on equity was negative in 2002 and totalled 8 per cent in 2001.

Vin & Sprit's net turnover increased by 36 per cent in 2002 compared with the previous year and amounted to SEK 9,218 million (6,788). The increase was primarily due to acquisitions and the new distribution organisation, but also to organic growth. Net profit for 2002 was SEK 1,265 million (1,009). An improvement of 25 per cent compared with the previous year. The new distribution solution where V&S obtains a larger part of the chain of value in sale on export markets has contributed approximately SEK 300 million to earnings. The movements of the dollar exchange rate have had a negative effect on earnings of SEK 80 million while acquisitions carried out have affected earnings positively

by SEK 50 million. Return on equity increased from 30.4 till 32 per cent in 2002.

Sveaskog's net turnover in 2002 was SEK 8,390 million (7,644 pro forma remaining units). An increase in relation to the previous year for remaining units of SEK 746 million. Net profit increased in 2002 to SEK 579 million. Earnings in the forestry operations were somewhat lower than in 2001 while the earnings of the industrial business greatly improved. The improvement was especially great in the sawmill operation (AssiDomän Timber). Return on equity was 5 per cent in 2002.

GreenCargo's net turnover in 2002 was SEK 6,141 million (6,303). In the first six months of the year, the volume of rail transports decreased although it increased again in the latter half of the year. Earnings after tax deteriorated in 2002 compared with the previous year and totalled SEK -275 million (-177). The deterioration in earnings is explained among other things by the high level of fixed costs in railway operations and a shift of volumes between customer

segments. An action programme to increase earnings has been initiated. Activities are being carried out to increase income, reduce administrative expenses and make use of resources more efficient. Return on equity was negative in 2002 and 2001.

SJ's turnover increased in 2002 by 3 per cent to SEK 5,711 million (5,546). The positive development of travel, which has been maintained for several years, continued in 2002 when travel increased by 5 per cent. The increase in volume is partly due to increased travel on existing services and partly on new services. The company's net loss in 2002 was SEK -994 million (-49). Net loss excluding items affecting comparability was SEK -82 million (-49). The items affecting comparability consist partly of write-downs of loss-making traffic agreements of SEK 440 million, scrapping of rolling stock of SEK 108 million and reservation for neglected maintenance on certain rolling stock of SEK 204 million. Return on equity was negative in 2002 as in 2001. To improve the profitability of the group, an extensive pro-



The cash flow from operating activities from companies operating under market conditions amounted to SEK 67 billion in 2002.

gramme is in process for administrative savings and adaptation of the timetable to demand. In December 2002, SJ drew up a balance sheet for liquidation purposes and an extraordinary shareholders' meeting decided to continue operations.

LKAB's turnover increased by 6 per cent in 2002 compared with the previous year and totalled SEK 5,186 million (4,870). The level of operations in the steel industry gradually improved during the year. The world's total steel production increased by 6 per cent and exceeded 900 million tonnes for the first time. Asia accounted for the larger part of this increase with China as a strong growth motor. Net profit increased in 2002 to SEK 295 million (40). The increased delivery volume and a higher US dollar rate was counteracted by lower ore prices. Net financial income was SEK 103 million (-5), primarily due to the return on interest-bearing investments. The company makes the assessment that the increase in demand will be maintained throughout the larger part of 2003. Earnings for LKAB should

then be able to improve further. Return on equity increased from 0.5 to 3.5 per cent in 2002.

Svensk Exportkredit's net interest income decreased in 2002 compared with the previous year to SEK 798 million (831). Net profit decreased in 2002 to SEK 480 million (541). This reduction in earnings is mainly due to lower USD exchange rate and to falling market interest rates.

SBAB increased its earnings for the third year running. Net profit totalled SEK 444 million (388) in 2002. Operating income increased by 10 per cent in 2002 and totalled SEK 1,163 million (1,058).

Vasakronan's turnover in 2002 totalled SEK 2,899 million (2,725). Net profit deteriorated greatly in 2002 and totalled SEK 454 million (1,612). Excluding income from property sales, write-downs on properties and expenses for redemption of future interest expenses, earnings amounted to SEK 617 million (603), an increase of 2 per cent. The market values of properties primarily in the Stockholm area fell in 2002.

Venantius's net profit totalled SEK 908 million (878). The part of the group that originates from the former Securum group made a positive contribution of SEK 309 million.

Venantius's assignment was to deal with in insolvency situations in the loan stock taken over in a responsible way. The board of directors decided in 1999 to phase out and dispose of a large part of the stock by the end of 2003. To date, the plan has been complied with and a new plan for the period after 2003 has been adopted by the board of directors.

SAS's turnover totalled SEK 64,944 million (51,433). Turnover fell by 1 per cent for comparable units and adjusted for foreign exchange effects. Net loss totalled SEK -132 million (-1,064). In the second quarter of 2003, SAS announced that further structural measures were necessary to counter the decline in air travel. The state's share of the loss was SEK -28 million (-228).



AKADEMISKA HUS

Akademiska Hus was created in 1992 after the Riksdag decided to reorganise the National Board of Public Buildings. The company shall offer Swedish institutes of higher education purpose-built and sound premises for education and research as well as maintaining the long-term value of the state's higher education properties and ensuring a competent management of property and assets. The group consists of the parent company, a development and support company and six wholly-owned subsidiaries which are located at centres of education from Lund in the south to Umeå in the north.

OPERATIONS

Akademiska Hus owns and manages the major part of premise in which institutes of higher education carry out their activities. The business idea is to lead the development of higher education environments in Sweden and to offer institutes of higher education attractive study and research environments. The group is pursuing an extensive investment programme in new and redevelopment of properties. The level of investment for the years 1999 to 2002 has been between SEK 1.7 and 3 billion per year. The level of investment for the current year is expected to be approximately SEK 2 billion.

Objective

Akademiska Hus endeavours to be the institutes of education's best business partner, with internationally renowned study and research environments. The company works with objectives for tenant satisfaction (Customer Satisfaction Index, NKI) based on questions on the ideal landlord, expectations and overall rating. As from 2001, staff satisfaction with their work situation is also measured (Staff Satisfaction Index, NMI). The most important factors underlying NMI

are confidence in managers and colleagues (the employer role) and evaluation of work tasks.

Assessment

In 2002, Akademiska Hus has improved both customer satisfaction and the satisfaction of staff with their work situation. During the year, NKI increased from 62 to 63 and NMI from 61 to 63.

FINANCES

Akademiska Hus's rental income amounted in 2002 to SEK 4,199 million (3,939). The lettable area totalled 3.2 million sq.m. at the turn of the year. The group's total assets were SEK 27,737 million and the book value of management properties totalled SEK 23,778 million. The company has a well-developed finance function which supports the other operations.

Objective

The owner has set two financial objectives for Akademiska Hus. The company should have an equity/assets ratio of 25 per cent. Return on adjusted shareholders' equity should correspond to the five-year government bond rate plus 2.5 percentage points over a business cycle.

The group's dividend policy is to aim to distribute 50 per cent of net profit/loss for the year. Consideration is to be taken to the company's financial situation in decisions on dividend.

Assessment

Akademiska Hus's equity/assets ratio at the end of 2002, adjusted for proposed dividend, was 25.5 per cent. Return on equity was 6.9 per cent, which was in line with the owner's objective sine the return objective is set over a business cycle. To sum up, it can thus be noted that the company has met the financial objectives set by the owner.



MD: Christina Rogestam



Chairman: Lennart Nilsson

INCOME STATEMENT, SEK m	2002	2001
Rental income	4,199	3,939
Other management income	41	37
Operating and maintenance costs	-1,701	-1,515
Other operating expenses including depreciation	-852	-845
Other income	37	81
Other expenses	-30	-46
Items affecting comparability	-91	0
Operating profit	1,603	1,651
Net financial income	-917	-864
Tax	-192	-220
Net profit/loss for the year	495	567

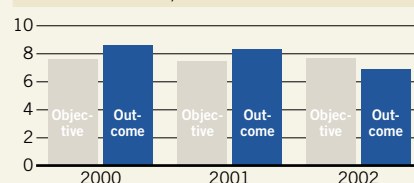
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	25,263	24,383
Interest-bearing fixed assets	0	1
Non-interest bearing current assets	863	826
Interest-bearing current assets	1,611	1,949
Total assets	27,737	27,159
Shareholders' equity, provisions and liabilities		
Shareholders' equity	7,249	7,024
Interest-bearing provisions	158	149
Non-interest bearing provisions	659	560
Interest-bearing long-term liabilities	15,523	11,686
Interest-bearing current liabilities	1,867	5,581
Non-interest bearing current liabilities	2,282	2,159
Total liabilities and shareholders' equity	27,737	27,159

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1,575	1,522
Cash flow from investment activities	-1,766	-2,779
Cash flow from financing activities	-147	2,043

KEY RATIOS	2002	2001
Return on equity (average), %	6.9	8.3
Return on total assets (average), %	6.0	6.7
Return on capital employed (average), %	6.7	7.4
Return on operating capital (average), %	7.0	7.6
Equity/assets ratio, %	26.1	25.9

OTHER, SEK m	2002	2001
Proposed dividend	245	270
Gross investment	1,907	2,832
Depreciation and write-downs	993	822
Average no. of employees	427	411
- of which women	91	86
Sick leave, %	5.4	n.a.
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	.21%
Environmental policy	YES
Environmental management system	ISO 14001

Board of directors 2002/2003

Chairman: Lennart Nilsson. *Board members:* Charlotte Axelsson, Sigbrit Franke, Birgitta Kantola, Claes Ljungh, Christina Rogestam, Veronika Rundqvist, Fritz Staffas. *Employee representatives:* Sveinn Jonsson, Parzin Seradji. (Fritz Staffas resigned and Marianne Förander was appointed as a member of the board at the annual general meeting of shareholders in 2003). *Auditors:* Ulf Pettersson, KPMG and Staffan Nyström, the Swedish National Audit Office. (Ulf Pettersson and Staffan Nyström resigned and Deloitte & Touch AB with Peter Gustafsson was appointed as auditor at the annual general meeting of shareholders in 2003).

Civitas Holding AB

After the decision of the Riksdag, the National Board of Public Buildings was reorganised, one of the consequences of which was the establishment of Akademiska hus and Vasakronan Holding AB in 1992. The company's name has been changed to Civitas Holding AB and the company does not engage in any operational duties. Civitas Holding has a wholly-owned subsidiary, Vasakronan AB and a 38.5 per cent participating interest in Celtica AB.

OPERATIONS

Civitas Holding is a holding company without any operational duties.

The wholly-owned subsidiary Vasakronan is responsible for improvement, development and management of properties. The group is also responsible for disposing of properties and property-related assets which lack long-term ownership potential for the government.

Celtica, which in 1989, entered into an agreement on an irrevocable option that in 2002 acquire the property

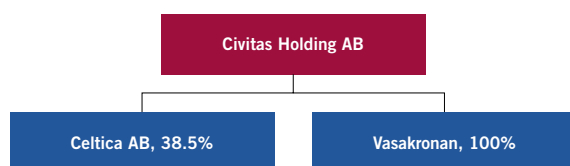
Atrium in Munich for EUR 116.1 million. The board of directors has aimed to endeavour to phase out the company's involvement in the property. The board of directors decided not to take up the option since the market price for the property was less than the option price that Celtica had the right to acquire the property for. The intention of the board of directors is therefore to report to the shareholders on how the company can be disposed of in an appropriate way for the shareholders.

FINANCES

The objective for the group is to generate maximum returns for the government on a long-term basis.

The owner's explicit requirement and prerequisite is that the group should have an equity/assets ratio of 50 per cent. Return on adjusted shareholders' equity should correspond to the five-year government bond rate plus 5 percentage points.

Other comments, see Vasakronan.



Board of directors 2002/2003

Chairman: Egon Jacobsson. *Vice chairman:* Lars Kylberg. *Board members:* Håkan Bryngelson, Georg Danell, Gerd Engman, Birgitta Kantola, Maria Lilja. *Employee representatives:* Ronny Bergström, Marianne Gustafsson. (Maria Lilja resigned and Christina Ragsten Petterson and Lars Johan Cederlund were appointed as board members at the annual general meeting of shareholders in 2003). **Auditor:** Göran Tidström, Öhrlings PricewaterhouseCoopers.



MD: Håkan Bryngelson



Chairman: Egon Jacobsson

INCOME STATEMENT, SEK m	2002	2001
Rental income	2,899	2,831
Operating expenses	-600	-675
Maintenance expenses	-220	-263
Property tax	-197	-164
Operating profit	1,882	1,729
Depreciation	-471	-401
Gross profit	1,411	1,328
Other administration etc.	-112	-117
Other income	44	47
Other expenses	-55	-57
Items affecting comparability	6	1,863
Profit/loss from participations in associated companies	-48	136
Operating profit	1,246	3,200
Financial income	141	119
Financial expenses	-821	-852
Profit before tax	566	2,467
Tax	-147	-701
Minority	1	1
Net profit/loss for the year	420	1,767

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	23,401	23,193
Interest-bearing fixed assets	2,234	1,903
Non-interest bearing current assets	1,145	1,231
Interest-bearing current assets	445	394
Total assets	27,225	26,721
Shareholders' equity, provisions and liabilities		
Shareholders' equity	9,106	9,223
Minority		1
Non-interest bearing provisions	448	447
Interest-bearing long-term liabilities	11,261	13,148
Non-interest bearing long-term liabilities	662	673
Interest-bearing current liabilities	4,071	1,139
Non-interest bearing current liabilities	1,677	2,090
Total liabilities and shareholders' equity	27,225	26,721

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1,218	6
Cash flow from investment activities	-1,687	-3,086
Cash flow from financing activities	520	2,961

KEY RATIOS	2002	2001
Return on equity (average), %	4.6	18.4
Return on total assets (average), %	5.1	13.3
Return on capital employed (average), %	5.8	14.9
Return on operating capital (average), %	6.0	14.7
Equity/assets ratio, %	33.4	34.5

OTHER, SEK m	2002	2001
Proposed dividend for financial year	216	537
Gross investment	708	1,009
Depreciation and write-downs	471	401
Average no. of employees	336	330
- of which women	124	116
Sick leave, %	5.5	4.0
Share owned by state, %	100	100

Equal opportunities policy	YES
Proportion of women	.37%
Environmental policy	YES
Environmental management system	ISO 14001



After the Riksdag decision in 1992, the National Board of Properties was reorganised and, consequently, Akademiska hus and Vasakronan Holding AB (now Civitas Holding AB) were established. Vasakronan AB is 100 per cent owned by Civitas Holding, which is a wholly state-owned company.

OPERATIONS

Vasakronan is one of Sweden's leading property companies. It concentrates on commercial premises, mainly offices, in big-city regions such as Stockholm, Göteborg, Malmö, Lund, Uppsala and Linköping. Altogether, the property holdings comprise 181 properties. The total area of the holdings is 2,100,000 sq.m.

Objective

Vasakronan's commission from the owner as a property company is to maximise long-term total return and the growth in value of shareholders' equity. The objective of the company is to be Sweden's leading property company as an investment object, landlord and employer.

Assessment

Vasakronan's customer survey in 2002 showed unchanged customer loyalty at 80 per cent, which is below the long-term target of 90 per cent. The company received the highest NKI (Customer Satisfaction Index) in the whole property industry, 72, although the target is to reach the index 80. 94 per cent of the staff (target 95 per cent) considered their work to be important to achieve the company's objectives and 55 per cent (target 60 per cent) considered that this was definitely the case. The company was well-known among 91 per cent (target 95 per cent) of the stakeholders in the political sphere, the capital market and the mass media, and 56 per cent (target 60 per cent) knew the company very well. Vasakronan was designated as

the fifth best workplace in Sweden in spring 2003 and one of the 100 best workplaces in Europe by Oxford Research and the EU Commission.

FINANCES

Rental incomes increased by 6 per cent to SEK 2,899 million (2,725). Rental increases in renegotiated and new leases totalled 48 per cent. Excluding earnings from property sales, write-downs of properties and expenses for redemption of future interest expenses, earnings amounted to SEK 617 million (603), an increase of 2 per cent. The prospects for 2003 is that profit after net financial income excluding items affecting comparability will total approximately SEK 550 million (617).

Objective

The objectives are set to provide a combination of high total return, dividend capacity, growth capacity and financial stability. Return on adjusted shareholders' equity should correspond to the five-year government bond rate plus 5 percentage points, over a business cycle. The visible equity/assets ratio should be 35 per cent. Finally, the cash flow interest coverage ratio should be 2.0.

Vasakronan's objective is a dividend that corresponds to three per cent of adjusted shareholders' equity. However, the dividend should total at most 50 per cent of profit after financial items with a deduction for standard tax.

Assessment

In 2002, return on adjusted shareholders' equity was -3.9 per cent due to the development of the market value of the properties. Vasakronan has met the return requirement by a broad margin over the past five-year period. The visible equity/assets ratio was 33 per cent at the turn of the year and the cash flow interest coverage ratio was 2.6 during the year.



MD: Håkan Bryngelson



Chairman: Egon Jacobsson

INCOME STATEMENT, SEK m	2002	2001
Rental and management income	2,899	2,725
Operating/maintenance expenses	-1,017	-1,058
Operating profit	1,882	1,667
Other operating expenses incl. depreciation	-638	-538
Other operating income	44	47
Items affecting comparability	6	1,863
Operating profit	1,294	3,039
Profit/loss from participations in associated companies	-14	0
Net financial income	-679	-758
Tax and minority shares	-147	-669
Net profit/loss for the year	454	1,612

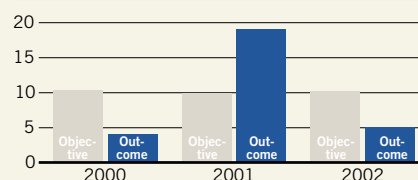
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	23,516	23,964
Interest-bearing fixed assets	2,092	1,072
Non-interest bearing current assets	1,153	1,129
Interest-bearing current assets	472	495
Total assets	27,233	26,660
Shareholders' equity, provisions and liabilities		
Shareholders' equity	9,116	9,198
Minority	0	1
Appropriations and untaxed reserves	448	445
Interest-bearing liabilities	15,332	14,260
Non-interest bearing liabilities	2,337	2,756
Total liabilities and shareholders' equity	27,223	26,660

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1,218	2
Cash flow from investment activities	-1,687	-1,709
Cash flow from financing activities	548	1,732

KEY RATIOS	2002	2001
Rental income (SEK)/sq.m. (average)	1,390	1,183
Book value properties, SEK m	22,191	22,244
Interest coverage ratio	2.6	2.1
Return on capital employed (average), %	5.9	14.4
Yield, %	7	8
Return on equity (average), %	5	19
Equity/assets ratio, %	33	35

OTHER, SEK m	2002	2001
Proposed dividend	216	537
Acquisition of properties, SEK m	15	5,187
Sale of properties, SEK m	0	6,193
Average no. of employees	336	330
- of which women	124	115
Sick leave ¹⁾ , %	4.0	5.5
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	37%
Environmental policy	YES
Environmental management system	ISO 14001

Board of directors 2002/2003

Chairman: Egon Jacobsson. *Vice chairman:* Lars Kylberg. *Board members:* Håkan Bryngelson, Georg Danell, Gerd Engman, Birgitta Kantola, Maria Lilja. *Employee representatives:* Ronny Bergström, Marianne Gustafsson. (Maria Lilja resigned and Christina Ragsten Pettersson and Lars Johan Cederlund were appointed as board members at the annual general meeting of shareholders in 2003). *Auditors:* Göran Tidström and Per Wardhammar (deputy), Öhrlings PricewaterhouseCoopers.

¹⁾ Vasakronan group.

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). Dom Shvetsii owns Sverige Huset 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 Sverige Huset is 100 per cent.



MD: Risto Koppeli



Chairman: Gunnar Lundberg

INCOME STATEMENT, MRUR	2002	2001
Net turnover	65	56
Operating expenses	-18	-14
Operating profit	47	42
Other income	1	1
Other expenses	-29	-37
Financial expenses	-17	-23
Profit before tax	2	16
Tax	0	1
Net profit/loss for the year	2	17

BALANCE SHEET, MRUR	2002	2001
Assets		
Fixed assets	83	83
Current assets	12	8
Total assets	95	91
Shareholders' equity, provisions and liabilities		
Shareholders' equity	-324	-321
Long-term liabilities	408	406
Current liabilities	11	6
Total liabilities and shareholders' equity	95	91

Board of directors 2002/2003

Chairman: Gunnar Lundberg. Board members: Christer Alvemur, Kirill V Avdeev, Fredrik Wirdenius, Carl-Johan Gunnarsson.



Green Cargo AB was established at the turn of the year 2000/2001 in conjunction with the incorporation of the public enterprise Statens järnvägar (Swedish State Railways) and division into separate companies. Part of the public enterprise's previous goods operations is now the backbone of Green Cargo's present operations.

OPERATIONS

Green Cargo accounts for approximately 18 per cent of Sweden's total transport performance, and for almost 80 per cent of goods transport by rail. Green Cargo works with the railway as a base. Lorry distribution, warehouse management, and further processing are important components that enable Green Cargo to offer complete logistics solutions from customer to customer.

Objective

In 2002, Green Cargo chose a core value to sum up the value, which is also a vision – sustainable development. This entails building a leading company, which contributes to sustainable development by supplying logistics solutions which create the conditions for future business and profitability. By doing so, Green Cargo also helps its customers contribute to sustainable development.

Assessment

The need for new logistics solutions and logistics changes. The requirements for precision are increased, the weight of consignments decreases and their number and frequency increases. The business sector and industry see how logistics can provide companies with competitive advantages and profits and incorporate more and more efficient logistical solutions into their production processes. In order to be able to offer their customers profitability, logistics companies

must also have access to international coverage, partners, and work together with different modes of transport. At the same time, the distinctions are abolished between traditional actors. Goods truck companies become carriers, customers become their own logistics operators and ports become logistics centres for new European transport flows.

94 per cent of Green Cargo's transportation takes place with electric trains and the whole operations has attained the Good Environmental Choice ecolabel (Bra Miljöval).

FINANCES

Net profit totalled SEK –275 million (–177). A weak development of volume in the first half of the year combined with relatively high fixed expenses is the main reason of the year's negative result.

Objective

Green Cargo's overall financial objective is to create strong financial results that enable the company to be successful in development of sustainable logistics solutions and contribute to sustainable development.

Assessment

Despite Green Cargo not having achieved satisfactory profitability, the company is a good way on the road by work with process surveying and efficiency improvements of operations. In order to be able to meet competition in the market, the company will need to invest in rolling stock. A prerequisite for an improvement of the equity/assets ratio is for the company to improve its earning capacity. In order to achieve increased profitability, Green Cargo will need to continue the work of developing logistics solutions, building strong partnerships and developing international cooperation.



MD: Jan Sundling



Chairman: Karl-Gunnar Holmqvist

INCOME STATEMENT, SEK m	2002	2001
Net turnover	6,141	6,303
Expenses	-6,260	-6,284
Items affecting comparability	-	-47
Profit/loss from participations in associated companies	2	8
Operating profit	-117	-20
Financial income	36	74
Financial expenses	-115	-130
Profit before tax	-196	-76
Tax	-88	-103
Minority	9	2
Net profit/loss for the year	-275	-177

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1,740	1,848
Interest-bearing fixed assets	259	46
Non-interest bearing current assets	897	882
Interest-bearing current assets	408	903
Total assets	3,304	3,679
Shareholders' equity, provisions and liabilities		
Shareholders' equity	467	732
Minority	6	10
Interest-bearing provisions	28	28
Non-interest bearing provisions	46	71
Interest-bearing long-term liabilities	1,523	1,621
Non-interest bearing long-term liabilities	1	1
Interest-bearing current liabilities	160	282
Non-interest bearing current liabilities	1,073	934
Total liabilities and shareholders' equity	3,304	3,679

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	-15	-115
Cash flow from investment activities	-413	-955
Cash flow from financing activities	-111	1,019

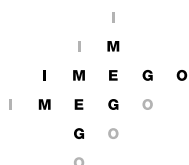
KEY RATIOS	2002	2001
Return on equity (average), %	neg	neg
Return on total assets (average), %	neg	1.4
Return on capital employed (average), %	neg	2.1
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	14.3	20.2

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	570	174
Depreciation and write-downs	199	212
Average no. of employees	3,737	3,902
– of which women	441	442
Sick leave, %	8.0	n.a.
Share owned by state, %	100	100

Equal opportunities policy	YES
Proportion of women	12%
Environmental policy	YES
Environmental management system	ISO 14001

Board of directors 2002/2003

Chairman: Karl-Gunnar Holmqvist. *Board members:* Christer Bådholm, Eva Halvarsson, Kristina Rennerstedt, Peter Sandberg, Jan Sjöqvist, Birgitta Strömberg, Carl-Viggo Östlund. *Employee representatives:* Stefan Bieder, Björn T Johansson, Peter Lundmark, Lars-Åke Persson. (Eva Halvarsson resigned and Björn Mikkelsen was appointed as a board member at the annual general meeting of shareholders in 2003). *Auditors:* Björn Sundkvist, Deloitte & Touche and Filip Cassel, National Audit Office.



In 1998 the Riksdag decided to set up Imego AB according to a proposal from a committee of enquiry on a technical research institute in Göteborg. Imego is a research institute in Göteborg which 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 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 chemistry and optics.

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

Objective

The company's is establish collaboration with companies and institutes of higher in the area of microelectronics, micromechanics and sensor systems.

Assessment

The company received quality certification in April 2000 (ISO 9001) and its intention is now to start EFQM certification. Imego aims to recruit internationally experienced staff and 20 per cent of the staff are of foreign origin.

FINANCES

The basis for operations is a government grant of SEK 20 million. Income from external projects was over SEK 18 million in 2002. The external income derives from some 20 projects where the largest project is a product in the leisure sector. The next largest is a multi-year collaboration with Saab Dynamics. The company has also developed a mobile, wireless test equipment for sensors called Tyrsense, in collaboration with Acreo and IVF. The biggest product financed with government grants has been to develop construction methods for sensors, magnetic nanoparticles for biosensors, biomatrix for DNA and the sun protection sensor, Sunsitive.

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

Assessment

The company is still in a build-up phase. The first objective is for incomes from commissions to exceed the government grants. This objective was not achieved in 2002.



MD: Bill Brox



Chairman: Mauritz Sahlin

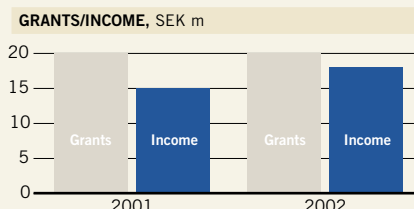
INCOME STATEMENT, SEK m	2002	2001
Net turnover	38	35
Expenses	-53	-41
Operating profit	-15	-6
Financial income	2	3
Profit before tax	-13	-3
Net profit/loss for the year	-13	-3

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	17	20
Non-interest bearing current assets	6	3
Interest-bearing current assets	47	59
Total assets	70	82
Shareholders' equity, provisions and liabilities		
Shareholders' equity	64	76
Non-interest bearing current liabilities	6	6
Total liabilities and shareholders' equity	70	82

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	-7	7
Cash flow from investment activities	14	-50

KEY RATIOS	2002	2001
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, %	87.5	96.3

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	6	18
Depreciation and write-downs	7	7
Average no. of employees	40	38
- of which women	10	10
Sick leave, %	2.0	1.0
Share owned by state, %	100	100



Equal opportunities policy	YES
Proportion of women	.25%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Mauritz Sahlin. **Board members:** Thomas Lewin, Göran Netzler, Aina Nilsson, Eva Olsson, Pär Omling, Lena Torell. **Deputy:** Kent Andersson. (Thomas Lewin, Eva Olsson and Pär Omling resigned and Börje Johansson, Gunnar Lundgren and Christina Ullenius were appointed as board members of directors at the annual general meeting of shareholders in 2003). **Auditor:** Per Wardhammar, Öhrlings PricewaterhouseCoopers.



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.

Construction has been completed of three buildings with 129 apartments in Halmstad. This investment totalled SEK 45 million. Construction was cheaper and more successful than earlier forecasts. Letting started in November 2001.

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 review in spring

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

FINANCES

Net profit totalled SEK 20 million (5). The improvement in earnings is primarily due to sale of the subsidiary Fastighets AB Kasernen in Stockholm which produced a capital gains 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 2002, Kasernen has complied with the financial and other objectives set by the owner for the company. Kasernen's forecast for 2003 is that profit after net financial income, before any income from property sales, will decrease.



MD: Arne Lorentzon



Chairman: Christer Alvmur

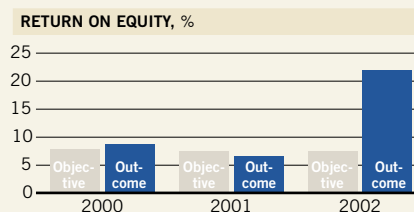
INCOME STATEMENT, SEK m	2002	2001
Rental income	22	27
Operating expenses	-2	-3
Maintenance expenses	-1	
Property tax		-1
Operating profit	19	23
Depreciation	-4	-6
Gross profit	15	17
Personnel costs	-3	-3
Items affecting comparability	22	1
Operating profit	34	15
Net financial income	-3	-8
Profit before tax	31	7
Tax	-11	-2
Net profit/loss for the year	20	5

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	182	255
Non-interest bearing current assets	7	12
Interest-bearing current assets	16	12
Total assets	205	279
Shareholders' equity, provisions and liabilities		
Shareholders' equity	100	82
Non-interest bearing provisions	6	4
Interest-bearing long-term liabilities	91	175
Non-interest bearing current liabilities	8	18
Total liabilities and shareholders' equity	205	279

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	-1	19
Cash flow from investment activities	28	-35
Cash flow from financing activities	-22	11

KEY RATIOS	2002	2001
Return on equity (average), %	22.0	6.6
Return on total assets (average), %	15.3	6.2
Return on capital employed (average), %	16.5	6.6
Return on operating capital (average), %	16.2	6.5
Equity/assets ratio, %	48.8	29.4
Area of premises, 000 sq.m.	33	31
Book value properties, SEK m	252	252

OTHER, SEK m	2002	2001
Proposed dividend,	10	3
Gross investment	1	44
Depreciation and write-downs	-4	-6
Average no. of employees	3	3
- of which women	1	1
Share owned by state, %	100	100



Equal opportunities policy	.NO
Proportion of women	.33%
Environmental policy	.NO
Environmental management system	.NO

Board of directors 2002/2003

Chairman: Christer Alvmur. Board members: Björn Andersson, Lena Jönsson, Arne Lorentzon, Monica Lundberg.

Auditor: Per Wardhammar, Öhrlings PricewaterhouseCoopers.



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 designs labour market training courses, working closely with county employment boards, employment offices and businesses. Lernia offers certification and licensing 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, sfi. Lernia bemanning is market leading in the field of industry, technology and logistics.

Objective

Lernia is to focus on areas where profitability, sustainability and competitive advantages can be achieved. The operations are to be organised to enable increased flexibility and a reduced business risk to be achieved. The financial strategy is to focus on the company being self-financed based on its business operations.

Assessment

Lernia has generally strengthened its market shares in the fields in which it operates. Expansion in the manning operations has been self-financed. The company's flexibility and efficiency have been improved. The financial result has been further reinforced.

FINANCES

Lernia's net turnover increased in 2002 by SEK 91 million to SEK 1,837 million, primarily due to a strong development in manning. Operating profit increased to SEK 32 million from SEK 9 million. The improved earnings are primarily due to better use of resources in the skills development business unit. In 2002, Lernia reported a return on equity of 9.2 per cent (4.3). The equity/assets ratio totalled 52 per cent (50).

Objective

According to earlier statements, Lernia is to achieve a return on adjusted shareholders' equity after tax of 14 per cent and have a minimum equity/assets ratio of 35 per cent. From 2003, it is proposed that the economic and financial the objectives over a business cycle should be a return on equity after standard tax of at least 13 per cent, an operating margin of at least 4 per cent and an equity/assets ratio of 40–50 per cent.

Lernia's dividend policy entails that capital in excess of the capital requirement, defined as shareholders' equity shall be sufficient to carry out a restructuring of the operations that corresponds to the company's operating risk in the short-term, shall be distributed to the owner.

Assessment

Lernia has not achieved the dividend objective but has succeeded in improving the return. The objective for the equity/assets ratio has been fulfilled. In order to achieve these objectives, it is considered necessary to continue the focus on increased flexibility of production, increased customer orientation and focused growth.



MD: Ingemar Alserud



Chairman: Tomas Eneroth

INCOME STATEMENT, SEK m	2002	2001
Net turnover	1,837	1,746
Expenses	-1,805	-1,737
Operating profit	32	9
Financial income	3	4
Financial expenses	-8	-1
Profit before tax	27	12
Net profit/loss for the year	27	12

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	156	156
Non-interest bearing current assets	332	323
Interest-bearing current assets	117	89
Total assets	605	568
Shareholders' equity, provisions and liabilities		
Shareholders' equity	305	284
Non-interest bearing provisions	10	34
Non-interest bearing current liabilities	290	250
Total liabilities and shareholders' equity	605	568

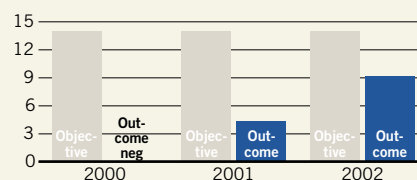
CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	69	-17
Cash flow from investment activities	-35	-27
Cash flow from financing activities	-6	-

KEY RATIOS	2002	2001
Return on equity (average), %	9.2	4.3
Return on total assets (average), %	6.1	2.1
Return on capital employed (average), %	11.9	4.7
Return on operating capital (average), %	16.7	5.4
Equity/assets ratio, %	51.8	50.0

OTHER, SEK m	2002	2001
Proposed dividend	9	6
Gross investment	39	36
Depreciation and write-downs	29	43
Average no. of employees	2,606	2,509
– of which women	896	853
Sick leave, %	6.0	6.0
Staff turnover, %	6.0	10.0
Staff satisfaction ¹⁾ , %	70.0	69.0
Share owned by state, %	100	100

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

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	34%
Environmental policy	YES
Environmental management system	EMAS

Board of directors 2002/2003

Chairman: Tomas Eneroth. *Board members:* Sven-Runo Bergqvist, Jonas Iversen, Karin Kronstam, Margareta Lewin, Annika Lundius, Anna-Stina Nordmark-Nilsson. *Employee representatives:* Inge Lindroth, Lena Lundberg.

Deputy employee representatives: Olle Eriksson, Anders Lindell. (Jonas Iversen resigned and Viktoria Aastrup was appointed as a board member at the annual general meeting of shareholders in 2003).

Auditors: Stefan Holmström, KPMG and Bengt Forsslundh, National Audit Office.



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 is, 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.

Objective

LKAB's overall objective for 2003 has been the focus on quality, service and cost efficiency. Quality work in LKAB has top priority and remains the company's most important instrument for continued competitiveness and profitability also during downturns. At the same time, customers wish to have more support and service. LKAB is working on a strongly competitive market and must accordingly continually improve its cost efficiency.

Assessment

Through its focus on quality, service and efficiency, LKAB has held its own well in 2002 on a highly consolidated and very competitive market. Demand has increased for the company's products which has entailed increased production and deliveries. Production totalled 20.3 million tonnes and deliveries 19.6 million tonnes. The extensive change and improvement programmes that are in process aim at further increasing effi-

ciency, make better use of capacity and thus improving profitability.

FINANCES

The net turnover of the LKAB group increased in 2002 by SEK 316 million to SEK 5,186 million. The increased delivery volume together with a positive effect from US dollar hedging carried out was counteracted by 5–7 per cent lower ore prices in US dollars.

Operating profit improved by SEK 226 million and totalled 293 million (67). Financial income and expenses increased to SEK 103 million (–5) net. The increase is mainly explained by the hedging in US dollars and higher returns on interest-bearing investments. Profit after financial items increased by SEK 334 million to SEK 396 million.

Return on equity was 3.5 per cent and the equity/assets ratio was 74 per cent.

Objective

LKAB has set the long-term return requirement on operating assets in the parent company at 10 per cent corresponding to 15 per cent of shareholders' equity before tax measured over a business cycle. The objective is set in the light of the sector being capital-intensive and cyclically dependent.

The dividend is to be 30–50 per cent of net profit in the long-term and adapted to the average level of profits over the business cycle.

Assessment

Earnings increased as a result of the internal measures in combination with LKAB's improved market position. Other positive factors were an improved cash flow and increased liquidity. The company did not achieve the set dividend objectives for shareholders' equity and operating assets.

The company has a very good equity/assets ratio. LKAB must continue to improve cost-effectiveness. The aim is to get back to the level of costs in 2000. LKAB is providing a dividend to owner for the financial year of 2002 of SEK 231 million.



MD: Martin Ivert



Chairman: Björn Sprängare

INCOME STATEMENT, SEK m	2002	2001
Net turnover	5,186	4,870
Expenses	–4,893	–4,803
Operating profit	293	67
Financial income	166	88
Financial expenses	–63	–93
Profit before tax	396	62
Tax	–96	–15
Minority	–5	–7
Net profit/loss for the year	295	40

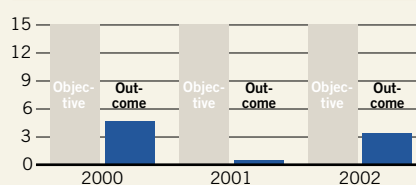
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	6,884	7,284
Interest-bearing fixed assets	41	41
Non-interest bearing current assets	1,713	2,101
Interest-bearing current assets	3,045	2,505
Total assets	11,683	11,931
Shareholders' equity, provisions and liabilities		
Shareholders' equity	8,673	8,609
Minority	3	46
Interest-bearing provisions	902	782
Non-interest bearing provisions	1,254	1,378
Interest-bearing long-term liabilities	2	
Non-interest bearing long-term liabilities		41
Interest-bearing current liabilities		6
Non-interest bearing current liabilities	849	1,069
Total liabilities and shareholders' equity	11,683	11,931

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1,184	959
Cash flow from investment activities	–573	–1,050
Cash flow from financing activities	–346	–189

KEY RATIOS	2002	2001
Return on equity (average), %	3.5	0.5
Return on total assets (average), %	4.0	1.3
Return on capital employed (average), %	5.0	1.6
Return on operating capital (average), %	4.5	0.9
Equity/assets ratio, %	74.3	72.5

OTHER, SEK m	2002	2001
Proposed dividend	231	231
Gross investment	560	1,069
Depreciation and write-downs	994	955
Average no. of employees	3,078	3,172
– of which women	218	237
Sick leave, %	7.0	n.a.
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	7%
Environmental policy	YES
Environmental management system	OWN

Board of directors 2002/2003

Chairman: Björn Sprängare. **Board members:** Christer Berggren, Stina Blombäck, Lars-Åke Helgesson, Hans Christer Olson, Carl Wilhelm Ros, Ursula Tengelin, Egil M. Ullebø. **Employee representatives:** Håkan Bäckström, Hans Larsson, Karl Wikström. **Deputy employee representatives:** Thomas Kohkoinen, Torsten Thornéus, Henrik Åhult. **Auditors:** Roland Nilsson and Anders Åström, KPMG.



Axel Oxenstierna founded the Swedish postal service in 1636. 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 market for letters and communications and in the market for parcels and logistics services. Posten's markets extends from the flows of physical letters and parcels to services that combine physical and electronic flows and to some extent to wholly electronic services. Geographically, Sweden is the main market although the company has a good position in the Nordic countries through its subsidiaries and is able to provide services in the whole of Europe and the larger part of the world.

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.

According to the Act concerning Basic Cash Service, Posten is obliged to provide a daily, nationwide cash service.

Objective

Posten is to be both financially successful in the market and to live up to the highly-pitched requirements for service that are included in the community assignment. Posten has three main objectives: profitability, satisfied customers and satisfied staff. The three objectives interact and are a prerequisite for being able to meet customers' needs of service in the long-term in profitable forms.

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 ensure overall service quality.

Posten's profitability is not satisfactory. Posten is not considered to have focused its investments and resources sufficiently on its core operations at the same time as cost-effectiveness is too low to achieve profitability. The government's requirement for a basic cash service has also had a highly negative impact on the company's profitability. Measures must be taken to eliminate the deficits for the cash service.

FINANCES

Posten's net turnover increased in 2002 by SEK 1,964 million to SEK 23,632 million, primarily as a result of acquisition of subsidiaries and establishment of joint ventures. The operating loss was SEK -703 million. The deterioration in earnings is caused by the high development and administration expenses at the same time as Posten has not succeeded in adapting its fixed expenses in production to reduced letter volumes and decreasing cash transactions.

Objective

According to previous statement, Posten is to achieve a return on adjusted shareholders' equity of 10 per cent with an equity/assets ratio of 30 per cent. A review of economic and financial objectives for 2003 is in process.

Assessment

Posten has not achieved its economic and financial objectives. Posten must undertake the measures required to increase the company's profitability in the short and long-term. This is necessary to retain development ability and a financial status without the need for a capital contribution from the owner.



MD: Erik Olsson



Chairm: Marianne Nivert

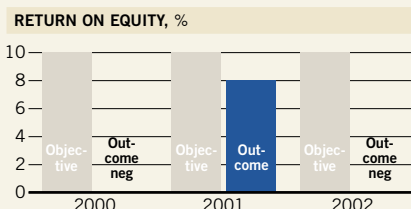
INCOME STATEMENT, SEK m	2002	2001
Net turnover	23,632	21,668
Expenses	-24,317	-21,071
Items affecting comparability	732	2,988
Profit/loss from participations in associated companies	-18	-16
Operating profit	29	3,569
Financial income	197	235
Financial expenses	-157	-290
Profit before tax	69	3,514
Tax	-865	-83
Minority	8	1
Net profit/loss for the year	-788	3,432

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	5,942	5,935
Non-interest bearing current assets	3,751	3,435
Interest-bearing current assets	4,170	7,941
Total assets	13,863	17,311
Shareholders' equity, provisions and liabilities		
Shareholders' equity	2,587	3,299
Minority	12	4
Interest-bearing provisions	343	243
Non-interest bearing provisions	3,752	5,249
Interest-bearing long-term liabilities	555	636
Non-interest bearing long-term liabilities	60	72
Interest-bearing current liabilities	1,124	2,963
Non-interest bearing current liabilities	5,430	4,845
Total liabilities and shareholders' equity	13,863	17,311

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	45	1,664
Cash flow from investment activities	-1,791	3,520
Cash flow from financing activities	-617	-1,433

KEY RATIOS	2002	2001
Return on equity (average), %	neg	8.0
Return on total assets (average), %	1.4	22.8
Return on capital employed (average), %	3.8	59.1
Return on operating capital (average), %	neg	673.9
Equity/assets ratio, %	18.7	19.1

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	1,740	1,187
Depreciation and write-downs	984	887
Average no. of employees	39,554	39,466
- of which women	18,008	17,450
Sick leave, days	35.0	33.3
Share owned by state, %	100	100



Equal opportunities policy	YES
Proportion of women	.46%
Environmental policy	YES
Environmental management system	ISO 14001 ¹⁾

Board of directors 2002/2003

Chairman: Marianne Nivert. *Board members:* Anette Brodin Rampe, Jonas Iversen, Jan Kvarnström, Sören Lekberg, Ulla Litzén, Curt Malmberg, Claes Ånstrand. *Employee representatives:* Åke Kihlberg, Alf Mellström, Kjell Strömbäck. *Deputy employee representatives:* Carina Holm, Björn Nyström, Ann-Marie Ross. (Claes Ånstrand, Anette Brodin Rampe, Curt Malmberg and Sören Lekberg resigned and Per Tjärnberg, Katarina Mohlin and Christina Ragsten Pettersson were appointed as board members of directors at the annual general meeting of shareholders in 2003). *Auditors:* Stefan Holmström, KPMG and Curt Öberg, National Audit Office.

¹⁾ The parts of Posten that are now certified in accordance with ISO 14001 are the letter and parcel processes, the airline company Falcon Air, Söve Cargo Logistik, Tollpost Globe and Posten Frimärken (Stamps).



SJ is one of the larger operators of rail passenger services in Sweden. The company was established in 2001 when the public enterprise Statens järnvägar was incorporated. After incorporation, Statens järnvägar's passenger services are operated by SJ AB.

OPERATIONS

SJ develops, produces and sells travel services directly and in collaboration with other parties. The services offered include interregional, regional and local services and day and night services according to different service concepts. With train travel as a basis, SJ is to offer private and business travellers and long-distance commuters an attractive travel opportunities. SJ should also offer the transport principals and the National Public Transport Agency an attractive offer according to a travel concept with the train as a basis and with alternative service possibilities. SJ shall, when it is profitable, offer closely-related services that increase the competitiveness of rail travel.

Objective

Overall, SJ is to create a commercially strong and flexible company that is to supply these services in a cost-effective way and in collaboration with others.

Assessment

SJ is one of the seven large operators in the Swedish railway market. Apart from the domestic competitors, large international companies such as Connex, DSB and Keolis have entered the Swedish travel market. In coming transport tendering procedures, SJ is expected to face competition from more of the large international players.

FINANCES

In December 2002, the company's board of directors drew up a balance sheet for liquidation purposes in accordance with the Companies Act. This shows that shareholders' equity was less than half of the registered capital. At an extraordinary shareholders' meeting on 15 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 accordance with the provisions of the Companies Act, the share capital must have been restored at the latest by 15 September 2003, otherwise the company must enter liquidation. In April 2003, the government introduced a bill with proposals on how the capital deficiency is to be remedied.

Objective

The owner's long-term financial requirement on SJ is a return on equity after tax of at least 13 per cent over a business cycle, an indebtedness ratio of at most 1 and an interest coverage ratio of 2. These requirements are on a line with some of SJ's large and more successful international competitors. The dividend is to be approximately a third after deduction for standard tax. Dividend policy is being reviewed.

Assessment

In 2002, the company has not achieved the above financial objective. In 2003, SJ needs to carry out an extensive programme of savings to quickly adapt expenses to a level that is considered to be competitive. The owner's commission to the board of directors includes making SJ a modern transport company which acts professionally and commercially in all respects. To achieve this, a great deal of work to change the business culture, new competence, revaluation of strategies and approaches, etc. are required. SJ has adopted a business plan for the next few years with high growth and improved earnings margins. To achieve these objectives, it is important that SJ has a high level of reliability in the services offered to customers.

A new chairman of the board was appointed in 2002 for SJ and new appointments were also made to the board. A new managing director and financial director have also been recruited in 2002.



MD: Jan Forsberg



Chairman: Ulf Adelson

INCOME STATEMENT, SEK m	2002	2001
Net turnover	5,711	5,546
Expenses	-5,511	-5,320
Items affecting comparability	-907	0
Profit/loss from participations in associated companies	0	2
Operating profit	-707	228
Financial income	130	160
Financial expenses	-417	-437
Profit before tax	-994	-49
Net profit/loss for the year	-994	-49

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	6,416	6,887
Interest-bearing fixed assets	1,523	1,684
Non-interest bearing current assets	558	467
Interest-bearing current assets	639	670
Total assets	9,136	9,708

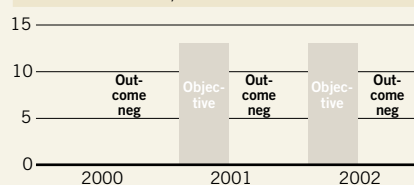
Shareholders' equity, provisions and liabilities	2002	2001
Shareholders' equity	-149	844
Interest-bearing provisions	90	90
Non-interest bearing provisions	1,516	1,013
Interest-bearing long-term liabilities	6,059	6,326
Non-interest bearing current liabilities	1,620	1,435
Total liabilities and shareholders' equity	9,136	9,708

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	251	792
Cash flow from investment activities	-308	-992
Cash flow from financing activities	202	516

KEY RATIOS	2002	2001
Return on equity (average), %	neg	neg
Return on total assets (average), %	neg	4.0
Return on capital employed (average), %	neg	5.9
Return on operating capital (average), %	neg	n.app.
Equity/assets ratio, %	neg	8.7

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	342	1,291
Depreciation and write-downs	490	471
Average no. of employees	3,666	3,582
- of which women	1,378	1,352
Sick leave, %	10.0	9.0
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	.38%
Environmental policy	YES
Environmental management system	.OWN

Board of directors 2002/2003

Chairman: Ulf Adelson. **Board members:** Monica Caneman, Peter Fallenius, Roland Fahlin, Marie Granlund, Eva Halvarsson, Björn Mikkelsen, Bo Severed. **Employee representatives:** Lena Aldenmark, Nils-Gunnar Nyholm, Bror Saxvold. (Marie Granlund resigned and Ingela Tuvegran was appointed as board member at the annual general meeting of shareholders in 2003).

Auditors: Jan Berntsson, Deloitte & Touche and Filip Cassel, National Audit Office.



Specialfastigheter Sverige AB is a wholly-owned state property company which owns properties intended for special purposes. The company has five subsidiaries and operations are carried out throughout the whole of Sweden. The property holdings comprise approximately one million sq.m. Specialfastigheter was created with view to concentrating Vasakronan AB as a purely commercial property company, and distributed to the state on 1 July 1998.

OPERATIONS

Specialfastigheter owns properties built for special purpose, for instance, rescue training centres, correctional facilities and community youth homes. In common for tenants is that the premises they operate in have been adapted to support the operations in the long-term.

Specialfastigheter shall own and manage specialist properties on behalf of government agencies with the aim of generating return on the capital employed in accordance with the owner's requirements. The company is to be operated in such a way that meets the requirements of the agencies that lease and use the premises for their operations.

Objective

The focus of the special property operations should be to support the agency that uses the special properties in its operations. A self-evident objective is to optimise customer benefit, i.e. to provide maximum benefit in the form of well-adapted premises, high standard and good service at a given rent level.

Assessment

Every other year, a customer survey is carried out of Specialfastigheter' tenants. Last year's survey showed that the company can be considered to be competent as regards maintaining the properties and

providing advice on rebuilding and extensions. In all, 85–86 per cent of the company's tenants were very satisfied or quite satisfied with the quality of premises and services.

FINANCES

Specialfastigheter's rental income for 2002 totalled SEK 943 million (891). The rental portfolio is characterised by long-term leases with government agencies. The properties' book value is approximately SEK 5 billion. The group's profit after net financial income totalled SEK 111 million (149). The reduction in earnings mainly derives from the adjustment of the group's accounting principles to the Swedish Financial Accounting Standards Council's recommendations RR12 and RR17.

Objective

The company's equity/assets ratio should be 20 per cent. The return (profit after standard tax) on the average shareholders' equity should correspond to the five-year government bond rate plus 2.5 percentage points, over a business cycle. The group's dividend policy is to have the target of distributing 50 per cent of the net earnings 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 2002, adjusted for proposed dividend, was 21.7 per cent. Return on equity was 6 per cent which was in line with the owner's objective since the return objective has been set over a business cycle. The board of directors has proposed to the annual general meeting to distribute 50 per cent of the net profit for the year. The company has thereby fulfilled the owner's financial objective.



MD: Curt Bylund



Chair: Eva-Britt Gustafsson

INCOME STATEMENT, SEK m	2002	2001
Rental and management income	997	938
Operating and maintenance expenses	-406	-377
Property tax	-20	-16
Operating profit	571	545
Depreciation	-222	-169
Staff expenses	-53	-48
Other administration etc.	-19	-18
Other income	5	0
Items affecting comparability	0	2
Operating profit	281	312
Net financial income	-170	-163
Profit before tax	111	149
Tax	-31	-42
Net profit/loss for the year	80	107

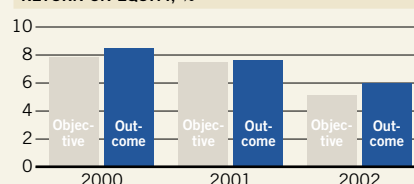
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	5,297	5,329
Non-interest bearing current assets	211	248
Interest-bearing current assets	213	135
Total assets	5,721	5,712
Shareholders' equity, provisions and liabilities		
Shareholders' equity	1,275	1,382
Non-interest bearing provisions	100	82
Interest-bearing long-term liabilities	3,865	3,749
Non-interest bearing current liabilities	482	499
Total liabilities and shareholders' equity	5,721	5,712

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	315	116
Cash flow from investment activities	-299	-198
Cash flow from financing activities	62	216

KEY RATIOS	2002	2001
Return on equity (average), %	6.0	7.6
Return on total assets (average), %	5.0	5.6
Return on capital employed (average), %	5.5	6.3
Return on operating capital (average), %	5.3	6.2
Equity/assets ratio, %	22.3	24.2
Area of premises, 000 sq.m.	977	982
Book value properties, SEK m	5,037	5,214

OTHER, SEK m	2002	2001
Proposed dividend,	40	54
Gross investment	327	210
Depreciation and write-downs	223	171
Average no. of employees	93	90
– of which women	15	13
Sick leave, %	3.1	n.a.
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	.16%
Environmental policy	YES
Environmental management system	ISO 14001

Board of directors 2002/2003

Chairman: Eva-Britt Gustafsson, **Board members:** Per Balazsi, Curt Bylund, Eva Falkman, Claes Kjellander, Håkan Lennersand, Ingemar Ziegler. **Employee representatives:** Thord Cling, Hans Hansson. (Per Balazsi and Eva Falkman resigned and Marianne Förander was appointed at the annual general meeting of shareholders in 2003).

Auditors: Hans Åkervall, KPMG and Jonas Hällström, National Audit Office.



STATENS BOSTADSFINANIERINGSAKTIEBOLAG, SBAB

Until the 1984/85 fiscal year, government housing loans were financed through the state budget. As from 1 July 1985, this task was taken over by SBAB (the Swedish National Housing Finance Corporation). The company financed loans which had been decided upon by the National Housing Board and the county housing boards. In conjunction with the reorganisation of the company, the company's present role was confirmed to contribute to diversity and competition in the market, based on the usual economic objectives.

OPERATIONS

SBAB is now a leading player on the part of the housing market that is open to competition. SBAB shall finance housing in a simple and attractively priced way. This means that SBAB with a low price and high accessibility shall make housing cheaper for many homeowners and that SBAB shall offer competitive services to owners of apartment blocks.

SBAB's strategy for growth is a continued investment in private customers, a broadened customer base with deeper business relations within the group of medium-sized property owners and tenant-owner associations and a competitive borrowing in and outside Sweden. This operation is to be characterised by low risk, good profitability, cost-effectiveness and permeated by service mindedness and a high level of ethical demands.

Objective

SBAB's objective is to contribute to diversity and competition in the part of the housing market that is open to competition based on customary commercial objectives and an efficient sales organisation.

The Nordic finance and housing loan market has undergone great restructuring during the past few years which has creat-

ed larger and financially stronger units. These units have a broader range of services and better prerequisites for benefiting from advantages of scale in the sale, production and distribution process. This concentration has entailed increased competition from both domestic and foreign players with an ensuing increased pressure on margins, primarily on low-risk loans.

FINANCES

The group reported an operating profit of SEK 618 million (541), an improvement from last year of 14 per cent. Underlying this improvement was a strong increase in net interest income and continued low loan losses and a limited increase in overheads. Net interest income was SEK 1,175 million (1,069), which entailed an increase of 10 per cent compared with the previous year. The improvement primarily derives from increased lending volume to private customers with higher profitability and better margins as a result of the increased adaptation of pricing in relation to the lending risk for corporate customers.

Loan losses totalled SEK 74 million (55). This increase is to be viewed in the light of the loan loss situation being particularly favourable for a number of years and that the underlying factors are now developing towards more normal conditions.

Objective

The return (earnings after standard tax) on the average shareholders' equity shall correspond to the five-year government bond rate plus five percentage points, over a business cycle.

The dividend objective amounts to a third of the year's profit.

Assessment

Return on equity was 10.2 per cent.



MD: Christer Malm



Chairman: Claes Kjellander

INCOME STATEMENT, SEK m	2002	2001
Net interest income	1,175	1,069
Net provisions	-15	-15
Other operating income	3	4
Total operating income	1,163	1,058
General administration expenses	-176	-214
Staff expenses	-239	-190
Other operating expenses	-44	-43
Depreciation	-12	-15
Profit before loan losses	692	596
Loan losses, net	-74	-55
Profit before tax	618	541
Tax	-173	-152
Minority	-1	-1
Net profit/loss for the year	444	388

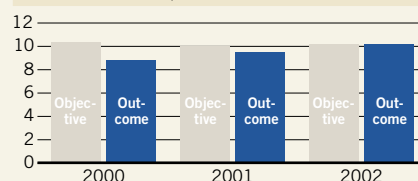
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1,508	591
Interest-bearing fixed assets	135,009	140,179
Non-interest bearing current assets	720	814
Interest-bearing current assets	581	5,141
Total assets	137,818	146,725
Shareholders' equity, provisions and liabilities		
Shareholders' equity	4,544	4,220
Minority	149	99
Non-interest bearing provisions	212	199
Interest-bearing long-term liabilities	22,005	51,222
Interest-bearing current liabilities	108,747	88,636
Non-interest bearing current liabilities	2,161	2,349
Total liabilities and shareholders' equity	137,818	146,725

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	11,267	-3,357
Cash flow from investment activities	-13	-12
Cash flow from financing activities	-11,221	3,092

KEY RATIOS	2002	2001
Return on equity (average), %	10.2	9.5
Lending, million	133,840	137,430
Securitisation as a % of borrowing	13.4	13.5
I/C ratio excl loan losses	2.5	2.4
Capital adequacy ratio, %	10.0	9.5

OTHER, SEK m	2002	2001
Proposed dividend,	137	120
Gross investment	14	13
Depreciation and write-downs	-12	-15
Average no. of employees	388	368
- of which women	233	220
Sick leave, %	4.4	3.4
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	.60%
Environmental policy	YES
Environmental management system	OWN

Board of directors 2002/2003

Chairman: Ingemar Eliasson. **Board members:** Christer Malm, Bo Marking, Christina Ragsten Pettersson, Jan Berg, Lars Linder-Aronson, Kerstin Grönwall, Per Erik Granström. (Ingemar Eliasson and Bo Marking resigned and Michael Thorén were appointed at the annual general meeting of shareholders 2003. Claes Kjellander was appointed at the extraordinary shareholders' meeting on 19 May 2003). **Auditors:** Hans Lindén, Öhrlings PricewaterhouseCoopers and Per Bergman, KPMG.

Förvaltningsaktiebolaget Statum

Förvaltningsaktiebolaget Statum 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.

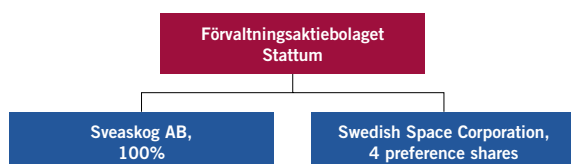
Assets also existed in the form of holdings in Jaerdaler A/S in bankruptcy, Sara Orient Hotels Ltd, Paralog i konkurs AB [in bankruptcy], Partnerinvesteringar i Göteborg AB, Nynäskombinatet NYKOMB AB, Pharmacia AB, SSAB Svenskt Stål AB, Ncb AB, Cementa AB and Celsius Industrier AB.

OPERATIONS

Statum is a management company with the task of managing certain shareholdings. The Statum group manages shares in the subsidiaries Fortia, Statsföretag and all shares in Sveaskog. Preference shares in the Swedish Space Corporation (Svenska rymdaktiebolaget) with a nominal value of SEK 350 million are managed through Fortia. Through Fortia, Statum also holds treasury bills to an amount of approximately SEK 900 million. During 2003, Statum will undergo some restructuring and the holding in Sveaskog will be distributed to the owner. 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. Income from financial investments decreased compared with 2001 given that Statum transferred its shares in AssiDomän to Sveaskog AB in December 2001.



MD: Viktoria Aastrup



Chairman: Claes Ånstrand

INCOME STATEMENT, SEK m	2002	2001
Net turnover	8,390	431
Expenses	-7,131	-314
Operating profit	1,259	117
Financial income	107	222
Financial expenses	-563	-46
Profit before tax	803	294
Tax	-196	-53
Net profit/loss for the year	607	241

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	30,296	28,322
Interest-bearing fixed assets	358	360
Non-interest bearing current assets	2,376	2,268
Interest-bearing current assets	1,300	7,848
Total assets	34,330	30,799

Shareholders' equity, provisions and liabilities	2002	2001
Shareholders' equity	19,570	19,001
Interest-bearing provisions	856	873
Non-interest bearing provisions	2,651	2,590
Interest-bearing long-term liabilities	6,895	13,483
Non-interest bearing long-term liabilities	6	4
Interest-bearing current liabilities	2,407	120
Non-interest bearing current liabilities	1,947	2,728
Total liabilities and shareholders' equity	34,330	30,799

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1,126	138
Cash flow from investment activities	-2,269	-17,235
Cash flow from financing activities	-5,331	23,834

KEY RATIOS	2002	2001
Return on equity (average), %	3.1	2.5
Return on total assets (average), %	3.7	1.7
Return on capital employed (average), %	4.3	2.0
Return on operating capital (average), %	4.7	0.9
Equity/assets ratio, %	57.0	49.0

OTHER, SEK m	2002	2001
Proposed dividend,	0	114
Gross investment	0	821
Depreciation and write-downs	0	0
Average no. of employees	1	1
- of which women	1	1
Share owned by state, %	100	100

Equal opportunities policy	.NO
Proportion of women	.100%
Environmental policy	.NO
Environmental management system	.NO

Board of directors 2002/2003

Chairman: Claes Ånstrand. **Board members:** Viktoria Aastrup, Fredrik Ahlén, Lars Johan Cederlund, Eva Halvarsson, Margaretha Gårdmark Nylén. (Lars Johan Cederlund resigned at the annual general meeting of shareholders 2003).

Auditors: Göran Tidström, Öhrlings PricewaterhouseCoopers and Roland Nilsson, KPMG.

SVEASKOG

Sveaskog is Sweden's largest forest owner with 4.6 million hectares of land, which is equivalent to approximately 16 per cent of the country's forested area. The company owns Sweden's largest sawmill business and AssiDomän Cartonboard, a cartonboard factory in Frövi. After the acquisition of AssiDomän in 2001, the operations of both companies have been integrated.

OPERATIONS

The main operations are forestry and timber sales based on a holding of approximately 3.5 million hectares of productive forest land. Sveaskog has a leading position in the Swedish timber market and supplies approximately 20 per cent of the total consumption, of which about half comes from its own forests. External customers account for 64 per cent of the turnover while 36 per cent are for internal deliveries to sawmills and Frövi paper mill.

Sveaskog shall sell forest land to physical person primarily in sparsely populated rural areas to strengthen private forestry. This commission covers 5–10 per cent of the company's land. Sveaskog meets the need for replacement land in cases where demands are made on individual landowners in conjunction with land being protected for nature conservations, etc.

The industrial operations, i.e. the sawmill business and cartonboard manufacture, are not intended to remain in the company's ownership in the long run. Sveaskog has taken initiatives to develop the structure of the Swedish sawmill industry.

In 2002, Sveaskog acquired approximately 235,000 hectares of land, of which approximately 200,000 hectares is productive forest land, and Kastet's sawmill from Korsnäs AB. The purchase price was SEK 1,990 million. In March 2003, the Riksdag decided to transfer Svenska Skogsplantor to Sveaskog.

Objective

The overall objective for Sveaskog is to increase the forest capital value by market-driven, environmentally focused and sustainable forestry. Hunting, fishing and natural experiences are an appreciated part of operations. Sveaskog wants to combine successful commercial forestry with taking special natural values into consideration.

Assessment

The merger of AssiDomän and Sveaskog has led to the creation of a competitive and independent player in the timber market. Sveaskog has gained recognition for a forward-looking environmental policy and has become established as a company that leads the way with regard to long-term sustainable forestry. The activities in hunting, fishing and nature experiences are still in process of development.

FINANCES

Timber deliveries from its own forest totalled 6.39 Mm3fub during the year, an increase of 0.2 per cent compared with 2001. Of this amount, 57 per cent was sawn timber and 40 per cent pulp wood. The net turnover was SEK 8,390 million (7,644). Forestry accounted for 40 per cent of net turnover. Profit after net financial income was SEK 766 million.

Sveaskog's board of directors has recommended a dividend totalling SEK 295 million for the financial year 2002.

Objective

Sveaskog's objective is that the visible return from the operating operations (excluding property sales) shall be at least 5 per cent on the tied-up capital in the business over an business cycle. In 2002, the return was 5.4 per cent. The interest coverage ratio, which according to the company's objective should exceed 2.0 was 2.4. The indebtedness ratio was 0.77 and should according to the company's objectives be under 1.0. Ordinary dividend over a business cycle should correspond to at least 50 per cent of net profit.



MD: Lars Sköld



Chairman: Bo Dockered

INCOME STATEMENT, SEK m	2002	2001 ¹⁾
Net turnover	8,390	7,644
Expenses	-7,129	-6,637
Operating profit	1,261	1,007
Financial income	47	n.a.
Financial expenses	-542	n.a.
Profit before tax	766	n.a.
Tax	-187	n.a.
Net profit/loss for the year	579	n.a.

¹⁾ Proforma.

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	24,525	22,564
Interest-bearing fixed assets	1	1
Non-interest bearing current assets	2,376	2,268
Interest-bearing current assets	336	6,561
Total assets	27,238	31,394

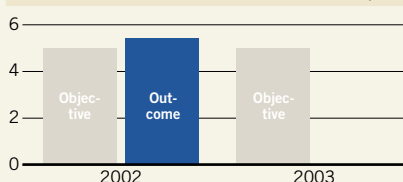
Shareholders' equity, provisions and liabilities		
Shareholders' equity	12,727	12,083
Interest-bearing provisions	856	873
Non-interest bearing provisions	2,487	2,426
Interest-bearing long-term liabilities	6,895	483
Non-interest bearing long-term liabilities	6	0
Interest-bearing current liabilities	2,407	13,120
Non-interest bearing current liabilities	1,860	2,409
Total liabilities and shareholders' equity	27,238	31,394

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1,333	n.a.
Cash flow from investment activities	-2,341	n.a.
Cash flow from financing activities	-5,217	n.a.

KEY RATIOS	2002	2001
Return on equity (average), %	5.4	n.a.
Return on total assets (average), %	4.5	n.a.
Return on capital employed (average), %	5.3	n.a.
Return on operating capital (average), %	5.9	n.a.
Equity/assets ratio, %	46.7	38.5
Total land area, Mha	4.6	4.4
Book value forest, million	21,015	19,001

OTHER, SEK m	2002	2001
Proposed dividend	296	0
Gross investment	2,426	376
Depreciation and write-downs	365	647
Average no. of employees	2,433	2,432
- of which women	311	n.a.
Sick leave, %	6.0	n.a.
Share owned by state, %	100	100

VISIBLE RETURN FROM OPERATING ACTIVITIES, %



Equal opportunities policy	YES
Proportion of women	.13%
Environmental policy	YES
Environmental management system	EMAS/ISO 14001/FSC

Board of directors 2002/2003

Chairman: Bo Dockered. *Board members:* Lars Johan Cederlund, Åsa Domeij, Lena Johansson, Birgitta Johansson-Hedberg, Christina Liffner, Lena Söderberg. *Employee representatives:* Roland N Johansson, Rolf Sellbrand, Gösta Utterström.

Deputy employee representatives: Claes Lindnér, Karl Erik Rudh, Lars Thorell. (Lena Söderberg resigned and Håkan Ahlquist and Åsa Tham were appointed as board members of directors at the annual general meeting of shareholders in 2003).

Auditors: Torsten Lyth and Torbjörn Köhler, Ernst & Young.

SEK

AB Svensk Exportkredit (SEK) was created jointly by the state and the Swedish commercial banks in 1962. SEK provides medium and long-term credits for export transactions and investment. Furthermore, SEK offers its clients capital market products and financial advisory services. SEK is commissioned by the government to administer the Swedish system for subsidised export credits at a fixed interest rate (the "CIRR system") as well as the government's foreign aid credit system. The ownership share of the state is 65 per cent and ABB Structured Finance AB owns the remaining shares.

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 capital adequacy ratio. In this way, the cost of borrowing will be lower. SEK is developing into a more proactive and customer-focused company. The distribution of volume between the state-subsidised system and the markets open to competition is very dependent on interest rates and economic operations. New financing solutions are constantly being developed on the market, which requires that SEK develops new services.

Objective

SEK's objective is to promote Swedish export industry and Swedish trade by

providing competitive long-term export finance.

Assessment

The government considers that SEK has fulfilled its objective within the framework of its commission.

FINANCES

In 2002, profit before tax totalled SEK 664 million, which was a reduction of 9 per cent from the previous year. This reduction is partly due to a reduction of net interest income by 4 per cent due to reduced volumes. Administration expenses increased by 10 per cent primarily due to investments in business operations and the initiation of an IT project. Return on equity was 19.5 per cent before tax, which is a deterioration from last year.

The total credit portfolio with outstanding credits decreased during the period by 18 per cent to SEK 50.9 billion. This reduction was primarily due to the slackening of business operations and consequent reduced demand. SEK's rating for borrowing Swedish and foreign currency is Aa2 from Moody's and AA+ from Standard & Poors. The capital adequacy ratio was 17.0 per cent, compared with 18.5 per cent the previous year.

Objective

The operations is to be conducted so as to provide a satisfactory return on invested capital.

Assessment

Despite the substantial downturn, SEK has succeeded in achieving a relatively good return.



MD: Peter Yngwe



Chairman: Björn Wolrath

INCOME STATEMENT, SEK m	2002	2001
Net interest income	798	831
Net commission income	12	5
Remuneration from the S-system	33	37
Net income from financial transactions	-1	6
Other operating income	1	8
Total operating income	843	887
General administration expenses	-166	-151
Depreciation non-financial assets	-8	-6
Other operating expenses	-5	-1
Operating profit/loss	664	729
Tax	-185	-188
Net profit/loss for the year	480	541

BALANCE SHEET, SEK m	2002	2001
Assets		
Treasury bonds	6,009	17,599
Lending to credit institutions	12,985	15,362
Lending to the general public	26,048	30,149
Bonds and other interest-bearing securities	79,394	75,820
Tangible assets	178	139
Other assets	4,526	6,498
Prepaid expenses and accrued income	3,399	3,974
Total assets	132,539	149,541

Shareholders' equity, provisions and liabilities	2002	2001
Liabilities to credit institutions	612	1,511
Borrowing from the general public	33	93
Securities issued	111,968	121,698
Other liabilities	10,548	13,887
Prepaid income and accrued expenses	2,989	3,566
Provisions	399	403
Subordinated liabilities	2,225	4,738
Shareholders' equity	3,765	3,645
Total liabilities and shareholders' equity	132,539	149,541

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	13,607	18,020
Cash flow from investment activities	-46	-5
Cash flow from financing activities	-13,561	-18,015

KEY RATIOS	2002	2001
Return on equity (average), %	12.9	15.1
Return on total assets (average), %	0.5	0.5
Tier 1 capital, SEK million	3,963	3,778
Capital base, SEK million	5,671	5,889
Tier 1 capital ratio, %	11.9	11.9
Capital adequacy ratio, %	17	18.5

OTHER, SEK m	2002	2001
Proposed dividend	320	360
Gross investment	47	5
Depreciation and write-downs	8	6
Average no. of employees	113	98
- of which women	54	45
Sick leave, %	4.5	4.6
Share owned by state, %	64.7	64.7

Equal opportunities policy	.YES
Proportion of women	.48%
Environmental policy	.YES
Environmental management system	.NO

Board of directors 2002/2003

Chairman: Björn Wolrath. **Vice chairman:** Peter Carlsson. **Board members:** Marianne Nivert, Lars Johan Cederlund, Bengt Johansson, Göran Thorstensson. **Deputies:** Petra Hedengran, Anders Hedenström, Johan Inestam, Per Östensson.

Auditors: Hans Lindén, Öhrlings PricewaterhouseCoopers and Per Bergman, KPMG.



Since 1962 Sweden has participated in international space collaboration and the Swedish Space Corporation (Rymdbolaget) was established in the 1960s. The space-related technical development that the Swedish state is responsible for is carried out through the Swedish National Space Board, which distributes funds and represents Sweden in international contexts and through the Swedish Space Corporation.

OPERATIONS

The Swedish Space Corporation is to supply the global market with space systems and airborne systems, launch rockets and balloons and test space systems and airborne systems from the Esrange facility. Esrange is unequalled in Europe due to its location close to the North Pole and its ease of access. The Swedish Space Corporation also provides communication and control services for satellites. It also assists the National Space Board in technical issues.

Development and marketing of space systems and airborne systems are carried out in Solna where the head office is located.

The Space Corporation's market is highly globalised and is concentrated to a few, very big players with a broad range. The Space Corporation's activities in Europe are largely based on the favourable geographical location of the facility and its expert resources.

Since November 2000, the Space Corporation and SES Global each own 50 per cent of the shares in Nordiska Satellitaktiebolaget, NSAB. NSAB owns three satellites that are used for transmission of TV and data.

Objective

The activities of the Swedish Space Corporation shall comply with the measures following on from Sweden's participation in ESA, to reinforce the competitiveness of the Swedish business sector in this area and to make use of the synergies provided by space research. In addition, there is a regional policy motive for the operations.

The board of directors has decided on the following objective for the operations:

- Enter into alliances with other space companies in Europe.
- Increase the level of utilisation and efficiency at the Esrange Division through the North European Aerospace Test Range (NEAT)

Board of directors 2002/2003

Chairman: Lennart Lübeck. **Board members:** Birgitta Ahlqvist, Lars Johan Cederlund, Kerstin Fredga, Per-Erik Mohlin, Maria Köhler. (Ingrid Åkesson Bonde resigned as board member on 1 January 2003 and was replaced at the annual general meeting of shareholders 2003 by Katja Elväng). **Employee representatives:** Carl-Ivar Mörtberg, Sven Wallin, Gunnar Florin.

Auditors: Evy Jakobsson, Öhrlings PricewaterhouseCoopers and Karin Holmerin, National Audit Office.

concept, a collaboration with the research field operated by the Swedish Defence Materiel Administration (FMV) in Vidsel.

- Develop and globalise the commercial satellite station services, broaden the range and increase the level of value added.
- Establish more technical development centres in partnership.
- Improve the value of Nordiska Satellitaktiebolaget (NSAB).

Assessment

Satellite station services are expanding. Otherwise, the operations are marked by reduced demand from, among others, the space industry and the telecommunications industry. The Swedish Space Corporation has reported a better level of operations and earnings than comparable companies.

In all, approximately two-thirds of the operations take place in Kiruna. The Space Corporation's activities have successfully improved the prospects for development of other space operations in Kiruna.

FINANCES

Turnover totalled SEK 447 (464) million and earnings excluding associated companies SEK 14 million. The group earnings were SEK 37 (-30) million. The Space Corporation's participation in NSAB proved to be a considerable financial exposure.

Objective

The objective of the board of directors is a long-term return on adjusted shareholders' equity of 11 per cent. In 2002, the return was 2.8 per cent on adjusted shareholders' equity. If it is taken into consideration that a part of the company's equity has been contributed for the ownership of NSAB, a company which does not pay any dividend at present, the return was 9 per cent on adjusted shareholders' equity.

The dividend policy of the Space Corporation is that 35 per cent of the profit over SEK 10 million/year should be distributed.

Assessment

The Space Corporation is a small player viewed internationally. Taking into consideration the pressure to which the space industry has been subjected, the return in 2002 is satisfactory.



MD: Claes-Göran Borg



Chairman: Lennart Lübeck

INCOME STATEMENT, SEK m	2002	2001
Net turnover	447	464
Expenses	-448	-429
Profit/loss from participations in associated companies	49	-61
Operating profit	48	-26
Financial income	12	10
Financial expenses	0	-15
Profit before tax	60	-31
Tax	-23	1
Net profit/loss for the year	37	-30

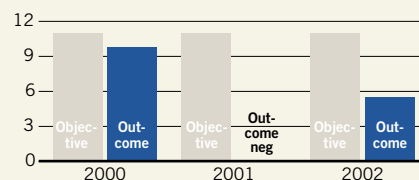
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	529	521
Non-interest bearing current assets	80	157
Interest-bearing current assets	233	149
Total assets	842	827
Shareholders' equity, provisions and liabilities		
Shareholders' equity	696	661
Non-interest bearing provisions	11	10
Non-interest bearing current liabilities	135	156
Total liabilities and shareholders' equity	842	827

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	98	7
Cash flow from investment activities	-12	-41
Cash flow from financing activities	-2	0

KEY RATIOS	2002	2001
Return on equity (average), %	5.5	neg
Return on total assets (average), %	7.2	neg
Return on capital employed (average), %	8.8	neg
Return on operating capital (average), %	neg	8.5
Equity/assets ratio, %	82.7	79.9

OTHER, SEK m	2002	2001
Proposed dividend	1.4	2.0
Gross investment	27	49
Depreciation and write-downs	26	38
Average no. of employees	295	281
- of which women	79	76
Sick leave, %	2.7	n.a.
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	27%
Environmental policy	NO
Environmental management system	NO



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.

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.

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. The affairs of the Board for Shipping Support have been administered in an efficient way.

FINANCES

The earnings of the Swedish Ships Mortgage Bank increased in 2002 by 17 per cent to SEK 68 million. The bank granted SEK 1,500 million of new loans and loan payments totalled almost SEK 1,000 million. At the end of 2002, the loan stock was SEK 4,896 million. Total assets were SEK 5,849 million.

Return on equity increased from 6.6 per cent to 7.2 per cent and the equity/assets ratio was 17.3 per cent or substantially the same level as the previous year. In accordance with the planned expansion, the capital adequacy ratio fell by one percentage point to 20.2 per cent.

Objective

The objectives for the bank's operations in 2003 are to have a capital adequacy ratio of at least 12 per cent and an equity/assets ratio of at least 10 per cent. The bank does not pay a dividend.

Assessment

The bank is fulfilling the financial objectives set for its operations by a broad margin. In 2002, the bank had no loan losses and no doubtful credits. The bank has not had any loan losses since its start in 1929.



MD: Birgitta
Wickenberg Karlsson



Chairman: Pehr G
Gyllenhammar

INCOME STATEMENT, SEK m	2002	2001
Net turnover	249	296
Expenses	-181	-238
Operating profit	68	58
Profit before tax	68	58
Net profit/loss for the year	68	58

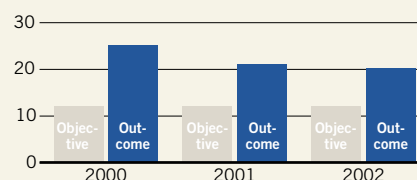
BALANCE SHEET, SEK m	2002	2001
Assets		
Interest-bearing fixed assets	5,802	5,360
Non-interest bearing current assets	44	53
Interest-bearing current assets	3	4
Total assets	5,849	5,417
Shareholders' equity, provisions and liabilities		
Shareholders' equity	1,011	943
Interest-bearing long-term liabilities	4,822	4,451
Non-interest bearing current liabilities	16	23
Total liabilities and shareholders' equity	5,849	5,417

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	70	59
Cash flow from investment activities	0	0
Cash flow from financing activities	0	0

KEY RATIOS	2002	2001
Return on equity (average), %	7.0	6.3
Return on total assets (average), %	1.2	1.2
Primary capital, SEK million	1,011	943
Capital base, SEK million	1,011	943
Primary capital relation, %	20.2	21.2
Capital adequacy ratio, %	20.2	21.2
Equity/assets ratio, %	17.3	17.4

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	9	9
- of which women	6	6
Share owned by state, %	100	100

CAPITAL ADEQUACY RATIO, %



Equal opportunities policy	.NO
Proportion of women	.67%
Environmental policy	.NO
Environmental management system	.NO

Board of directors 2002/2003

Chairman: Pehr G Gyllenhammar. **Vice chairman:** Anna-Lisa Engström. **Board members:** Tomas Abrahamsson, Christer Berggren, Åsa Kastman Heuman, Jan Källson, Folke Patriksson. **Deputy members:** Siv Axelsson, Ture Axelsson, Lars Höglund, Morgan Johansson (1/1–20/10 2002), Anders Lindström, Agneta Rodosi, Bo Severed.

Auditors: Lena Möllerström, KPMG and Lars Johan Cederlund, Ministry of Industry, Employment and Communications.



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.

OPERATIONS

Svenska Skogsplantor is to produce and sell forest cultivation material and to carry out silvicultural services. Operations take place throughout Sweden and in Finland.

Objective

The objective is to engage in independent operations on a commercial basis which guarantees small forest owners access to forest cultivation material of good quality.

Assessment

At the time of incorporation, the need for forest plants decreased in Sweden primarily due to change principles for reforestation, including a increased proportion of natural renewal at the expense of planting. The transition to natural renewal was clearest among the small forest owners. The company did not adapt its level of production to a sufficient extent to the new conditions which, combined with incorrect market forecasts, led to overproduction and a build-up of stocks.

This emerged in conjunction with the examination of operations that the new board of directors started in 2001. From this examination, it further emerged that the continuous overproduction and ensuing destruction of plants that were ready for delivery had had a negative impact on earnings. An extensive action programme has been embarked upon to remedy these problems.

FINANCES

Until the end of 1998, the company has developed relatively well. The company has made a loss every year after that.

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, which entailed a loss of SEK 70 million. Further write-downs of stocks etc. in the interim report for 2002 meant that the board of directors drew up a balance sheet for liquidation purpose. The loss for the full year 2002 was SEK 34 million. Turnover totalled approximately SEK 195 million.

Objective

The company has had a required return on equity and a level of the equity/assets ratio that has been normal for the industry.

According to Svenska Skogsplantor's dividend policy, a third of the annual earnings are to be distributed over a business cycle. Taking into consideration the company's financial development, the company has not paid any dividend since 1999.

Assessment

Taking into consideration the company's difficult financial situation, an analysis of the company was undertaken in autumn 2002, which was presented to the owner in October the same year. With a view to restoring the capital and to eventually reach an acceptable equity/assets ratio, a capital contribution was required of approximately SEK 130 million. Work was initiated at the Government Offices in autumn 2002 to find a financial solution for Svenska Skogsplantor.

After proposals from the government, the Riksdag resolved in March 2003 that the state's shares in Svenska Skogsplantor would be transferred to Sveaskog, which was also wholly owned by the state. According to the Riksdag's resolution, Svenska Skogsplantor will become part of a stable financial structure that will 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.



MD: Urban Eriksson



Chairman: Gunnar Olofsson

INCOME STATEMENT, SEK m	2002	2001
Net turnover	195	198
Expenses	-219	-227
Items affecting comparability	-66	-33
Operating profit	-90	-61
Financial expenses	-10	-9
Profit before tax	-100	-70
Tax	0	1
Net profit/loss for the year	-100	-69

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	81	111
Non-interest bearing current assets	119	153
Interest-bearing current assets	1	0
Total assets	201	264

Shareholders' equity, provisions and liabilities	2002	2001
Shareholders' equity	-56	44
Interest-bearing provisions	29	29
Non-interest bearing provisions	43	0
Interest-bearing long-term liabilities	101	143
Interest-bearing current liabilities	60	20
Non-interest bearing current liabilities	25	29
Total liabilities and shareholders' equity	201	264

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	-37	-3
Cash flow from investment activities	-4	-6
Cash flow from financing activities	41	9

KEY RATIOS	2002	2001
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, %	neg	16.5

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	5	11
Depreciation and write-downs	33	24
Average no. of employees	214	244
- of which women	72	89
Sick leave, %	5.0	n.a.
Share owned by state, %	100	100

Equal opportunities policy	YES
Proportion of women	34%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Gunnar Olofsson. *Board members:* Christer Berggren, Thomas Idermark, Lars Leonardsson, Lisa Sennerby Forsse.

Employee representatives: Lars Olov Eriksson, Lennart Torstenson. *Deputy employee representatives:* Anders Karlsson, Anita Ziedén Persson. *Auditors:* Sten Hermansson, Öhrlings PricewaterhouseCoopers and Markku Koivumäki, PricewaterhouseCoopers, Finland.

SWEDCARRIER

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 2002, 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 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 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.

Assessment

The ongoing restructuring of EuroMaint, a downturn in the real estate market, and other factors have led to streamlining of the group taking longer than anticipated.

FINANCES

Net profit for the calendar year¹⁾ 2002 totalled SEK -449 million (-790). Sales in the remaining activities have increased by 3 per cent. Profit excluding items affecting comparability and goodwill amortisation (EBIT) improved in Jernhusen, SEK 334 million (330) and in SweMaint SEK 20 million (8). EuroMaint EBIT deteriorated in EuroMaint by SEK 95 million to -48 million.

Board of directors 2002/2003

Chairman: Ingrid Åkesson Bonde. *Board members:* Jan Kvarnström, Lena Apler, Katja Elväng, Bertil Persson. *Employee representatives:* Jan Andersson, Örjan Ersson, Bertil Hallén. *Auditors:* Tommy Mårtensson and Jan Berntsson (deputy), Deloitte & Touche. Filip Cassel and Per Redemo (deputy) National Audit Office.



MD: Arne Berggren



Chairman: Ingrid Åkesson Bonde

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.

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. During the year, extensive organisational changes that have been carried out in EuroMaint with a view to increasing efficiency and better adapting the organisation to the operations.

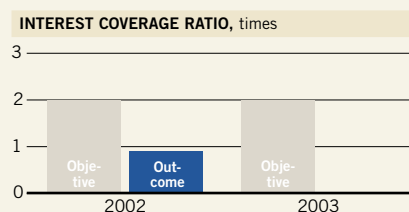
INCOME STATEMENT, SEK m	2002	2001
Net turnover	2,865	3,287
Expenses	-2,577	-2,913
Items affecting comparability	-483	-967
Profit/loss from participations in associated companies	-1	-8
Operating profit	-196	-601
Financial income	10	13
Financial expenses	-292	-269
Profit before tax	-478	-857
Tax	30	67
Minority	-1	0
Net profit/loss for the year	-449	-790

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	6,839	7,172
Interest-bearing fixed assets	8	18
Non-interest bearing current assets	976	967
Interest-bearing current assets	125	42
Total assets	7,948	8,199
Shareholders' equity, provisions and liabilities		
Shareholders' equity	1,429	1,880
Minority	7	6
Interest-bearing provisions	71	62
Non-interest bearing provisions	188	29
Interest-bearing long-term liabilities	5,447	5,445
Interest-bearing current liabilities	52	57
Non-interest bearing current liabilities	754	720
Total liabilities and shareholders' equity	7,948	8,199

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	98	-1,862
Cash flow from investment activities	-20	-5,008
Cash flow from financing activities	-13	6,805

KEY RATIOS	2002	2001
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, %	18.1	23.0

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	140	7,903
Depreciation and write-downs	441	1,203
Average no. of employees	2,279	2,976
- of which women	177	607
Sick leave, %	6.0	n.a.
Share owned by state, %	100	100



Equal opportunities policy	YES
Proportion of women	8%
Environmental policy	YES
Environmental management system	NO

¹⁾ Swedcarrier has a split financial year (July to June).



Swedesurvey AB 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. The intention is to engage in operations abroad in the field of real estate, surveying and mapping and compatible operations. 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, particularly within the areas of cadastral systems and 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, such as surveying and mapping operations and property registration. The company also arranges bilateral and international courses in areas related to surveying. These course activities, which are targeted on decision-makers in developing countries and East European countries, provides good opportunities to make strategic customer contacts and is thus an important marketing tool. Many of the projects are financed by Sida, the World Bank and other institutional financiers. There are a few competing companies within the Nordic area. Competitors, in particular within the technical field, are primarily companies from other European countries and the United States, Australia and Canada.

The company's vision is to be a leading knowledge-related company within property systems and geographical information. This is to be achieved by giving priority to long-term customer relations and in the first place developing opera-

tions in countries where there is already established collaboration. Other objectives are to expand the collaboration to some new countries each year and to further development and profile the different services offered.

Assessment

In 2002, the company has engaged in activities in over 30 countries besides Sweden. A number of new markets were opened, including Belize, Egypt, Indonesia, Macedonia and Sri Lanka.

FINANCES

Operations in 2002 have developed rather more weakly than in previous years. Demand for the company's services has been good, at the same time as operating income has continued to decline to SEK 89 million (91) in 2002. Profit and the profit margin decreased to SEK 4.6 million (4.8) and 5.2 per cent (5.3) respectively.

Objective

The objective in 2002 was that turnover should increase to at least SEK 105 million and that profit should amount to at least SEK 4 million.

Assessment

At the end of the financial year, the company's active stock was SEK 104 million, comprising of approximately 65 commissions in process, which is somewhat lower than previous years and is partly related to the contract times becoming shorter. In 2002, just over 35 new commissions were obtained at a total contract value of SEK 100 million, which is at the same level as last year. Of these, SEK 70 million related to commissions in consultancy and course activities and SEK 30 million were commercial production commissions. Almost half of the total contract value is financed outside of Sweden.



MD: Sture Pettersson

Chairman: Joakim Ollén

INCOME STATEMENT, SEK m	2002	2001
Net turnover	91	93
Expenses	-87	-89
Operating profit	4	4
Financial income	1	1
Profit before tax	5	5
Appropriations	-1	1
Tax	-2	-2
Net profit/loss for the year	3	4

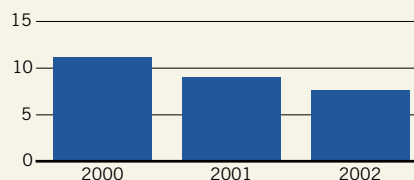
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	2	3
Interest-bearing fixed assets	0	1
Non-interest bearing current assets	37	34
Interest-bearing current assets	41	34
Total assets	80	72
Shareholders' equity, provisions and liabilities		
Shareholders' equity	40	32
Untaxed reserves	0	7
Interest-bearing provisions	5	3
Interest-bearing current liabilities	7	3
Non-interest bearing current liabilities	28	27
Total liabilities and shareholders' equity	80	72

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	-1	-2
Cash flow from investment activities	-2	-1
Cash flow from financing activities	0	0

KEY RATIOS	2002	2001
Return on equity (average), %	7.7	9.0
Return on total assets (average), %	6.5	7.1
Return on capital employed (average), %	10.5	11.8
Return on operating capital (average), %	45.7	51.0
Equity/assets ratio, %	50.7	51.4

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	0	2
Depreciation and write-downs	1	0
Average no. of employees	36	36
- of which women	15	14
Sick leave, %	3.0	3.0
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	42%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Joakim Ollén. **Board members:** Axel Andersson, Annika Christiansson, Christina Gustavsson, Lars Jeding, Tormod Kristiansen, Anna Sander. **Employee representatives:** Magdalena Andersson, Ulf Bjälkefors. (The annual general meeting of shareholders takes place on 21 May, information about new board members (if any) was not available at the time of going to press).

Auditors: Jan-Olof Lindberg, Öhrlings PricewaterhouseCoopers and Per Redemo, National Audit Office.



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 to 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 have taken place during the year in some twenty counties in Eastern Europe (including Albania, Armenia, Moldavia and Russia), South and Central America (including Costa Rica), Africa (including Lesotho, Malawi, Morocco and Zimbabwe), the Middle East (including the United Arab Emirates, Jordan, Saudi Arabia and Syria) and South and East Asia (including Laos, Mongolia and Sri Lanka). SWEROAD also administers foreign staff for some Swedish public authorities.

In 2002, the National Road Administration and the Swedish Road and Transport Research Institute (VTI) have carried out a study to investigate the feasibility of a merger of SWEROAD and VTI Utveckling AB in 2003.

FINANCES

SWEROAD's invoicing in 2002 totalled SEK 75.5 million (70.3). The gross margin increased to 18 per cent (14). The change in the margin is primarily explained by positive discrepancies in the final accounting of a major project. The company's reported profit before tax amounted to SEK 4 million (-1) and the net profit was SEK 2 million (-2). The company had an equity/assets ratio of 66 per cent (59).

Assessment

The financial year 2002 developed more positively than expected. The delays and postponements of decisions at financiers that had affected the company in the previous financial year led to new projects that have contributed to the positive result.



MD: Roberto G Bauducco



Chair: Gunnel Färm

INCOME STATEMENT, SEK m	2002	2001
Net turnover	75	70
Expenses	-73	-73
Operating profit	3	-2
Financial income	1	1
Profit before tax	4	-1
Appropriations	-1	0
Tax	-1	0
Net profit/loss for the year	2	-2

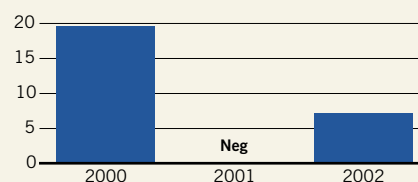
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1	1
Non-interest bearing current assets	26	26
Interest-bearing current assets	34	37
Total assets	61	63
Shareholders' equity, provisions and liabilities		
Shareholders' equity	35	34
Untaxed reserves	6	5
Non-interest bearing current liabilities	19	25
Total liabilities and shareholders' equity	61	63

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	-2	6
Cash flow from investment activities	0	2
Cash flow from financing activities	0	0

KEY RATIOS	2002	2001
Return on equity (average), %	7.2	neg
Return on total assets (average), %	6.7	neg
Return on capital employed (average), %	10.9	neg
Return on operating capital (average), %	93.1	neg
Equity/assets ratio, %	65.5	58.7

OTHER, SEK m	2002	2001
Proposed dividend	2	0
Gross investment	0	1
Depreciation and write-downs	0	0
Average no. of employees	60	57
- of which women	8	12
Sick leave, %	10.0	1.0
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	.13%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Gunnel Färm. Board members: Anders Alvemo, Lars Bergfalk, Malin Kärre, Susanne Lindh.

Employee representatives: Rolf Lindquist.

Auditors: Ulla Nordin Buisman, Öhrlings PricewaterhouseCoopers and Bertil Forslundh, National Audit Office.



Svensk Avfallskonvertering AB (SAKAB) was established in 1975 with the task of as sole company, taking care of the final disposal of environmentally hazardous waste.

In 1989, the government requested authorisation from the Riksdag to sell the state's shares and that section 13 of the Chemical Products Act (1985:426) should be repealed. According to the provisions, the following applies: If it is required from the point of view of health or environmental protection, the government may direct that final disposal of certain waste to which this act is applicable (environmentally hazardous waste) may only be professionally handled by a legal entity in which the state has an influence. One argument used was that high-level industrial facilities such as SAKAB will be driven more rationally if they operate under normal commercial conditions. In 1990, the government was authorised to sell the 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). However, the Chemical Products Act was not amended as the government requested.

In 1991, the government again requested authority from the Riksdag to sell the state's shares. The government made the assessment that the state should not control developments in individual companies or industries. There is a risk of unsound competition if the state acts as a company owner and acts in the market that the state is responsible to determining the rules of play for. Furthermore, the government asserted that it must be possible to justify state commitment in each individual case with special reasons. In 1991, the government was authorised to dispose of the shares in SAKAB. No comments were made on this occasion on restrictions on the sale of shares.

In conjunction with this sale, the government adopted an instruction entailing that the state would be assured a continuing influence in SAKAB by retaining a minority holding of approximately 10 per cent of the shares in SAKAB, through representation on the board of directors and otherwise, and the ability to ensure that SAKAB continued to focus on han-

dling environmentally hazardous waste and that the company, if required, can make available capacity and competence to guarantee responsible handling of such material within Sweden. Furthermore, the instructions contained requirements that the state should have insight into the company and the ability to influence the decisions of the board of directors at least as long as SAKAB has a dominant position in the market. Consideration shall be given to a further reduction in the share owned by the state when competition to SAKAB has started to be developed in Sweden or when the government considers that this shall take place for other reasons. The detailed conditions are to be regulated in the articles of association and in consortium agreements.

In August 1992, the state sold 90.1 per cent of its shares to WMI Sellbergs AB. In this sale, the state was given the opportunity to sell further holdings within three years. This possibility was made use of in autumn 1995, when the remaining shares with the exception of one, were sold 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 by repealing section 13 of the Chemical Products Act (1985:426). With this decision, SAKAB's sole right to handle hazardous waste in Sweden ceased. Since this change came into effect on 1 July 1994, a number of companies have become established in the market for handling hazardous waste.

SAKAB is accordingly no longer alone in handling hazardous waste but acts in a competitive market. The government consider therefore that there are no longer any reasons for continued state insight into the company. On 15 May, the government decided to recommend to the Riksdag that the government be authorised to sell the state's share in Sydkraft SAKAB AB.



MD: Per-Olof Lindholm

INCOME STATEMENT, SEK m	2002	2001
Net turnover	359	296
Expenses	-265	-254
Net profit	94	42
Net financial income	-3	3
Profit before tax	91	45
Appropriations	-13	-4
Tax	-22	-10
Net profit/loss for the year	56	31

BALANCE SHEET, SEK m	2002	2001
Assets		
Intangible fixed assets	6	7
Tangible fixed assets	558	312
Financial fixed assets	5	20
Current assets	130	129
Total assets	699	469
Shareholders' equity and liabilities		
Shareholders' equity	99	53
Untaxed reserves	105	92
Appropriations	27	24
Current liabilities	467	300
Summa shareholders' equity and liabilities	699	469

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	64	173
Cash flow from investment activities	-277	-135
Cash flow from financing activities	173	-

OTHER, SEK m	2002	2001
No. of employees	185	171
- of which women	42	34
Share owned by state	1 share	1 share

Board of directors 2002/2003

Chairman: Gert Lyngsjö. **Board members:** Per-Olof Lindholm, Jan-Åke Samuelsson, Jan Kluge, Lars-Erik Holm, Per Dellegård, Per-Anders Hjorth, Eva Mattsson, Jonas Abrahamsson.

Auditor: Torbjörn Hansson, Ernst & Young.



In conjunction with the 1997 Spring Budget Bill, it was decided to establish a company with the task of developing defence properties that it was intended to divest as a result of the 1996 defence resolution. Vasallen shall in collaboration with municipalities and the local business sector develop and improve properties and then to sell them on commercial terms.

OPERATIONS

Vasallen develops and improves former defence properties for alternative commercial use. The purpose is to increase the value of properties and then to sell them on commercial terms. The objective is to transform former regimental areas into living city districts. The improved areas are to be attractive to tenants and shall be interesting investment objects for property owners looking for commercially sound properties with low risk.

In 2002, Vasallen's assignment was expanded, which meant that the company was also able to acquire municipal housing properties on commercial terms. The purpose is to transform these properties into business premises or for other appropriate purposes and to then sell them on commercial terms.

Moreover, the government has proposed in the Spring Budget Bill in 2003 that Vasallen also be able to acquire properties developed for the needs of the defence industry.

Objective

All of Vasallen's operational objectives aim at improving the property holding so that it can eventually be sold on commercial terms. The lease portfolio for every subsidiary is therefore to contain a very large component of good rentpayers and long lease terms.

Assessment

Vasallen has expanded rapidly and is now represented at 17 places from Kiruna in the north to Ystad in the south. The total property holding is approximately 900,000 sq.m. of premises.

To date, the company has made investments of just under SEK 2 billion.

FINANCES

Turnover increased to SEK 294 million (214). This increase derives from the acquisition of A8 i Boden, Ing 1 in Södertälje and F10 in Ängelholm but also to a number of major investments being taken into use and generating rental income. Net investment totalled SEK 424 million (660) during the year. At the turn of the year 2002/2003, the occupancy ratio was 66 per cent (62) with a volume of approximately 900 leases. The turnover is expected to increase to just over SEK 340 million in 2003. Profit before appropriations and tax for 2003 is expected to increase considerably compared with 2002.

Objective

Each subsidiary is to achieve a positive operating profit after three years' operations. After operating for five years, each subsidiary is to have a positive result after net financial income. Economic Value Added, E V A, is to be improved annually by 0.5 per cent of average invested capital.

Vasallen's dividend policy is 50 per cent after standard tax.

Assessment

During the year, the rental market has been affected by the general restraint and tougher negotiations between landlord and tenant have become increasingly common. The reduction in demand is largest among service companies within Telecom, IT and media.

All subsidiaries have not achieved the objective of reporting a positive profit after financial expenses after five years. Special considerations and formulations of objectives are required for each company in the short and long-term. Growth locations have greater opportunities for achieving the objectives while places affected by difficult restructuring and outward migration require an objective scenario that extends over a longer period.



MD: Jan-Peter Jonsson



Chairman: Sten Olsson

INCOME STATEMENT, SEK m	2002	2001
Rental income	289	213
Other management income	5	1
Operating expenses	-119	-83
Maintenance expenses	-35	-28
Property tax	-4	-2
Operating profit	136	101
Depreciation	-35	-21
Gross profit	101	80
Other administration etc.	-84	-72
Other income	9	3
Operating profit	26	11
Financial income	26	46
Financial expenses	-3	-1
Earnings from participation rights in group companies	-	-22
Profit before tax	49	34
Tax	-20	-3
Net profit/loss for the year	29	31

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1,842	1,457
Interest-bearing fixed assets	1	0
Non-interest bearing current assets	154	157
Interest-bearing current assets	437	813
Total assets	2,434	2,427
Shareholders' equity, provisions and liabilities		
Shareholders' equity	2,229	2,213
Non-interest bearing provisions	15	9
Interest-bearing current liabilities	0	16
Non-interest bearing current liabilities	190	189
Total liabilities and shareholders' equity	2,434	2,427

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	64	1,346
Cash flow from investment activities	-424	-660
Cash flow from financing activities	-16	-8

KEY RATIOS	2002	2001
Return on equity (average), %	1.3	1.4
Return on total assets (average), %	2.1	2.4
Return on capital employed (average), %	2.3	2.6
Return on operating capital (average), %	1.6	0.6
Equity/assets ratio, %	91.6	91.2
Area of premises, 000 sq.m.	825	678
Book value properties, SEK m	1,646	1,174
Occupancy ratio, %	66	62

OTHER, SEK m	2002	2001
Proposed dividend	17	13
Gross investment	439	644
Depreciation and write-downs	45	26
Average no. of employees	80	66
- of which women	26	22
Sick leave, %	7.6	9.4
Share owned by state, %	100	100

Equal opportunities policy	YES
Proportion of women	33%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Pär Nuder (resigned in 2002). **Board members:** Jan Peter Jonsson, Bo Netz, Agneta Rodosi, Lena Hedlund, Lars Johnsson, Holger Wästlund. **Employee representatives:** Jan Inge Kull, Richard Westling. (Sten Olsson was appointed as chairman of the board and Marianne Förander as board member at the annual general meeting of shareholders in 2003. Jan-Inge Kull resigned and Ann Eriksson were appointed as employee representative at the annual general meeting of shareholders in 2003).

Auditors: Per Wardhammar and Göran Tidström, Öhrlings PricewaterhouseCoopers.



Vattenfall AB 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 Vattenfall is to be operated in a commercial manner and to fulfil market return and dividend requirements.

OPERATIONS

Vattenfall produces, distributes and sells electricity and heating. The company operates primarily in Sweden, Finland, Germany and Poland. Vattenfall, with a vision of becoming a leading European energy company, has a market share of approximately 20 per cent in the Nordic countries and is the fifth largest electricity company in Europe. Consolidation in the energy industry continued in 2002 and in early 2003, with, for instance, the German E.ON's acquisition of Ruhrgas.

Vattenfall consolidated its German acquisitions during the year under Vattenfall Europe which now accounts for approximately 60 per cent of the company's turnover. Savings of approximately EUR 500 million per year are to be made in Germany as from 2005. Vattenfall is continuing its focus on its core operations.

Objective

Vattenfall's primarily operational objective is to be number one for the customer, the environment and the economy.

Assessment

During the year, the company has decided on an investment of SEK 600 million to make improvements for the customer by, for instance, installing electricity meters and developing more understandable bills. The company has decided on major investment in Uppsala and

Munksund to increase efficiency and thereby work for a better environment.

FINANCES

Profit before tax increased by 34 per cent to SEK 9,987 million mainly due to increased profitability in Germany, improved earnings in Electricity production and the Nordic Market and reduced losses in IT operations which have been phased out. Net profit increased by 81 per cent to SEK 7,566 million. The company could make use of loss carry forwards in Germany which led to a low tax rate and a return on equity¹⁾ of 19 per cent (12). The interest coverage ratio was 2.6.

Objective

The financial objectives are a return on equity of 15 per cent and an interest coverage ratio of 3.5–5. The owner has stated the company should have a credit rating within the category Single A. Standard & Poors confirmed a single A in April and increased the prospects to stable from negative.

Assessment

The company has succeeded in expanding quickly and increasing earnings. The company is working on increasing profitability in all business areas, a work that will have full impact as from 2005. In 2002, the return was affected by the low tax rate, although the company is expected to reach its return objective in 2005. At the same time, the balance sheet is under strain and financial discipline in necessary for the company to be able to retain its credit rating. The company must focus on rationalisation work and direct attention to obtaining synergies in Germany. The board of directors has recommended a dividend of SEK 1,485 million which corresponds to an average between 1998–2002 of 39 per cent of net profit.

Board of directors 2002/2003

Chairman: Dag Klackenber. **Board members:** Lars Josefsson, Göran Johansson, Kent Ögren, Jan Grönlund, Peter Lindell, Elisabet Salander Björklund, Annette Brodin-Rampe, Christer Bådholm, Peter Fallenius. **Employee representatives:** Johnny Bernhardtsson, Lars Carlberg, Ronny Ekwall. **Deputy employee representatives:** Lars Carlsson, Stig Lindberg, Per-Ove Lööv. (Göran Johansson and Lars Carlberg resigned at the annual general meeting of shareholders in 2003).

Auditors: Kent Ögren and Göran Johansson, Ernst & Young and Filip Cassel, National Audit Office.



MD: Lars Josefsson



Chairman: Dag Klackenber

INCOME STATEMENT, SEK m	2002	2001
Net turnover	101,025	69,003
Expenses	-87,452	-60,692
Items affecting comparability	447	1,137
Profit/loss from participations in associated companies	-657	511
Operating profit	13,363	9,959
Financial income	3,010	2,232
Financial expenses	-6,386	-4,737
Profit before tax	9,987	7,454
Tax	-1,763	-2,167
Minority	-658	-1,097
Net profit/loss for the year	7,566	4,190

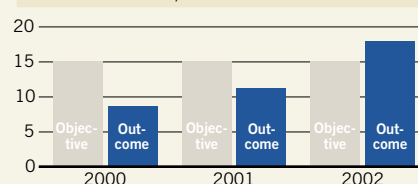
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	217,123	197,089
Interest-bearing fixed assets	527	17,908
Non-interest bearing current assets	32,565	24,823
Interest-bearing current assets	26,061	19,223
Total assets	276,276	259,043
Shareholders' equity, provisions and liabilities		
Shareholders' equity	45,129	39,578
Minority	9,960	19,080
Interest-bearing provisions	98	190
Non-interest bearing provisions	97,480	90,766
Interest-bearing long-term liabilities	67,157	58,420
Non-interest bearing long-term liabil.	1,589	1,599
Interest-bearing current liabilities	27,582	30,113
Non-interest bearing current liabil.	27,281	19,297
Total liabilities and shareholders' equity	276,276	259,043

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	20,103	10,442
Cash flow from investment activities	-36,249	-22,984
Cash flow from financing activities	4,155	15,099

KEY RATIOS	2002	2001
Return on equity (average), %	19.1	11.8
Return on total assets (average), %	6.1	6.5
Return on capital employed (average), %	11.0	10.2
Return on operating capital (average), %	12.0	9.4
Equity/assets ratio, %	20.0	22.7

OTHER, SEK m	2002	2001
Proposed dividend	1,485	1,030
Gross investment	39,932	43,443
Depreciation and write-downs	15,118	10,830
Average no. of employees	34,248	23,814
- of which women	7,738	5,295
Sick leave, %	5.0	4.0
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	23%
Environmental policy	YES
Env. management system	EMAS/ISO in Nordic countries

¹⁾ See definition on page 103.



Venantius'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 housing loan institutions for lending to new customers.

Objective

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.

Assessment

The result achieved to date is wholly in accord with the objectives adopted. A new plan for the years after 2003 has been adopted by the board of directors and comprises the next stage of the phase-out plan.

FINANCES

The group reported an operating profit of SEK 908 million (878). The part of the group that derives from the former Securum group made a positive contribution of SEK 309 million to the group's earnings. The improvement of operating profit is mainly due to improved net interest income. Net interest income totalled SEK 471 million (353). This improvement is mainly due to a more stable credit stock and a reduced share of external financing.



MD: Eva-Britt Gustafsson



Chairman: Curt Persson

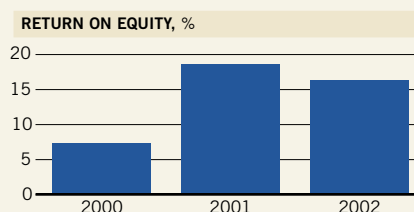
INCOME STATEMENT, SEK m	2002	2001
Interest income	1,117	1,310
Interest expenses	-646	-957
Net interest income	471	353
Net provisions	-3	-4
Income, financial transactions	8	13
Expenses, financial transactions	-12	-31
Other operating income	45	4
Total operating income	509	335
Personnel costs	-72	-88
Other operating expenses	-56	-70
Depreciation	-4	-6
Profit before loan losses	377	171
Loan losses, net	386	580
Change in value of repossessed property	1	34
Profit before tax	764	785
Tax	144	93
Net profit/loss for the year	908	878

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	7	10
Interest-bearing fixed assets	15,677	17,702
Non-interest bearing current assets	1,597	1,568
Interest-bearing current assets	1,323	1,706
Total assets	18,604	20,986
Shareholders' equity, provisions and liabilities		
Shareholders' equity	6,034	5,129
Non-interest bearing provisions	478	133
Interest-bearing long-term liabilities	11,995	15,042
Non-interest bearing current liabilities	97	682
Total liabilities and shareholders' equity	18,604	20,986

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	3,148	2,787
Cash flow from investment activities	1	1
Cash flow from financing activities	-3,221	-2,824

KEY RATIOS	2002	2001
Return on equity (average), %	16.3	18.7
Lending, million	17,976	20,437
Capital base, SEK million	6,048	5,129
Equity/assets ratio, %	32	24
Capital adequacy ratio, %	44.0	33.0

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Average no. of employees	97	161
- of which women	38	64
Sick leave, %	2	2
Share owned by state, %	100	100



Equal opportunities policy	YES
Proportion of women	.39%
Environmental policy	NO
Environmental management system	NO

Board of directors 2002/2003

Chairman: Curt Persson. *Board members:* Claes Kjellander, Mats Rönnberg, Eva-Britt Gustafsson, Mats Dillén. (Claes Kjellander and Mats Rönnberg resigned and Michael Thorén, Bernt Jorholm, Kerstin Unger and Helena Rempler were appointed at the annual general meeting of shareholders in 2003). *Auditors:* Göran Tidström, Öhrlings PricewaterhouseCoopers and Gunnar Abrahamsson (appointed by the Swedish financial supervisory authority, Finansinspektionen), Deloitte & Touche.



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 demonopolised, 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 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.

The alcoholic beverage industry globally has been characterised by consolidation. In the 1970s, there were some twenty large wine and spirits companies. Five companies now remain. 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 most recent structural transaction was the sale of Seagram's entire beverages portfolio in 2000.

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.

Objective

V&S aims to be one of the leading alcoholic beverages companies in the world.

Assessment

For a number of years, V&S has endeavoured to reinforce the company's position interna-

tionally in order to be able to make use of benefits of scale and to hold its own in competition with other large international players.

V&S has strengthened its position in the Nordic market by completion of the acquisition of Oy Nordic Wine Group. By acquisition and partnership, the company has strengthened its position in the international alcoholic beverages market and V&S has met the owner's requirements.

FINANCES

V&S turnover increased in 2002 by 35 per cent to SEK 9,093 million (6,725), mainly due to the acquisition of Oy Nordic Wine group AB and by the transition to the new distribution organisation for sales outside the Nordic area.

Net profit/loss for the year also increased from SEK 1,009 million in 2001 to SEK 1,265 million in 2002, an increase of 25 per cent. Earnings have been negatively affected by the movements in the dollar exchange rate in 2002. Return on equity was 32 per cent. V&S has largely financed investment in recent year by loans which has led to a deterioration in the equity/assets ratio.

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 group's dividend target should be 50 per cent of net profit for the year, although consideration should be given to the company's financial position in decisions on dividends.

Assessment

Development continued to be weak on many of V&S's important markets in 2002. Despite this, sales increases were achieved both for Absolut and for the group's other internationally well-known brands. V&S's wine sales in the Nordic area doubled due to acquisition and organic growth in 2002.



MD: Peter Lagerblad



Chairman: Claes Dahlbäck

INCOME STATEMENT, SEK m	2002	2001
Net turnover	9,218	6,788
Expenses	-7,205	-5,136
Profit/loss from participations in associated companies	24	112
Operating profit	2,037	1,764
Financial income	117	90
Financial expenses	-285	-382
Profit before tax	1,869	1,472
Tax	-598	-462
Minority	-6	-1
Net profit/loss for the year	1,265	1,009

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	11,664	11,988
Non-interest bearing current assets	3,578	2,803
Interest-bearing current assets	563	249
Total assets	15,805	15,040
Shareholders' equity, provisions and liabilities		
Shareholders' equity	4,222	3,694
Minority	13	11
Interest-bearing provisions	97	80
Non-interest bearing provisions	783	566
Interest-bearing long-term liabilities	6,688	8,653
Interest-bearing current liabilities	1,865	0
Non-interest bearing current liabilities	2,137	2,036
Total liabilities and shareholders' equity	15,805	15,040

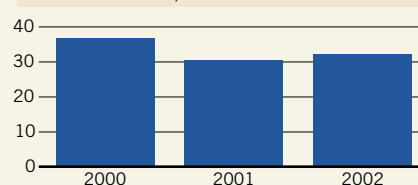
CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1,448	1,246
Cash flow from investment activities	-1,030	-8,517
Cash flow from financing activities	-91	7,324

KEY RATIOS	2002	2001
Return on equity (average), %	32.0	30.4
Return on total assets (average), %	14.0	17.9
Return on capital employed (average), %	17.0	22.8
Return on operating capital (average), %	16.4	20.9
Equity/assets ratio, %	26.8	24.6

OTHER, SEK m	2002	2001
Proposed dividend	500	500
Gross investment	1,110	8,539
Depreciation and write-downs	519	395
Average no. of employees	1,879	1,408
- of which women	695	493
Proportion of healthy ¹⁾ , %	70	n.a.
Share owned by state, %	100	100

¹⁾ Sick leave less than six days/year.

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	37%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Claes Dahlbäck. **Board members:** Anders Björck, Egon Jacobsson, Anita Johansson, Peter Lagerblad, Christina Liffner, Ebbe M Loiborg, Arne Mårtensson. **Employee representatives:** Jan Lundin, Kurt Nilsson. **Deputy employee representatives:** Kenneth Peterson, Roger Möller. (Jonas Iversson and Lars Danielsson were appointed as board members at the annual general meeting of shareholders 2003. Kurt Nilsson resigned and Johan Lund was appointed as employee representative).

Auditors: Owe Eurenus, KPMG and Björn Fernström, Ernst & Young.

State ownership of listed companies

The state owns shares in five companies listed on Stockholmsbörsen. The following pages include a presentation of Nordea, OM, SAS and TeliaSonera. The fifth company, Celtica AB, is owned/managed by Civitas Holding AB.

Stockholmsbörsen continued its negative development in 2002 and Affärsvärlden's general index fell by 37 per cent. 2002 was the third year running with a decrease in value on Stockholmsbörsen.

The value of the state share portfolio decreased in 2002 by 30 per cent and accordingly performed better than Stockholmsbörsen in 2002.

As at 30 December 2002, the Swedish state was the largest single owner on Stockholmsbörsen with a shareholding of SEK 92.4 billion. This was almost twice as large as the second largest owner's shareholding.

The state's largest single shareholding is TeliaSonera. The company's market value was SEK 151.1 billion at the turn of the year 2002/2003, making TeliaSonera the largest Swedish company on Stockholmsbörsen. The market value of the state's

shares in Telia/TeliaSonera decreased from SEK 98.9 billion till SEK 69.5 billion in 2002, a reduction of 30 per cent. However, the TeliaSonera share performed slightly better both than Affärsvärlden's general index and DJ Euro Stoxx Fixed Line Communications (the index of European fixed network operators). Since listing, the state has received SEK 2,331 million in dividend.

The performance of SAS's share price, like other European airline companies, was negative in 2002 and it decreased by 25 per cent. European airline shares fell by 38 per cent in 2002. The SAS share performed approximately 45 percentage points better than the leading American airline companies in 2002. The market value of the state's shares in SAS was SEK 1.7 billion at the turn of the year 2002/2003. The SAS share has provided an average annual dividend of

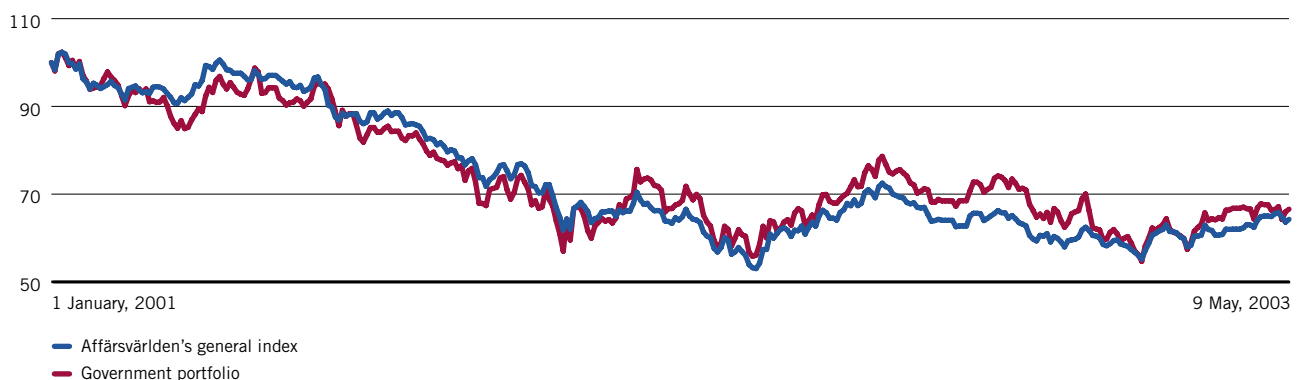
9.7 per cent over the past eleven-year period, which is less than SAS's target of a 14 per cent dividend over a business cycle.

The performance of the OM share was very weak in 2002 and the price fell by 70 per cent. The market value of the state's holding in OM decreased in 2002 from SEK 1,103 million to SEK 333 million. The annual average total return (price performance and re-invested dividend) for the past ten years was 19 per cent for the OM share.

Nordea's share price fell by 31 per cent in value in 2002. The value of the state's holding in Nordea fell from SEK 30,082 million to SEK 20,813 million. The total return was negative in 2002.

From the turn of the year until 9 May 2003, the state shareholding has decreased by 4 per cent and Affärsvärlden's general index increased by 2 per cent.

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

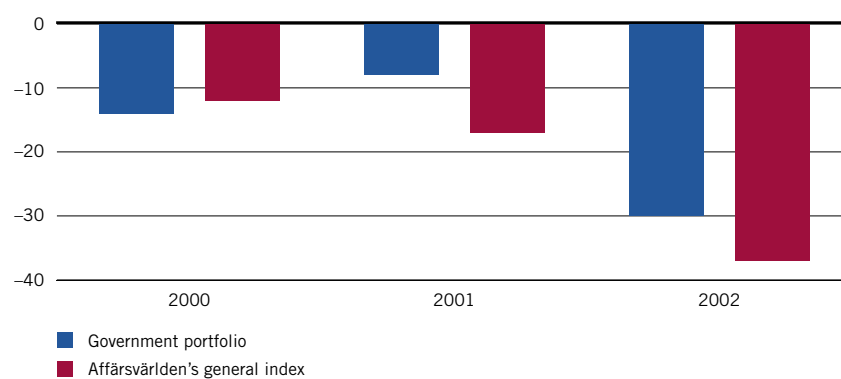


The shareholding in TeliaSonera accounts for approximately 75 per cent of the state's portfolio. In 2002, the share performed slightly better than Affärsvärlden's general index.

MARKET VALUE OF THE GOVERNMENT PORTFOLIO 2000–2003, SEK m

COMPANY	Share									
	9 May 03, %	9 May 03	31 Mar 03	30 Dec 02	30 Sep 02	28 Jun 02	28 Mar 02	28 Dec 01	29 Dec 00	
Celtica AB	38.5	54	48	54	76	89	90	80	62	
Nordea AB	18.5	20,759	20,271	20,813	19,946	27,101	31,979	30,082	38,754	
OM AB	9.5	408	298	333	256	552	1,011	1,103	1,862	
SAS AB	21.4	1,354	1,269	1,741	1,851	2,238	2,697	2,397	3,173	
TeliaSonera AB	46.0	66,514	51,474	69,480	49,778	54,226	77,950	98,920	102,736	
Total		89,088	73,361	92,421	71,907	84,206	113,727	132,582	146,587	
Total excl. TeliaSonera		22,574	21,887	22,941	22,129	29,980	35,777	33,662	43,851	

GOVERNMENT PORTFOLIO COMPARED WITH AFFÄRSVÄRLDEN'S GENERAL INDEX, 2000–2002, %





Nordea AB has its origin in PKbanken which was established in 1974. In conjunction with the finance crisis in 1992, a financial reconstruction of the bank took place and the state acquired all outstanding shares. In October 1995, the Nordbanken share was listed on Stockholmsbörsen by a sale of 34.5 per cent of the state's shareholding. At the end of 2002, the state owned 18.5 per cent of the shares in the Nordea bank group.

OPERATIONS

Nordea AB was created by a merger between Nordic banks and insurance companies. The group conducts operations in three business areas: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The group has over 10 million customers and 1,240 bank branches.

Objective

Nordea's paramount objective is to create shareholder value. Value is increased through concentrating on core business areas, a stable and broadly-based increase in income, operational excellence and an optimal use of capital combined with a well-considered risk taking.

Nordea's ambition is to be ranked among the best financial undertakings as regards customer satisfaction and loyalty.

FINANCES

The financial industry experienced a general decline in 2002; there has been a

European downturn in economic activity, the share markets have been characterised by insecurity and a decrease in value and interest rates have consequently fallen. For the life insurance sector, the falling stock markets have meant reduced income and the low level of interest rates has reduced deposit margins in banking operations.

Objective

Nordea's paramount financial objective in 2002 was to:

- be among the five best in a group of 20 European financial institutions with respect to return on equity,
- have a dividend level in excess of 40 per cent of net earnings,
- the cost/income ratio should not exceed 50 per cent.

Nordea has revised its overall financial objective for 2003. Return on equity is to be more than 15 per cent from 2004. Expenses are to be at the same level in 2002 as in 2003 and 2004. As from 2005, the cost/income ratio is to be at most 55 per cent, provided that the present business composition is maintained.

Assessment

Nordea's Return on equity for 2002 (-28.1 per cent) did not meet the target. The level of dividends was 76 per cent of net earnings. The cost/income ratio was 64 per cent.



MD: Lars G Nordström



Chairman: Hans Dalborg

INCOME STATEMENT, SEK m	2002	2001
Net interest income	34,304	34,182
Net commission income	14,374	13,467
Dividends received	329	454
Net income from financial transactions	2,312	3,235
Other operating income	1,736	2,317
Total operating income	53,056	53,655
Operating expenses	-35,419	-32,838
Income from participation rights in associated companies	475	880
Loan losses, net	-2,285	-3,355
Change in repossessed property	-101	-102
Operating profit from insurance operations	-1,352	-621
Operating profit	14,374	17,619
Change in pension liability	-2,568	250
Tax	-3,701	-3,337
Net profit/loss for the year	8,105	14,533

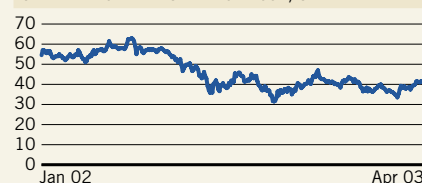
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	41,130	45,300
Interest-bearing fixed assets	1,019,084	1,139,265
Non-interest bearing current assets	187,034	153,243
Interest-bearing current assets	1,037,457	908,882
Total assets	2,284,705	2,246,690
Shareholders' equity, provisions and liabilities		
Shareholders' equity	108,891	109,927
Minority	92	342
Appropriations	9,080	11,343
Interest-bearing liabilities	1,906,917	1,929,934
Non-interest bearing liabilities	259,725	195,144
Total liabilities and shareholders' equity	2,284,705	2,246,690

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	-13,207	-43,709
Cash flow from investment activities	12,832	36,452
Cash flow from financing activities	1,849	30,354

KEY RATIOS	2002	2001
Return on equity (average), %	7.5	13.8
Lending, bn	1,334	1,280
I/C ratio excluding loan losses, %	1.6	1.7
Capital adequacy ratio, %	9.9	9.1

OTHER, SEK m	2002	2001
Proposed dividend	0.23 EUR/share	6,273
Average no. of employees	37,322	37,555
- of which women	23,343	23,772
Share owned by state, %	18.5	18.2

SHARE PRICE PERFORMANCE 2002, SEK



Equal opportunities policy	YES
Proportion of women	.63%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Hans Dalborg. **Board members:** Kjell Aamot, Dan Andersson, Edward Andersson, Harald Arnkværn, Claus Høeg Madsen, Bernt Magnusson, Jørgen Høeg Pedersen, Timo Peltola. **Employee representatives:** Bertel Finskas, Liv Haug, Lene Haulrik, Kaija Roukala-Hyvärinen, Maija Torkko. (Dan Andersson and Edward Andersson resigned and Gunnel Duveblad, Birgitta Kantola and Lars G Nordström were appointed at the annual general meeting of shareholders in 2003). **Auditors:** Caj Nackstad and Oille Gunnarsson, 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, OM AB.

OPERATIONS

OM develops and operates system solutions for companies in the world's financial markets and energy markets, and owns and operates stock exchanges and clearing organisations.

The consolidation and structural development currently taking place in the world's financial markets and energy markets is creating opportunities for more cost-effective and large-scale operations apace with increasing demand for new integrated system solutions.

Objective

OM's objective is to create long-term value by profitable growth.

Assessment

OM and the London Stock Exchange established a new international market place for share derivatives; EDX London. OM moreover received a number of important orders in technological operations, including from Nord Pool.

In 2002, the daily turnover of shares on Stockholmsbörsen decreased by 32 per cent, while the number of transactions fell by seven per cent. The turnover in the number of option contracts on Stockholmsbörsen and OM London Exchange fell by three per cent in 2002 while the average share option premium decreased by 50 per cent.

FINANCES

OM's income decreased by 14 per cent to SEK 2,640 million (3,072) in 2002. Income from technology operations

totalled SEK 1,899 million (2,265). Stockholmsbörsen's income decreased to SEK 965 million (1,158). The group's profit before depreciation increased to SEK 304 million (130) during the year including items affecting comparability of SEK -127 million (-257). Total assets decreased to SEK 4,920 million (5,985) at the end of the year. The equity/assets ratio increased to 41 per cent (37).

Objective

OM's financial objective in recent years has been that the group's income should grow over time by at least 20 per cent at the same time as the return on equity shall amount to at least 20 per cent. Since the target was introduced in January 1995, market interest rates have fallen markedly. Accordingly, OM's relative objective has been greatly increased apace with the reduction of the market's required return. OM will therefore depart from the 20/20-target although it will maintain its focus on a high level of growth and high profitability.

Assessment

The sale was affected negatively by postponed decisions on IT investments among customers both on the financial markets and the energy markets as well as falling share prices and lower share turnover. In the past five years, OM's income has increased by 22 per cent per year on average while the return on equity has amounted to 11 per cent.

In the light of a successively weakened demand on all sub-markets, OM has continued to carry out savings and adapt activity. In 2002, OM carried out a group savings programme and closed down the electronic trading place Jiway.

OM's board of directors intends that dividend should accord with the company's earnings performance and long-term capital requirements. In 2002, the board of directors proposed that dividend, as in the previous year, should be SEK 1 per share. Calculated according to the share price at the year-end the recommended dividend would mean a yield of 2.4 per cent.



MD: Per E Larsson



Chairman: Olof Stenhammar

INCOME STATEMENT, SEK m	2002	2001
Net turnover	2,640	3,072
Staff expenses	-1,171	-1,148
Expenses	-1,399	-1,929
Items affecting comparability	-132	-481
Profit/loss from participations in associated companies	38	33
Operating profit	-24	-453
Financial items	-32	-16
Profit before tax	-56	-469
Tax	-15	233
Minority	0	211
Net profit/loss for the year	-71	-25

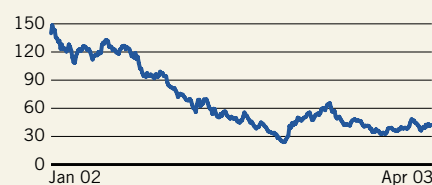
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1,722	1,838
Interest-bearing fixed assets	852	1,474
Non-interest bearing current assets	1,071	1,019
Interest-bearing current assets	1,275	1,654
Total assets	4,920	5,985
Shareholders' equity, provisions and liabilities		
Shareholders' equity	2,017	2,257
Appropriations	151	624
Interest-bearing liabilities	1,857	2,132
Non-interest bearing liabilities	895	972
Total liabilities and shareholders' equity	4,920	5,985

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	89	-297
Cash flow from investment activities	-158	-718
Cash flow from financing activities	-310	677

KEY RATIOS	2002	2001
Return on equity (average), %	neg	neg
Return on capital employed (average), %	2	neg
Equity/assets ratio, %	41	37

OTHER, SEK m	2002	2001
Proposed dividend	84	84
Average no. of employees	1,677	1,516
- of which women	540	493
Share owned by state, %	9.5	9.5

SHARE PRICE PERFORMANCE 2002, SEK



Equal opportunities policy	YES
Proportion of women	32%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Olof Stenhammar. **Board members:** Gunnar Brock, Jan R Carendi, Thomas Franzén, Adine Grate Axén, Nils-Fredrik Nyblaus, Bengt Ryden, Per E Larsson. (Jan R Carendi resigned and Bengt Halse was appointed as a board member at the annual general meeting of shareholders in 2003).

Auditors: Björn Fernström, Ernst & Young and Stephan Tolstoy, Öhrlings PricewaterhouseCoopers.



The main owner of the SAS group is the Scandinavian states, who hold 50 per cent of the shares and votes. The Swedish state-owned share is 21.4 per cent. SAS is a listed company and traded on the stock exchanges in Stockholm, Oslo and Copenhagen. The largest private shareholders at the year-end were the Wallenberg trusts, Folketrygd-fondet and Deutsche Bank Trust.

OPERATIONS

The SAS group offers air services and air-related services based on northern Europe. Scandinavian Airlines fly within Scandinavia, to/from Europe, North America and Asia. Other airline companies in the group are Spanair, Braathens, Widerøe's Flyveselskap and Air Botnia. There are companies that support aviation operations in the group's business areas Airline Support Businesses and Airline Related Businesses. The group also includes hotel operations with Rezidor SAS Hospitality.

The airline industry is sensitive to cyclical fluctuations and at present is undergoing a crisis. Besides the effects of the terror attacks on 11 September 2001, the industry has been affected by the weak level of economic activity in the past three years and concern for conflicts in the Middle East. In addition, traditional airline companies have met a great deal of competition from "low-cost companies" that have demonstrated new efficient ways of running airline operations.

The above factors has entailed that profitability in the traditional airline companies has been and in many cases still is under great pressure. The air travel market is therefore on the verge of restructuring. New conditions and changed customer behaviour and new competing business models have meant that the traditional companies have had to adapt to the new rules of play. This means in practice demands for fast changes towards reduced costs and increased efficiency.

FINANCES

The net loss was SEK-132 million (-1,064). CFROI¹⁾ for 2002 was 13 per cent. During the period January-December, SAS's market value decreased by 25.3 per cent. In order to handle the problem of profitability, SAS has initiated three programmes to improve performance. The first two programmes total SEK 12,800 million gross in which short-term measures account for approximately SEK 6,400 million and structural measures for approximately a further SEK 6,400 million. In March 2003, SAS announced further needs for savings corresponding to unit cost reductions of a further 25-40 per cent in addition to the measures already carried out mainly within Scandinavian Airlines.

Objective

The overall financial objective of the SAS group is to create values for its shareholder. The ambition is to increase the total return on the share²⁾ to at least 14 per cent over a business cycle. This required return has been translated into an internal profitability target, CFROI, which is to amount to at least 20 per cent annually.

The SAS group's annual dividend has been set taking into consideration the group's earnings, financial position, capital requirement and relevant cyclical conditions. The dividend is to be at the level of 30-40 per cent of the group's earnings after standard tax over a business cycle.

Assessment

The average total return on the SAS share between 1991 and 2002 totalled 9.7 per cent. SAS reported an unsatisfactory level of profitability and return in 2002. The airline industry is in crisis and is on the verge of restructuring. As the largest owner in SAS, it is therefore important for the Swedish state to closely monitor the company's future development and its ability to adjust activity to meet the changed conditions of the airline industry in the best way.



MD: Jørgen Lindegaard



Chairman: Egil Myklebust

INCOME STATEMENT, SEK m	2002	2001
Net turnover	64,944	51,433
Expenses	-64,350	-53,133
Items affecting comparability	497	1,141
Profit/loss from participations in associated companies	-409	-70
Operating profit	682	-629
Financial income	1,146	618
Financial expenses	-2,278	-1,129
Profit before tax	-450	-1,140
Tax	267	103
Minority	51	-27
Net profit/loss for the year	-132	-1,064

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	39,643	35,659
Interest-bearing fixed assets	7,202	6,748
Non-interest bearing current assets	8,959	8,631
Interest-bearing current assets	11,006	11,724
Total assets	66,810	62,762

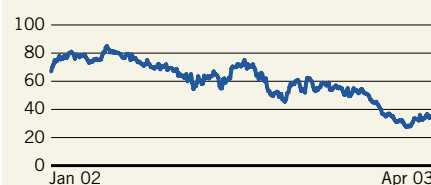
Shareholders' equity, provisions and liabilities	2002	2001
Shareholders' equity	15,188	15,544
Minority	166	263
Interest-bearing provisions	47	45
Non-interest bearing provisions	5,397	5,240
Interest-bearing long-term liabilities	21,322	18,988
Non-interest bearing long-term liabilities	330	296
Interest-bearing current liabilities	8,413	7,091
Non-interest bearing current liabilities	15,947	15,295
Total liabilities and shareholders' equity	66,810	62,762

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	2,138	-350
Cash flow from investment activities	-1,726	3,294
Cash flow from financing activities	3,864	6,327

KEY RATIOS	2002	2001
Return on equity (average), %	neg	neg
Return on total assets (average), %	2.8	0.0
Return on capital employed (average), %	4.2	0.0
Return on operating capital (average), %	4.3	neg
Equity/assets ratio, %	23.0	25.2

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	9,654	10,850
Depreciation and write-downs	2,953	2,443
Average no. of employees	35,506	31,035
- of which women	15,444	13,138
Sick leave in Sweden, %	6.9	6.4
Share owned by state, %	21.4	21.4

SHARE PRICE PERFORMANCE 2002, SEK



Equal opportunities policy	YES
Proportion of women	.43%
Environmental policy	YES
Environmental management system	.OWN

Board of directors 2002/2003

Chairman: Egil Myklebust. **Board members:** Berit Kjöll, Lars Reiben Sørensen, Fritz H Schur, Anitra Steen, Jacob Wallenberg.

Employee representatives: Flemming Beinov, Ulla Grøntvedt, John Lyng.

Auditor: Jan Åke Magnuson, Deloitte & Touche.

¹⁾ Cash Flow Return On Investments.

²⁾ Total of change in share price and dividend.

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 in December 2002 to create TeliaSonera. The Swedish state's holding was then 46 per cent.

OPERATIONS

In terms of the number of customers, TeliaSonera is the largest mobile operator in Sweden and Finland, the next largest in Norway and the fourth largest in Denmark. The company is also the largest supplier in the field of telephony and data communications based on fixed networks, with leading market positions in Sweden and Finland and an important position in Denmark. Furthermore, TeliaSonera is the largest operator in the Baltic republics. TeliaSonera has also ownership shares in mobile operators in Russia, Turkey, Azerbaijan, Georgia, Kazakhstan and in Moldavia.

Merger with Sonera

Through this merger, the companies have combined their common owner interests in leading mobile and fixed network operators in the Baltic republics and Russia. Financially, this merger also means that TeliaSonera is expected to be able to realise substantial cost synergies. The geographically based organisation which replaces Telia's product-based organisation will at the same time entail an increased focus on customer benefit.

FINANCES

Turnover in TeliaSonera increased by 4 per cent. This increase was due to consolidation of Sonera during December. Taking into consideration divested activities, however, the organic growth was 5 per cent.

The underlying profitability in TeliaSonera expressed as earnings before depreciation and write-downs (EBITDA) increased by 22 per cent to SEK 15,692 million, and the margin improved from 23 till 26 per cent. This improvement primarily related to improved profitability in Telia Mobile and the Swedish fixed network activity, and reduced operating losses in Internet Services and International Carrier.

The operating loss decreased to SEK -10,895 million. This amount includes write-downs and restructuring expenses within mainly International Carrier and the Danish fixed network operation totalling SEK 15,147 million.

The free cash flow after investment in fixed assets, in TeliaSonera strengthened to SEK 3,877 million (-6,056) million through the improvement in EBITDA, combined with a lower level of investment. As a result of the consolidation of Sonera, the interest-bearing net indebtedness increased to SEK 25,034 million (10,661). The rating for the company's long-term lending has after consolidation of Sonera been downgraded to A (S&P) and A2 respectively (Moody's).

Assessment

TeliaSonera's share price at the end of 2002 was SEK 32.80, which is equivalent to a decrease for the share of 28 per cent during the year. Stockholmsbörsen as a whole (SX All Share Index) fell by 35 per cent during the same period.



MD: Anders Igel



Chairman: Tapio Hintikka

INCOME STATEMENT, SEK m	2002	2001
Net turnover	59,483	57,196
Expenses	-70,906	-57,872
Items affecting comparability	n.a.	n.a.
Profit/loss from participations in associated companies	528	6,136
Operating profit	-10,895	5,460
Financial income	1,312	1,729
Financial expenses	-2,033	-2,381
Profit before tax	-11,616	4,808
Tax	3,619	-2,917
Minority	-70	-22
Net profit/loss for the year	-8,067	1,869

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	141,366	77,478
Interest-bearing fixed assets	31,446	17,436
Non-interest bearing current assets	22,341	19,966
Interest-bearing current assets	11,503	13,311
Total assets	206,656	128,191

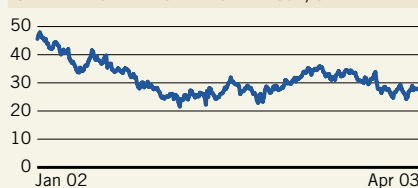
Shareholders' equity, provisions and liabilities	2002	2001
Shareholders' equity	108,829	59,885
Minority	5,120	204
Interest-bearing provisions	224	2,358
Non-interest bearing provisions	18,182	10,749
Interest-bearing long-term liabilities	32,124	25,193
Non-interest bearing long-term liabil.	2,351	3,049
Interest-bearing current liabilities	12,608	3,931
Non-interest bearing current liabil.	27,218	22,822
Total liabilities and shareholders' equity	206,656	128,191

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	12,449	10,416
Non-restricted cash flow	3,877	-6,056
Cash flow from investment activities	-5,553	3,632
Cash flow from financing activities	-10,344	-6,608

KEY RATIOS	2002	2001
Return on equity (average), %	neg	3.2
Return on total assets (average), %	neg	5.7
Return on capital employed (average), %	neg	7.8
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	55.1	46.9

OTHER, SEK m	2002	2001
Proposed dividend	1,870	600
Gross investment	54,438	20,735
Depreciation and write-downs	20,844	13,975
Average no. of employees	17,277	24,979
- of which women	7,546	9,196
Sick leave in Sweden, %	5.5	4.8
Share owned by state, %	46.0	70.6

SHARE PRICE PERFORMANCE IN 2002, SEK



Equal opportunities policy	YES
Proportion of women	44%
Environmental policy	YES
Environmental management system	ISO 14001

Board of directors 2002/2003

Chairman: Tapio Hintikka. *Vice chairman:* Lars-Eric Petersson. *Board members:* Carl Bennet, Ingvar Carlsson, Eva Liljebloom, Caroline Sundewall, Roger Talermo, Tom von Weymarn. *Employee representatives:* Elof Isaksson, Yvonne Karlsson, Berith Westman. (Lars-Eric Petersson resigned and was replaced by Carl Bennet, Sven-Christer Nilsson and Paul Smits was appointed at the annual general meeting of shareholders in 2003). **Auditors:** Torsten Lyth, Ernst & Young and Lars Träff and Filip Cassel, authorised public accountants.

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 deviate from what is usual for business operating wholly under market conditions. The evaluation 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 own-

er'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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Companies with special societal interests 2002

Companies with special societal interest comprise 26 companies, of which 25 are included in the consolidation. Earnings for these companies increased in 2002 and totalled SEK 4.5 billion (3.3). The total shareholders' equity increased to SEK 25.3 billion (24.9). Return on equity increased from 12.9 till 17.8 per cent.

The turnover for companies with special societal interests increased by 8 per cent in 2002 compared with the previous year and totalled SEK 95.3 billion (88.4). This increase is primarily explained by Apoteket and Svenska Spel, which increased their turnover by 8 and 15 per cent respectively.

Net profit increased by SEK 1.2 billion in 2002 compared with the previous year and totalled SEK 4.5 billion (3.3). Svenska Spel improved its result by SEK 368 million. Samhall reported a profit of SEK 1 million in 2002 compared with a loss of SEK 473 mil-

lion in 2001. Svensk Bilprovning and Apoteket are two companies that have turned a loss into profit in 2002. Net profit for these companies totalled SEK 84 and 12 million respectively. Of the companies consolidated in this group, 20 companies reported a profit or broke even and 17 companies improved their earnings in 2002 compared with 2001.

INVESTMENT

Gross investment for companies with special societal interests increased by 18 per cent in 2002 compared with the previous

year and totalled SEK 8,234 million (7,002). This increase is partly explained by Statens Väg- and Baninvest which increased investment in 2002 by SEK 595 million to SEK 3,360 million (2,765).

CASH FLOW

The cash flow from operating activities increased by 24 per cent in 2002 compared with the previous year for companies with special societal interests. The cash flow from operating activities totalled SEK 8,250 million (6,654). This increase is primarily



Of the companies consolidated in this group, 20 companies reported a profit or broke even and 17 companies improved their earnings in 2002 compared with 2001.

explained by Apoteket and Systembolaget. These companies improved their cash flow during the year by SEK 605 million and SEK 1,297 million respectively.

EARNINGS AND TURNOVER

Apoteket's turnover in 2002 increased compared with the previous year and totalled SEK 32,026 million (29,668). This is an increase explained by an increase both in the average price and in sales volumes. Incomes from prescription sales accounted for 75 per cent of total income. Net profit was SEK 12 million in 2002, an improvement by SEK 138 million compared with the previous year.

As from 1 October 2002, new rules apply that mean that expensive pharmaceutical products are replaced by cheaper alternatives. Among other things, this has led to price reductions from pharmaceutical companies but also reduced turnover for Apoteket which is positive from a societal perspective. In 2002, Apoteket had 87 million customer visits. The distribution cost is low compared with other pharmacy systems in Europe. The company's expenses account for 18 per cent of the total expenses for pharmaceutical products.

Systembolaget's turnover increased by 5 per cent in 2002 compared with the previous year and totalled SEK 19,132 million (18,241). Net profit totalled SEK 142 million (133). Return on equity is to correspond to the ten-year bond rate plus four percentage points. In 2002, it amounted to 10.3 per cent.

In 2002, 347.3 million litres of alcoholic beverages were sold. This is an increase of 8.3 per cent compared with 2001 measured in pure alcohol. Sales by volume increased

COMPANIES WITH SPECIAL SOCIETAL INTERESTS

INCOME STATEMENT, SEK m	2000	2001	2002
Net turnover	84,621	88,382	95,346
Expenses	-78,950	-84,374	-89,842
Items affecting comparability	505	-217	-50
Profit/loss from participations in associated companies	7	140	66
Operating profit	6,183	3,931	5,520
Financial income	1,501	1,441	573
Financial expenses	-1,533	-2,318	-1,662
Profit before tax	6,151	3,054	4,431
Tax	-546	75	19
Minority	1	144	17
Net profit/loss for the year	5,606	3,273	4,467

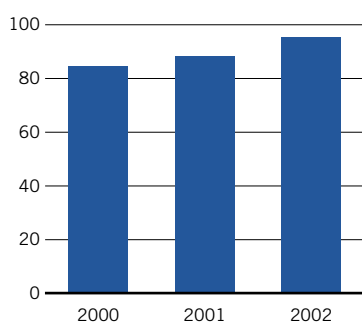
BALANCE SHEET, SEK m	2000	2001	2002
Assets			
Non-interest bearing fixed assets	47,052	50,992	51,941
Interest-bearing fixed assets	6,155	8,826	12,665
Non-interest bearing current assets	14,953	14,978	14,258
Interest-bearing current assets	12,292	11,979	12,400
Total assets	80,452	86,773	91,264

Shareholders' equity, provisions and liabilities	2000	2001	2002
Shareholders' equity	25,793	24,873	25,270
Minority	531	483	481
Interest-bearing provisions	4,557	4,369	4,117
Non-interest bearing provisions	1,907	1,633	1,791
Interest-bearing long-term liabilities	26,360	33,850	36,545
Non-interest bearing long-term liabilities	3,817	2,780	2,868
Interest-bearing current liabilities	3,653	4,346	5,645
Non-interest bearing current liabilities	13,834	14,440	14,547
Total liabilities and shareholders' equity	80,452	86,773	91,264

CASH FLOW, SEK m	2000	2001	2002
Cash flow from operating activities	7,794	6,654	8,250
Cash flow from investment activities	-5,789	-8,857	-7,239
Cash flow from financing activities	-2,262	1,621	66

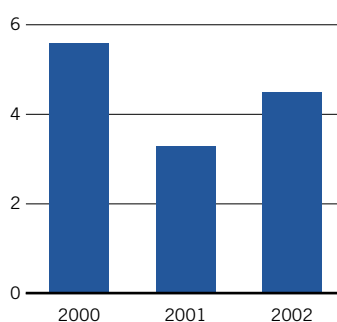
OTHER INFORMATION, SEK m	2000	2001	2002
Gross investment	7,413	7,002	8,234
Depreciation and write-downs	3,052	3,467	3,308
Turnover from government grants	21,220	22,429	23,867
Return on equity, %	22.5	12.9	17.8
Equity/assets ratio, %	32.7	29.2	28.2
Dividends	4,426	4,402	4,789
Average no. of employees	51,845	51,766	50,847

NET TURNOVER, SEK bn



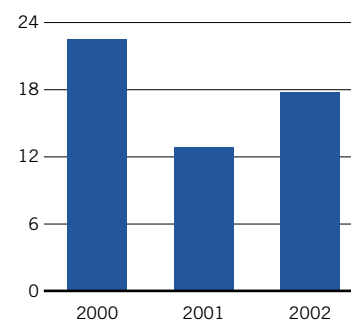
Net turnover increased by SEK 7 billion to SEK 95.3 billion in 2002.

NET PROFIT, SEK bn



Net profit increased by 36 per cent in 2002 till SEK 4.5 billion.

RETURN ON EQUITY, %



Return on equity increased by 4.9 percentage points in 2002.

by 9.5 per cent. The increase in sales dampened at the end of the year. During the year Systembolaget had 98.7 million customer visits.

One of the most important societal interests is to avoid sales of alcohol to young people under 20 years of age. Systembolaget carries out annual measurements. Inputs to strengthen age checks will be made a priority.

Svenska Spel's turnover increased by 15 per cent in 2002 compared with the previous year and totalled SEK 17,989 million (15,590). Net profit increased by SEK 368 million and totalled SEK 4,210 million. SEK 910 million of the company's profit go to club activities and sports organisations, who in this way receive a substantial contribution of funds.

Security in gaming arrangements is very important for the company. This is important to prevent fraud and to gain the confidence of players that everything is taken care of correctly. Svenska Spel is to develop new attractive lotteries at the same time as the company is to show social responsibility.

Samhall's turnover decreased in 2002 compared with the previous year and totalled SEK 8,557 million (9,084). Despite a reduced turnover, the company improved its result. The loss from last year of SEK 473 million was transformed into a profit of SEK 1 million. Samhall has been affected by declining demand on most of the company's industrial markets but, in particular, in the telecom sector. Invoicing in the services sector has increased, however. SEK 1 billion of the turnover is for sales abroad.

For many of Samhall's employees, the decline has meant considerable underemployment. Intensive work has taken place during the year to restructure operations towards more service-oriented work with consequent staff development measures.

The Swedish Civil Aviation Administration's net profit increased in 2002 to SEK 105 million (13). The target for improved earnings has been achieved although the

target for the equity/assets of 25 per cent has not been reached. The equity/assets ratio is unchanged at 19 per cent. During the year, the Civil Aviation Administration has invested SEK 2.1 billion and investment for the past five years totals SEK 10.6 billion, which has affected the equity/assets ratio greatly. The state has therefore reduced the requirement on the equity/assets ratio to 20 per cent for 2003 and 2004. The long-term target for the equity/assets ratio of 25 per cent remains. An extensive action programme is now being embarked upon with a view to obtaining improvements in earnings of approximately SEK 1,000 million by 2006.

The Civil Aviation Administration develops, constructs and is responsible for the infrastructure for civil aviation. It is to carry out its operations on a commercial basis and to create the conditions for safe, efficient and environmentally compatible aviation. After 11 September 2001, the air industry has drastically changed from being in continuous expansion to a reduction in demand for air travel instead. In 2002, the number of passengers at the Civil Aviation Authority's airports decreased by 8 per cent. Moreover, a flow of passengers has taken place to "low-price" air travel which has put pressure on profits in many airlines.

Svenska kraftnät's turnover increased in 2002 by SEK 128 million to SEK 3,841 million, although net profit fell by SEK 179 million to SEK 541 million. The foremost reasons were that expenses for operating the grid increased due to the cost of energy losses, additional power and balance power. Return on equity was 7.8 per cent (10.6 per cent), which is to be compared with the target of 7 per cent.

Teracom improved its result in 2002 compared with the previous year. The loss was reduced from SEK 301 million to SEK 204 million. The measures taken by the company to reduce expenses and the considerably lower investment level began to have an effect. Turnover in 2002 totalled SEK 1,778 million (1,618).

Today, 99.8 per cent of the population now have access to the company's TV- and radio broadcasts. Since 1997, the company has made substantial investments to go over from analogue to digital broadcasts. Demand for these has in the short perspective been low but will increase over time.

Investment in combination with operating losses has led to a deterioration in the company's financial position and a capital contribution of SEK 500 million is required.

Svensk Bilprovning reported a profit for 2002 after a number of years with substantial losses. Net profit totalled SEK 84 million (-99). This improvement is largely due to increased prices but part of the improved earnings is also due to greater efficiency in operations. Turnover in 2002 was SEK 1,399 million (1,239).

The company's objective is to improve road safety and the environment by checking the standard of vehicles. Pricing is to enable costs to be covered over a long time period. The company should have an equity/assets ratio of 35 per cent.

Kungliga Operan reported a profit of SEK 0.3 million in 2002 compared with a loss of SEK 12.7 million for 2001. During the year, Operan has produced 36 performances and had an average booking on the big stage of 80 per cent for opera and 78 per cent for ballet.

Kungliga Dramatiska Teatern has also been able to improve its financial situation in 2002. Dramaten has had 28 productions (27) in its repertoire. The level of bookings has been 89 per cent in 2002.

SOS Alarm is 50 per cent state-owned. Earnings decreased to SEK 0 million (11.6) primarily due to a deterioration in net financial income as a result of write-downs in the value of the company's share portfolio. The company is required to respond within 8 seconds on average. The average response time in 2002 was 7.1 seconds despite the number of wrong number calls being as high as 56 per cent. Due to the number of calls made in error, the company is carrying out a number of technical measures and has increased its information efforts.

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 Arlandabanan 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. Arlandabanan was opened for the train shuttle service to the airport, Arlanda Express, on 25 November 1999.

OPERATIONS

A-Banan has constructed, owns and manages Arlandabanan, the railway from Rosersberg, via Arlanda airport, to Odensala. 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 Arlandabanan during the period of contract.

A-Banan supervises the operation of the train shuttle service, other train services and the railway facility and monitors repayment of the government's conditional loan. In order to fulfil the government's intention to integrate local, regional and national railway traffic with air traffic at Arlanda airport, A-Banan is working to increase train traffic to the airport. Discussions are in process with the relevant transport principals on introducing suburban train services on Arlandabanan. A-Banan is also taking part in the work of transferring goods transports relating to Arlanda from lorry to rail transport.

Assessment

Traffic on the Arlanda Express increased significantly at the beginning of 2002.

Growth then slowed as a result of the economic slowdown and the turbulent situation in the world. However, the forecast level of traffic has substantially been achieved. Despite a decline in air travel, A-Trains market share has continued to increase until the latter part of autumn 2002. The traffic base will be broadened by revised price strategies and intensified marketing.

Arlanda Express has a very high level of punctuality. Problems on the state's rail network have had a negative effect on punctuality. During peak service time, A-Train has increased the number of services to six per hour after summer 2002.

The Civil Aviation Administration's (LFV) ongoing reconstruction of Arlanda's terminal system has affected A-Banan's facility and services. An agreement has been reached between LFV and A-Train on a station entrance adjacent to a new North Terminal.

The proposals of the Railway Commission for new railway legislation may mean that certain technical adjustments to the project agreement will be required.

Arlandabanan is an infrastructure project co-financed by the state and the private sector.

A-Banan requires that its traffic operators have an environmental policy and an environmental management system.

FINANCES

The company's operations are financed by current invoicing of its expenses to the two owners. 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.



MD: Kjell Sundberg



Chairman: Lars Rekke

INCOME STATEMENT, SEK m	2002	2001
Net turnover	65	66
Expenses	-65	-66
Operating profit	0	0
Profit before tax	0	0
Net profit/loss for the year	0	0

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	2,161	2,202
Non-interest bearing current assets	3	0
Interest-bearing current assets	13	12
Total assets	2,177	2,214
Shareholders' equity, provisions and liabilities		
Shareholders' equity	10	10
Non-interest bearing long-term liabilities	2,105	2,146
Non-interest bearing current liabilities	62	59
Total liabilities and shareholders' equity	2,177	2,214

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	57	56
Cash flow from investment activities	-16	-15
Cash flow from financing activities	-41	-41

KEY RATIOS	2002	2001
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), %	14.3	14.8
Equity/assets ratio, %	0.5	0.4

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	0	0
Depreciation and write-downs	56	56
Average no. of employees	2	2
– of which women	1	1
Share owned by state, %	100	100

Equal opportunities policy	.NO
Proportion of women	.50%
Environmental policy	.NO
Environmental management system	.NO

Board of directors 2002

Chairman: Lars Rekke. **Board members:** Kjell-Åke Averstad, Sven Bårström, Jan Danielson, Ulrika Francke, Kerstin Lindberg Göransson. **Deputies:** Ulf Lundin, Kjell Sundberg.

Auditors: Anders Wiger, Ernst & Young and Bertil Forsslundh, National Audit Office.



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 core activity is business development, that is development inputs and advice, in combination with loan financing. Moreover, there is a varied range of general services and advice. ALMI's contributions are targeted on small enterprises that lack resources and payment capacity.

ALMI's customers consist of expanding companies, new and young companies, and innovators. ALMI carried out a total of 40,000 inputs in the form of information, general advice, financing and in-depth contributions in existing expanding companies during 2002. ALMI also assisted in the establishment of new companies and provided support to young companies by inputs for approximately 43,000 persons and businesses. During the year, ALMI had 24,000 contacts with innovators and innovation companies. This activity was pursued together with the trust Innovationscentrum and a total of 2,986 ideas were assessed during the year. In 2002, a total of 16,100 in-depth inputs have been carried out in various companies.

Among these contributions can be mentioned programmes aiming at business development, product renewal, skills reinforcement and internationalisation.

The total new lending in 2002 increased compared with the previous year. New lending totalled SEK 918 million in loans granted to 2,282 companies.

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, skill development, financing and initiatives to create contacts.

Assessment

ALMI measures the customers' view of its contributions. This survey shows that over 80 per cent of the companies were satisfied or very satisfied with ALMI's inputs. 90 per cent of the companies consider that they have developed positively through their collaboration with ALMI. With the aid of Statistic Sweden, ALMI 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.

FINANCES

The group's earnings totalled SEK -122 million (-85). Total lending increased from over SEK 800 million in 2001 to over SEK 900 million in 2002. Total turnover decreased from SEK 536 million in 2001 to SEK 486 million in 2002.



MD: Göran Lundwall



Chairman: Per-Ola Eriksson

INCOME STATEMENT, SEK m	2002	2001
Net turnover	486	536
Expenses	-600	-624
Operating profit	-114	-88
Profit before tax	-114	-88
Minority	-8	3
Net profit/loss for the year	-122	-85

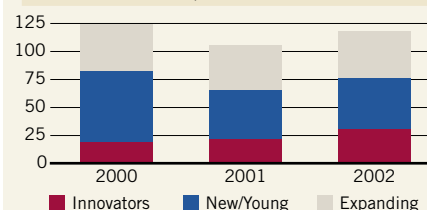
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	27	47
Interest-bearing fixed assets	2,091	2,198
Non-interest bearing current assets	149	215
Interest-bearing current assets	2,481	2,429
Total assets	4,748	4,889
Shareholders' equity, provisions and liabilities		
Shareholders' equity	4,157	4,280
Minority	147	138
Non-interest bearing provisions	136	153
Non-interest bearing long-term liabilities	46	47
Non-interest bearing current liabilities	262	271
Total liabilities and shareholders' equity	4,748	4,889

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	50	-19
Cash flow from investment activities	2	7
Cash flow from financing activities	0	0

KEY RATIOS	2002	2001
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), %	42.8	43.7
Equity/assets ratio, %	90.6	90.4

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	14	10
Depreciation and write-downs	-11	-14
Average no. of employees	512	520
- of which women	230	225
Share owned by state, %	100	100

NUMBER OF CUSTOMER CONTACTS BY TYPE OF COMPANY, 000s



Equal opportunities policy	YES
Proportion of women	.45%
Environmental policy	NO
Environmental management system	NO

Board of directors 2002

Chairman: Per-Ola Eriksson. Board members: Håkan Arnelid, Lillemor Arvidsson, Gertrud Bohlin Ottoson, Bibbi Carlsson, Pelle Holm, Mattias Moberg, Thomas Nilsson. Employee representatives: Agneta Larsson, Pontus Sannéus.

Auditors: Åke Hedén and Torsten Lyth, Ernst & Young and Jonas Hällström, National Audit Office.



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. The company's activity is also regulated in owner directives and in the operational agreement between the state and Apoteket. Apoteket is to meet the need for pharmaceutical products throughout Sweden and to supply all pharmaceutical products approved for the Swedish market.

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.

As from 1 October 2002, the replacement of pharmaceutical products was introduced at pharmacies, which means that a prescribed pharmaceutical product is to be replaced at the pharmacy if a cheaper, equivalent pharmaceutical product is available. This has led to price reductions from pharmaceutical companies.

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.

Assessment

Apoteket's 900 pharmacies have had 87 million customer visits in 2002 and processed 68 million prescription items. The Swedish pharmacy system has a low distribution cost compared with other European pharmacy systems. Apoteket's expenses make up approximately 18 per cent of the total expenses for pharmaceutical products. The customer's valuation of Apoteket's operations in 2002 remains at a high level.

FINANCES

In 2002 Apoteket's income increased by 8 per cent to SEK 32,088 million (29,699). Income from prescription sales accounted for 75 per cent of total income. During the year, this increased by 8.2 per cent, to SEK 24,067 million. This increase is due to an increase both in the average price and in sales volumes. Profit before tax totalled SEK 31 million in 2002, which is an improvement of SEK 175 million in relation to 2001. Operating profit improved by SEK 208 million.

Excluding product expenses, staff expenses are the largest cost item. Staff expenses increased during the year by 10.3 per cent to SEK 4,257 million. The increase in cost is an effect of this year's pay increases and the net increase in the average number of employees.

As a result of the development on the world stock exchanges, the value of the pension fund's assets decreased greatly. At the end of 2002, the consolidation ratio was 100.4 per cent which meant that the value of the pension fund's assets covered Apoteket's pension commitments.

Objective

Apoteket shall carry out its operations in such a way as to achieve a level of earnings that ensures that the company can develop in financial balance in the long-term and provide a dividend to the owner. In its ownership directive for 2002, the state has stated that a dividend target of approximately SEK 100 million.



MD: Stefan Carlsson



Chairman: Jan Bergqvist

INCOME STATEMENT, SEK m	2002	2001
Net turnover	32,026	29,668
Other operating income	62	31
Expenses	-32,068	-29,921
Income from participation rights in associated companies	56	90
Operating profit	76	-132
Financial income	7	9
Financial expenses	-52	-21
Profit before tax	31	-144
Tax	-19	18
Net profit/loss for the year	12	-126

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1,877	1,831
Non-interest bearing current assets	6,441	6,077
Interest-bearing current assets	340	259
Total assets	8,658	8,167
Shareholders' equity, provisions and liabilities		
Shareholders' equity	1,648	1,611
Non-interest bearing provisions	358	420
Interest-bearing current liabilities	2,878	2,609
Non-interest bearing current liabilities	3,774	3,527
Total liabilities and shareholders' equity	8,658	8,167

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	41	-564
Cash flow from investment activities	-229	-241
Cash flow from financing activities	269	660

KEY RATIOS	2002	2001
Return on equity (average), %	0.7	neg
Return on total assets (average), %	0.8	neg
Return on capital employed (average), %	1.5	neg
Return on operating capital (average), %	0.5	neg
Equity/assets ratio, %	19.0	19.7

OTHER, SEK m	2002	2001
Proposed dividend	100	0
Gross investment	260	253
Depreciation and write-downs	237	261
Average no. of employees	10,827	10,600
- of which women	9,748	9,688
Sick leave, %	7	6
Share owned by state, %	100	100

Equal opportunities policy	YES
Proportion of women	.90%
Environmental policy	YES
Environmental management system	OWN

Board of directors 2002/2003

Chairman: Jan Bergqvist. Board members: Barbro Carlsson, Susanne Eberstein, Anna Engström Laurent, Eva Eriksson, Peter Lagerblad, Mikael Sjöberg. Employee representatives: Inga-Lill Furberg, Britt-Marie Skoglösa. Deputies: Carina Jansson, Anna Karin Utterström. Auditors: Per Wardhammar, Öhrlings PricewaterhouseCoopers and Filip Cassel, National Audit Office. (Filip Cassel was replaced by Lars Nordstrand at the annual general meeting of shareholders in 2003).

Bostadsgaranti

AB Bostadsgaranti was established in 1962 from the then Svenska Byggnadsentreprenörföreningen¹⁾. 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 motivated 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 ceased in the mid-1990s. 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 construction 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.

The National Board of Housing, Building and Planning makes the forecast that a building start should be made on 20,000 dwellings in 2003, which is a reduction of the previous forecast. The weak level of economic activity, the uncertainty on the market for more expensive tenant-owned housing, and the dip in household confidence are still restraining hous-

ing construction this year. The National Board of Housing, Building and Planning Agency also makes the assessment that a part of the players will also opt to wait for a parliamentary resolution on the proposed investment support for construction of small rented accommodation and student housing. The board considers that the reduction of housing construction is temporary. Fundamental factors indicate continued increased construction.

The National Board of Housing, Building and Planning estimates that construction of apartment blocks will increase next year and that there will be a start on 24,000 new dwellings. The proposed investment support, an increased public service housing construction and an upswing in the level of economic activity will contribute to the increase.

In the Budget Bill, the government has set the target that 120,000 new dwellings are to be built during the period 2003–2006. The government is considering testing a reduction of VAT charges for particularly important housing construction. The rules are intended to be designed in such a way as not to lead to projects being postponed.

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 providing good consumer protection for purchasers of new tenant-owned apartments and owner-occupied dwellings.

Assessment

Taking into consideration, the anticipated increase in housing construction, the type of consumer protection provided by AB Bostadsgaranti serves a purpose.

FINANCES

Earnings for 2002 totalled SEK –16.3 million (16.3).

Objective

The financial objectives are in the process of being prepared.



MD: Kåre Eriksson



Chairman: Nils Dexe

INCOME STATEMENT, SEK m	2002	2001
Net turnover	18	15
Other external expenses	-8	6
Staff expenses	-6	-5
Operating profit	3	16
Financial income	10	12
Financial expenses	-30	-6
Profit before tax	-17	22
Tax	1	-5
Net profit/loss for the year	-16	16

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1	1
Interest-bearing fixed assets	2	2
Non-interest bearing current assets	43	24
Interest-bearing current assets	224	227
Total assets	269	254
Shareholders' equity, provisions and liabilities		
Shareholders' equity	107	124
Non-interest bearing provisions	71	78
Interest-bearing current liabilities	0	1
Non-interest bearing current liabilities	90	52
Total liabilities and shareholders' equity	269	254

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	18	-12
Cash flow from investment activities	18	9
Cash flow from financing activities	0	0

KEY RATIOS	2002	2001
Return on equity (average), %	neg	14.1
Return on total assets (average), %	4.8	11.0
Return on capital employed (average), %	10.9	23.6
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	39.9	48.8

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	0	0
Depreciation and write-downs	15	4
Average no. of employees	9	8
– of which women	5	3
Share owned by state, %	50	50

Equal opportunities policy	.NO
Proportion of women	.55%
Environmental policy	.NO
Environmental management system	.NO

Board of directors 2002/2003

Chairman: Nils Dexe. *Board members:* Michael Hagberg, Anders Lönnberg, Jan Persson, Åke Rådberg, Johan Skoglund, Marianne Åbyhammar. (Michael Hagberg and Anders Lönnberg resigned and Michael Thorén and Maria Sedolin were appointed at the annual general meeting of shareholders in 2003). *Auditor:* Bernhard Öhrn, KPMG.

¹⁾ Now Sveriges Bygginstitutier.



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 kanal 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.

OPERATIONS

AB Göta kanalbolag engages in canal and property activities. The activities directed related to the canal business 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.

Objective

AB Göta kanalbolag is to carefully maintain and develop Göta kanal as Sweden's largest historical man-made structures, taking the environment into consideration, and to take good care of the company's properties, land and forest holding. Göta kanal is to be Sweden's leading tourist waterway and visitor attraction.

Assessment

AB Göta kanalbolag's operations have contributed to increasing the value of the canal as a manmade structure of historical interest and an attractive tourist

destination. Continuous maintenance of the canal has resulted in it now being in very good condition. Renovation and restoration of the company's properties to the original condition is also taking place continuously which has contributed to increasing the value of the canal. The forest land owned is managed efficiently. The forest holdings have been environmentally certified in accordance with FCS.

FINANCES

The company had a turnover of over SEK 40 million in 2002. Earnings after financial items totalled approximately SEK -0.4 million. The company had an equity/assets ratio of 77 per cent. In all earnings from the canal operations have increased by 2 per cent and totalled almost SEK 7 million. Income from leisure craft has fallen by 1 per cent while passenger traffic increased by 4 per cent. Earnings from the forest and property administration totalled SEK 3.3 million.

As in previous years, the state contributes SEK 15 million per year for refurbishment of the canal. In addition to this amount, grants are received from municipalities and county employment boards.

Objective

Taking into consideration the special nature of the company's activity no specific financial requirements have been set. In general, the company shall promote a positive financial development of operations with its own funds and grants. AB Göta kanalbolag does not pay a dividend.

Assessment

Kanalbolaget has a sound financial development for the activities engaged in. Future development will develop the canal as a manmade structure and a tourist attraction.



MD: Claes-Göran Österlund



Chairman: Björn Eriksson

INCOME STATEMENT, SEK m	2002	2001
Net turnover	40	40
Expenses	-43	-40
Items affecting comparability	1	1
Operating profit	-2	0
Financial income	1	1
Profit before tax	-1	1
Net profit/loss for the year	-1	1

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	25	20
Interest-bearing fixed assets	21	25
Non-interest bearing current assets	4	4
Interest-bearing current assets	3	3
Total assets	53	52
Shareholders' equity, provisions and liabilities		
Shareholders' equity	41	41
Non-interest bearing current liabilities	12	11
Total liabilities and shareholders' equity	53	52

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	3	4
Cash flow from investment activities	-3	-3
Cash flow from financing activities	0	0

KEY RATIOS	2002	2001
Return on equity (average), %	neg	2.0
Return on total assets (average), %	neg	2.1
Equity/assets ratio, %	77.0	79.4

OTHER, SEK m	2002	2001
Gross investment	7	5
Depreciation and write-downs	2	2
Average no. of employees	66	57
- of which women	19	16
Sick leave, %	3.0	n.a.
Share owned by state, %	100	100

Equal opportunities policy	YES
Proportion of women	.28%
Environmental policy	YES
Environmental management system	YES

Board of directors 2002/2003

Chairman: Björn Eriksson. *Vice chairman:* Christer Berggren. Board members: Elving Andersson, Anita Modin, Lars-Olof Svenheim, Thord Söderlund, Ragnhild Wärn. *Employee representatives:* Britt-Marie Lofström, Per-Olof Åhfeldt. *Deputy employee representatives:* Billy Johansson, Leif Pettersson. **Auditor:** Torsten Wänström, Ernst & Young.



In autumn 1997, the Riksdag decided to establish the holding company IRECO Institute for Research and Competence Holding AB. Ireco is a limited company, owned by the state (55 per cent) and the Stiftelsen för Kunskaps- och Kompetensutveckling (KK-stiftelsen) (45 per cent). 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 that are 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. 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. The owners concluded shareholders' agreements that assure the state real influence in important issues such as nominations of board members.

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.

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 institute's board of directors.

In 2002, 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, the company has appointed a programme committee to, on behalf of the parties, prepare and decide on distribution of the funds made available by IRECO's owners for the skills development of the industrial research institutes between 2003 and 2005. The funds are to support the ongoing restructuring of the industrial research system.

FINANCES

Operating income which largely consists of grants from the state and KK-stiftelsen totalled approximately SEK 85 million in 2002. Net profit for the year was approximately SEK 0.2 million.

Objective

Taking into consideration, the nature of the company's activity, it is not profit-making. Accordingly, no specific economic or financial objectives have been set. The starting point is to engage in activity in the financially most favourable way on the basis of the given prerequisites.

IRECO does not pay a dividend to the owners.

Assessment

The operations have been pursued in a cost-effective way in 2002. Through its involvement in the programme committee, IRECO has contributed to making decisions on the distribution of funds for skills development in the institutes between 2003 and 2005.



MD: Håkan Widmark



Chairman: Gunnar Svedberg

INCOME STATEMENT, SEK m	2002	2001
Net turnover	85	102
Expenses	-85	-102
Operating profit	0	0
Profit before tax	0	0
Net profit/loss for the year	0	0

BALANCE SHEET, SEK m	2002	2001
Assets		
Interest-bearing current assets	14	26
Total assets	14	26
Shareholders' equity, provisions and liabilities		
Shareholders' equity	1	4
Non-interest bearing current liabilities	13	22
Total liabilities and shareholders' equity	14	26

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	0	0
Cash flow from investment activities	0	0
Cash flow from financing activities	0	0

KEY RATIOS	2002	2001
Return on equity (average), %	0.0	0.0
Return on total assets (average), %	0.0	0.0
Equity/assets ratio, %	7.7	15.4

OTHER, SEK m	2002	2001
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	4	3
- of which women	3	2
Share owned by state, %	55	55

Equal opportunities policy	.NO
Proportion of women	.75%
Environmental policy	.NO
Environmental management system	.NO

Board of directors 2002/2003

Chairman: Gunnar Svedberg. **Board members:** Christer Berggren, Madeleine Cæsar, Lennart Lübeck, Tomas Salzmänn, Lena Thorell. **Auditors:** Roland Nilsson and Mia Bigelius, KPMG Bohlins.

DRAMATEN

Kungliga Dramatiska Teatern AB is Sweden's national stage for spoken theatre. This commission was most recently defined in Government Bill 1996/97:3. The activity is not to be profit-making.

OPERATIONS

Activity during the year has been focused on as far as possible achieving the objectives with respect to quality, accessibility and renewal, which have been stated for the state's contribution to Dramaten. The broad and varied repertoire consists of new plays, both Swedish and foreign, modern and classical drama and many productions with dance and music. In 2002, Dramaten has had 28 productions (27) on its repertoire of which 18 have been new productions (19). A total of 997 own performances (957) have taken place on the theatre's six stages for 296,368 visitors (269,248). Audience coverage during the year has been 89 per cent (92) and the proportion of non-Stockholmers in the audience has been estimated at 24 per cent. A computerised control system was installed in summer 2002 on the large stage and the summer play then took place at Elverket with the performance of Romeo and Juliet in collaboration with Cirkus Cirkör and at Marmorfoajén. Dramaten arranged four guest performances in 2002.

Objective

As national stage, Dramaten is to have a varied repertoire, with a good balance between classical and modern drama. Every year, it shall 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.

Assessment

The level of compliance with the objective is satisfactory.

FINANCES

Dramaten's state grant was SEK 182 million in 2002. Other income which mainly consists of ticket revenue increased by SEK 5 million to SEK 59 million.

Objective

It is a non-profit organisation.

Assessment

Through strict control of expenditure and a favourable audience development, Dramaten's financial situation has considerably improved. The equity/assets ratio was 45 per cent on 31 December 2002.



MD: Staffan Valdemar Holm Chairman: Jan-Erik Wikström

INCOME STATEMENT, SEK m	2002	2001
Net turnover	237	229
Expenses	-235	-227
Operating profit	2	2
Financial income	1	1
Profit before tax	3	3
Appropriations	-2	0
Net profit/loss for the year	1	3

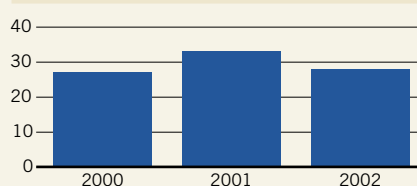
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	20	21
Non-interest bearing current assets	11	14
Interest-bearing current assets	36	36
Total assets	67	71
Shareholders' equity, provisions and liabilities		
Shareholders' equity	25	24
Untaxed reserves	7	5
Non-interest bearing current liabilities	35	42
Total liabilities and shareholders' equity	67	71

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	4	-6
Cash flow from investment activities	-5	-6
Cash flow from financing activities	0	0

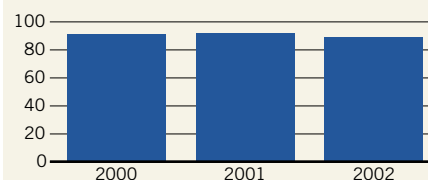
KEY RATIOS	2002	2001
Return on equity (average), %	8.3	11.2
Return on total assets (average), %	4.3	3.9
Equity/assets ratio, %	45	40

OTHER, SEK m	2002	2001
Gross investment	5	6
Depreciation and write-downs	-6	-5
Average no. of employees	335	333
- of which women	137	143
Share owned by state, %	100	100

NO. OF PRODUCTIONS



AUDIENCE COVERAGE, %



Equal opportunities policy	YES
Proportion of women	.41%
Environmental policy	NO
Environmental management system	NO

Board of directors 2002/2003

Chairman: Jan-Erik Wikström. Board members: Eva Bonnier, Inger Efraimsson, Staffan Valdemar Holm/Ingrid Dahlberg, Lennart Låftman, Sam Nilsson, Per Wästberg. Employee representatives: Gunnel Fred, Pär Sundgren. Deputy employee representatives: Barbro Forsgårdh, Lars Lindberg. Auditors: Anders Holm, KPMG and Filip Cassel, National Audit Office.



Kungliga Operan AB (Operan) is Sweden's national stage for opera and ballet. This commission was most recently defined in Government Bill 1996/97:3. It is a non-profit organisation.

OPERATIONS

Activities during the year have been focused as far as possible on achieving the objectives with respect to quality, accessibility and renewal that have been specified in the government grant to Operan. During the year, Operan has carried out an extensive savings programme that has entailed large reductions in costs.

The number of performances and other arrangements by Operan was 415 for 2002 compared with 418 in the previous year. The average audience coverage at performances on the large stage fell slightly for opera from 85 per cent to 80 per cent but increased from 73 to 78 per cent for ballet. Operan's repertoire in 2002 has offered 36 productions and premières. There were 80 performances by Kungliga Hovkapellet (the Royal Swedish Opera Orchestra) during the year. During the celebration of Stockholm's 750th anniversary, performances were arranged on Operan's balcony facing Gustav Adolfs Torg for a large audience. The collaboration with Sveriges Television and Sveriges Radio P2 is continuing.

Objective

As the national stage, Operan shall have a varied repertoire of opera and ballet,

with a good balance between classical and modern works. Every year, it shall perform at least one new work of musical drama or choreography by a Swede. Operan shall aim to attract the maximum number of visitors 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.

Assessment

The degree of compliance with the objectives is satisfactory.

Finances

Turnover increased by SEK 4 million to SEK 367 million of which SEK 308 million is government grants.

Objective

It is a non-profit organisation.

Assessment

After reporting a loss of SEK 12.7 million in 2001, Operan has implemented measures in 2002 to improve the result. This has been successful and Operan is reporting a surplus of SEK 0.3 million. However, finances continue to be vulnerable due to the high level of fixed costs and low shareholders' equity in relation to the turnover. The equity/assets ratio was 2.5 per cent at the turn of the year 2002/2003.



MD: Bengt Hall



Chairman: Hans Dalborg

INCOME STATEMENT, SEK m	2002	2001
Net turnover	367	363
Expenses	-367	-376
Operating profit	0	-13
Financial income	0	1
Profit before tax	0	-12
Net profit/loss for the year	0	-12

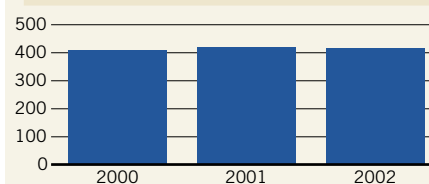
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	20	22
Non-interest bearing current assets	21	20
Interest-bearing current assets	19	21
Total assets	59	63
Shareholders' equity, provisions and liabilities		
Shareholders' equity	1	1
Non-interest bearing long-term liabilities	10	11
Non-interest bearing current liabilities	48	51
Total liabilities and shareholders' equity	59	63

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1	7
Cash flow from investment activities	-3	-3
Cash flow from financing activities	-2	4

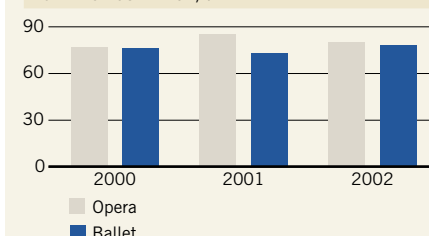
KEY RATIOS	2002	2001
Return on equity (average), %	-	neg
Return on total assets (average), %	-	neg
Equity/assets ratio, %	2.5	2.1

OTHER, SEK m	2002	2001
Gross investment	3	3
Depreciation and write-downs	6	6
Average no. of employees	571	601
- of which women	274	276
Sick leave, %	7.0	7.0
Share owned by state, %	100	100

NUMBER OF PERFORMANCES



AUDIENCE COVERAGE, %



Equal opportunities policy	YES
Proportion of women	.48%
Environmental policy	YES
Environmental management system	.OWN

Board of directors 2002/2003

Chairman: Hans Dalborg. **Board members:** Benny Andersson, Horace Engdahl, Ulla Reinius, Karin Starrin, Jan Stenberg, Meg Tivéus. **Employee representatives:** Peter Bergström, Gunnar Lundberg. **Deputy employee representatives:** Brendan Collins, Deidre Hjalmarsson. (Benny Andersson resigned and Ingegerd Palmér was appointed at the annual general meeting of shareholders in 2003).

Auditors: Göran Raspe, Öhrlings PricewaterhouseCoopers and Lars Nordstrand, National Audit Office.



The Swedish Civil Aviation Administration (LFV), was created as an independent authority in 1945 and given the status of a public enterprise in 1947. Since then, the Civil Aviation Administration has undergone a number of changes. The strongest motive for change has been the very great increase in traffic. The Civil Aviation Administration has organised its activities in three functional divisions: sector, safety and production.

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 is also responsible for air transport within the transport service of the civil defence organisation.

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.

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. However, the dramatic changes occurring in the surrounding world in 2001 contributed to a marked reversal in the trend of passenger volume and production by airline companies. This negative trend was reinforced

in 2002. Demand for air travel continued to decline at the same time as there was a flow of passengers to the "low price companies" and to cheaper scheduled air tickets. In 2002, the number of passengers at the Civil Aviation Administration's airports decreased by 8 per cent.

FINANCES

Profit after financial items for 2002 is SEK 151 million compared with SEK 20 million in 2001. During the most recent five-year period, the Civil Aviation Administration's investment totalled SEK 10.6 billion.

Objective

The long-term objective for profitability is that profit after tax equivalent is to total 8 per cent of shareholders' equity. The equity/assets ratio is to be at least 25 per cent in the long-term. The target for the equity/assets ratio has been reduced to 20 per cent for the years 2003 and 2004.

The general guidelines of the government and the Riksdag for dividends from commercial activities are a third of the net profit after tax equivalent.

Assessment

The targets for profitability and the equity/assets ratio have not been achieved. The return on equity was 4 per cent. The equity/assets ratio was unchanged at 19 per cent. The aviation industry both internationally and in Sweden is experiencing considerable financial difficulties. A number of airlines are making losses and this is increasing pressure on all players in the industry to change, improve efficiency and cut costs. An energetic action programme to achieve durable improvements in earnings was embarked upon in autumn 2001 and is expected to continue until 2006 and is anticipated to lead to improvements in earnings of approximately SEK 1,000 million.



DG: Lars Rekke

Chairman: Göte Bernhardsson

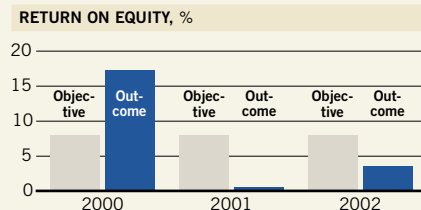
INCOME STATEMENT, SEK m	2002	2001
Net turnover	5,384	5,088
Expenses	-4,884	-4,919
Profit/loss from participations in associated companies	-11	20
Operating profit	489	189
Financial income	15	27
Financial expenses	-353	-196
Profit before tax	151	20
Tax	-46	-7
Net profit/loss for the year	105	13

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	14,587	13,459
Interest-bearing fixed assets	149	100
Non-interest bearing current assets	1,041	1,232
Interest-bearing current assets	134	187
Total assets	15,911	14,978
Shareholders' equity, provisions and liabilities		
Shareholders' equity	2,985	2,882
Interest-bearing provisions	2,386	2,145
Non-interest bearing provisions	400	999
Interest-bearing long-term liabilities	6,544	5,563
Non-interest bearing long-term liabilities	1,638	1,536
Interest-bearing current liabilities	330	30
Non-interest bearing current liabilities	1,628	1,823
Total liabilities and shareholders' equity	15,911	14,978

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	686	1,188
Cash flow from investment activities	-2,046	-3,167
Cash flow from financing activities	1,307	2,042

KEY RATIOS	2002	2001
Return on equity (average), %	3.6	0.5
Return on total assets (average), %	3.3	1.6
Return on capital employed (average), %	4.4	2.2
Return on operating capital (average), %	4.5	1.7
Equity/assets ratio, %	18.8	19.2

OTHER, SEK m	2002	2001
Proposed dividend	35	4
Gross investment	2,081	3,224
Depreciation and write-downs	908	989
Average no. of employees	4,507	4,495
- of which women	1,623	1,663
Sick leave, %	4.5	3.5
Share owned by state, %	100	100



Equal opportunities policy	YES
Proportion of women	.36%
Environmental policy	YES
Environmental management system	ISO 14001

Board of directors 2002/2003

Chairman: Göte Bernhardsson. **Board members:** Anna Grönlund, Mats Nilsson, Jan Orrenius, Eva Plogéus, Lars Rekke, Krister Örn-fjäder. **Employee representatives:** Lars Andersson, Krister Falk. **Deputy employee representatives:** Sven Erik Olsson, Roal Nilssen. (Ingrid Bonde, member, resigned on 18 December 2002 and was replaced by Karin Strömberg from 10 February 2003). **Auditors:** Kerstin Jönsson, National Audit Office and Hans Åkervall, KPMG.



Norrland Center AB was created 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 Properties 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.

Objective

The company is to be leading in the establishment and development of activities in Norrland.

Assessment

Norrland Center reports a positive establishment result for 2002. 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 300 new employment opportunities. Since its start in 1991 Norrland Center AB has contributed in various ways to establishing and developing over 80 operations in Norrland. The current number of durable employment opportunities is approximately 2,100.

The present cyclical downturn, the cooling down of Stockholm's previously very hot labour market and a reduced demand for office premises in Stockholm at present makes it more difficult to argue for new establishments in Norrland. National and international competition for business establishments is also becoming increasingly tough.

The project position for 2003 is poorer than in recent years. In 2002, the company has reinforced its marketing resources which have also been retained in 2003. The establishment result in 2003 is also assessed to lead to a lower employment outcome than in previous years. It is therefore very important for the future development of the competitiveness of business in Norrland that an effective regional assistance system is retained.

FINANCES

Operations in Norrland Center are to be carried out in such a way that the owner's capital, SEK 15 million, invested in the company is kept intact in real terms. The company has reported earnings for 2002 of SEK 578,000. Its shareholders' equity amounts thereafter to SEK 15.3 million.



MD: Sture Bengtson



Chairman: Lars-Olov Söderström

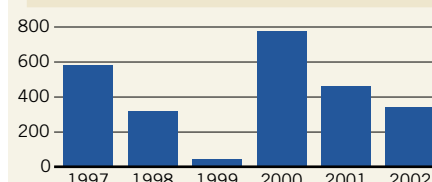
INCOME STATEMENT, SEK m	2002	2001
Net turnover	6	6
Expenses	-6	-6
Operating profit	0	0
Profit before tax	1	0
Net profit/loss for the year	1	0

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	0	1
Interest-bearing current assets	4	4
Non-interest bearing current assets	16	14
Total assets	20	19
Shareholders' equity, provisions and liabilities		
Shareholders' equity	15	15
Non-interest bearing current liabilities	5	4
Total liabilities and shareholders' equity	20	19

KEY RATIOS	2002	2001
Return on equity (average), %	3.9	0.3
Return on total assets (average), %	3.5	0.4
Return on capital employed (average), %	4.5	0.6
Return on operating capital (average), %	2.7	neg
Equity/assets ratio, %	77.7	77.1

OTHER, SEK m	2002	2001
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	4	4
- of which women	1	1
Share owned by state, %	33.3	33.3

ESTABLISHMENT DECISIONS IN NORRLAND¹⁾



¹⁾ In which Norrland Center AB has participated.

Equal opportunities policy	.NO
Proportion of women	.25%
Environmental policy	.NO
Environmental management system	.NO

Board of directors 2002/2003

Chairman: Lars-Olov Söderström. Board members: Peter Andersson, Anders Hörnfeldt, Nils Åke Astermo.

Auditor: Peter Zell, KPMG Bohlins.



The Riksdag decided in 1992 that the then Samhall foundation should become a limited company. The limited company form meant a better-known and tried and tested division of responsibility and powers, which is clear for co-operation partners and competitions, nationally and internationally. From 1 January 2002, the operations that were formerly undertaken in seven regional subsidiaries were carried out by the parent company.

OPERATIONS

Samhall's task is to produce goods and services for which there is a demand and in so doing to create meaningful and useful employment for persons with occupational disabilities as needed. The operation is moreover to be adapted to the prerequisites that persons with occupational disabilities have and 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.

With its broad competence within several sectors and its geographic spread across Sweden, Samhall can offer customers close proximity, diversity and total solutions. Samhall will increase its focus on the service sector. Special staffing concepts directed at identified future area of labour shortage are currently being worked out.

In view of its business structure, Samhall has a commercial structure that involves operations in a number of different sectors. Samhall considers that it can continue to increase market growth within the service sector during the next few years. Within the industrial sector, international competition is intensifying as many of the more simple tasks that are carried out in Samhall today are being moved to low-cost countries. Samhall holds only a small market share in most segments of the various sectors.

Objective

The group is to fulfil certain requirements on its operations. Performance is measured in relation to four objectives:

- The number of employees measured in volume of hours worked is to be 28.5 million hours (31).
- The proportion of recruitment from prioritised groups is to be 40 per cent.
- The proportion of employees who move to employment with other employers is to be 5 per cent.
- In addition, the company's earnings are to guarantee a long-term healthy financial development.

Assessment

At the end of 2002, 24,386, or 92 per cent, of Samhall's total of 26,394 employees were disabled. A total of 28.3 million hours were worked by the disabled. Of the employees, 45 per cent came from prioritised groups. 1,188 persons or 5 per cent went on to employment outside Samhall. Samhall, accordingly substantially achieved the objectives for its activities.

FINANCES

Invoicing decreased by just under 11 per cent from SEK 4,689 million to SEK 4,186 million. Samhall's additional cost compensation from the state has totalled SEK 4,262 million since 1999. Samhall's earnings before tax totalled SEK -2 million (-468). This represents an improvement in earnings of SEK 466 million.

Objective

The financial objective for Samhall is that the earnings of the company should guarantee long-term, sound financial development.

Assessment

Through improved cost-effectiveness and a lower level of employment, Samhall has succeeded in breaking even at a level with the financial objective set by the state for Samhall's activities.



MD: Göran Sevebrant



Chairman: Peter Lagerblad

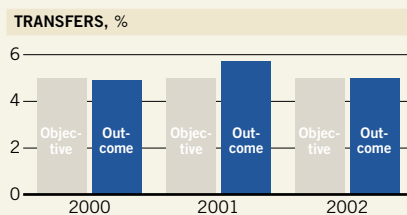
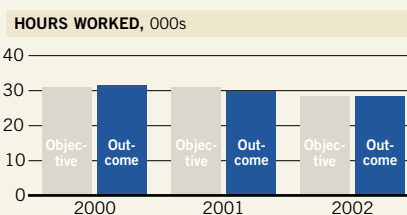
INCOME STATEMENT, SEK m	2002	2001
Net turnover	8,557	9,084
Expenses	-8,572	-9,363
Items affecting comparability	-21	-208
Operating profit	-36	-487
Financial income	36	22
Financial expenses	-2	-3
Profit before tax	-2	-468
Tax	3	-5
Net profit/loss for the year	1	-473

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	764	952
Non-interest bearing current assets	1,147	1,441
Interest-bearing current assets	1,032	798
Total assets	2,943	3,191
Shareholders' equity, provisions and liabilities		
Shareholders' equity	1,017	1,018
Non-interest bearing provisions	116	134
Non-interest bearing current liabilities	1,810	2,039
Total liabilities and shareholders' equity	2,943	3,191

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	160	144
Cash flow from investment activities	93	-90
Cash flow from financing activities	-482	83

KEY RATIOS	2002	2001
Return on equity (average), %	0	neg
Equity/assets ratio, %	34.6	31.5
No. of employees with occupational disability	21,301	22,436
Transfers, no.	1,188	1,408
Transfers, %	5.0	5.7
No. of hours worked, 000s	28,313	29,838

OTHER, SEK m	2002	2001
Gross investment	94	246
Depreciation and write-downs	169	239
No. of employees	23,428	24,807
- of which women	9,947	10,418
Sick leave, %	20	21
Share owned by state, %	100	100



Equal opportunities policy	YES
Proportion of women	.42%
Environmental policy	YES
Environmental management system	YES

Board of directors 2002/2003

Chairman: Peter Lagerblad. *Board members:* Birgitta Böhlin, Boel Carlsson, Gunilla Ekvall, Toivo Hofslagare, Jonas Iversen, Anders L Johansson, Gunnar Larsson, Björn Wolrath. *Employee representatives:* Margaretha Brinkhof Walter, Tommy Carlson, Bo Johansson. (Håkan Tidlund, Boel Carlsson and Jonas Iversen resigned and Peter Lagerblad and Tobias Henmark were appointed as board members of directors at the annual general meeting of shareholders in 2003). *Auditors:* Anders Holm, KPMG and Filip Cassel, National Audit Office.

SIS Miljömärkning AB

The Swan eco-label was created in Sweden in 1989 after a decision by the ministers of consumer affairs in the Nordic Council of Ministers. The government commissioned Standardiserings i Sweden (SIS) to be responsible for the Swan label. Since 1994, SIS Miljömärkning has also been responsible for the EU Flower ecolabel. In 1998, SIS Miljömärkning AB was established with the state as a partner (10 per cent). In 2001, SIS ownership of the company was transferred to Svenskt Standardiseringsråd (SSR).

OPERATIONS

The company's activity aims at creating environmental benefits and contributing to the work for a sustainable society and not to provide the owners with a profit. Operations are based on the development of criteria, information and marketing, as well as product control and licensing. The company board appoints a committee, the Swedish Ecolabelling Board, to assist in the work of criteria development with in Nordic ecolabelling and an advisory reference group for the EU's ecolabelling system.

Objective

The objective is to contribute to reducing the environmental impact of consumption by stimulating the development and use of products that are preferable from the point of view of the environment and in this way also contribute to a sustainable society. The activity thus constitutes an important part of the overall consumer policy objective according to which patterns of consumption and production are to be developed which reduce the strain on the environment and contribute to sustainable development.

Assessment

The company has carried out its assignment of administering the Swan ecolabelling system on behalf of Sweden and the EU Flower eco-label in a good way. This administration consists primarily of developing criteria for ecolabelling, control and licensing of products and providing information about the two systems.

FINANCES

Operations are financed partly by fees from companies that have an ecolabel licence and partly by government grants. Companies that apply for an ecolabelling licence normally pay an application fee and a turnover based annual fee, which is normally 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 32.5 million in 2002 which is a reduction of SEK 4 million compared with 2001.

Objective

The company engages in operations without being required to make a profit. The owners' shares do not therefore confer a right to dividend. The company uses the funds it earns to fulfil the purpose for which it was established. Any surplus is funded or carried forward. The board of directors has adopted the long-term objective that funds set aside – for special development initiatives, consolidation of activities and the development of a form of equalisation of earnings – is to be at the same level as the company's direct staff expenses.



MD: Ragnar Unge



Chairman: Eva Smith

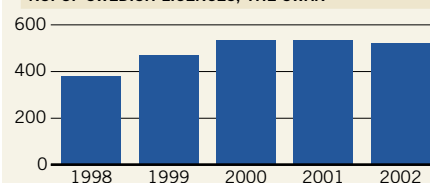
INCOME STATEMENT, SEK m	2002	2001
Net turnover	32	36
Expenses	-32	-36
Operating profit	1	0
Net financial income	-3	-2
Profit before tax	-3	-2
Net profit/loss for the year	-3	-2

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	10	14
Non-interest bearing current assets	4	5
Interest-bearing current assets	6	9
Total assets	20	28
Shareholders' equity, provisions and liabilities		
Shareholders' equity	15	18
Non-interest bearing current liabilities	5	10
Total liabilities and shareholders' equity	20	28

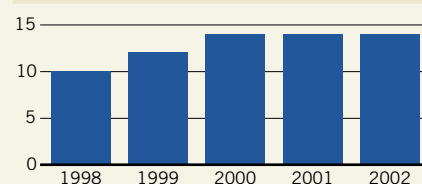
KEY RATIOS	2002	2001
Return on equity (average), %	neg	neg
Return on total assets (average), %	neg	neg
Return on capital employed (average), %	neg	neg
Return on operating capital (average), %	6.6	2.7
Equity/assets ratio, %	76.9	63.0

OTHER, SEK m	2002	2001
Gross investment	0	0
Depreciation and write-downs	586	466
Average no. of employees	34	35
– of which women	22	23
Share owned by state, %	10	10

NO. OF SWEDISH LICENCES, THE SWAN



NO. OF LICENCES, THE FLOWER



Equal opportunities policy	YES
Proportion of women	65%
Environmental policy	YES
Environmental management system	ISO 14001

Board of directors 2002/2003

Chairman: Eva Smith. Board members: Lars Flink, Walter Sköldefors, Anna Mattsson, Ingolf Berg, Pernilla Knutsson.

Auditors: Bengt Doyle, KPMG and Lars Nordstrand, National Audit Office.



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 exercises supervision over seas safety through the Maritime Safety Inspectorate. The administration is responsible for sea rescue and informs and provides advice on safety at sea for pleasure craft. Central tasks for the Swedish Maritime Administration include planning and provision of infrastructure and services for shipping in the form of fairways, pilotage, ice-breaking and maritime geographical information. 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 responsible for emergency planning of sea transport.

Objective

The Swedish Maritime Administration is to work for the fulfilment of the transport policy objectives for shipping operations. In brief, these objectives entail a sea transport system that is:

- designed in such a way as to meet the basic transport needs of citizens and the business sector – among other things, shipping is to be able to operate all-year round in important Swedish ports,
- permits a high transport quality for citizens and the business sector,
- is adapted to create safe shipping where no one is killed or seriously injured,
- is designed in such a way as to contribute to achieving the environmental quality objectives of environmental policy,
- contributes to evening out differences in the development opportunities of different parts

of Sweden and counteracting the disadvantages of great transport distances, • meets the transport needs of both women and men.

Assessment

The operations of the Swedish Maritime Administration in 2002 have been focused on contributing to fulfilment of all the above transport policy objectives within the field of activity.

FINANCES

Turnover increased in 2002 to SEK 1,450 million (1,327). Grants from the state accounted for SEK 135.6 million (118.6) of the turnover. Profit after financial items was SEK 25.4 million, which is an improvement in earnings compared with the previous year of SEK 70.3 million. Increased traffic income is the foremost reason for the positive outcome. The profit has also been affected by the authority adopting a restrictive approach to costs.

Objective

The Swedish Maritime Administration is to finance its operations including investments with the income that is received from the users of its services. The administration also receives grants to supply certain services which should not be financed from fairway charges. Return on adjusted shareholders' equity is to be 7 per cent over a rolling three-year period. The equity/assets ratio is to be at least 30 per cent.

The general guideline is that dividend is to be a third of profit after the tax equivalent.

Assessment

Return on adjusted shareholders' equity in 2002 was 2.3 per cent (neg), which meant that the target for the three-year period had not been met. The earning capacity target has been lowered to 3.5 per cent for the next three-year period. The equity/assets ratio was 34 per cent (35). Investments of SEK 126.2 million were financed with own funds.



DG: Jan-Olof Selén

Chairman: Gunnell Färm

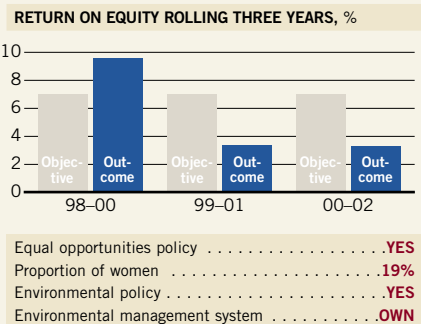
INCOME STATEMENT, SEK m	2002	2001
Net turnover	1,450	1,327
Expenses	-1,399	-1,337
Items affecting comparability	0	-28
Operating profit	51	-38
Financial income	32	31
Financial expenses	-58	-38
Profit before tax	25	-45
Tax	-7	
Net profit/loss for the year	18	-45

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1,301	1,273
Non-interest bearing current assets	265	241
Interest-bearing current assets	791	716
Total assets	2,357	2,230
Shareholders' equity, provisions and liabilities		
Shareholders' equity	794	776
Interest-bearing provisions	1,209	1,055
Interest-bearing current liabilities	73	95
Non-interest bearing current liabilities	281	304
Total liabilities and shareholders' equity	2,357	2,230

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	41	33
Cash flow from investment activities	-109	-120
Cash flow from financing activities	144	110

KEY RATIOS	2002	2001
Return on equity (average), %	2.3	neg
Return on total assets (average), %	3.7	neg
Return on capital employed (average), %	4.2	neg
Return on operating capital (average), %	4.1	neg
Equity/assets ratio, %	33.7	34.8

OTHER, SEK m	2002	2001
Proposed dividend	6.1	0
Gross investment	126	128
Depreciation and write-downs	85	82
Average no. of employees	1,285	1,312
– of which women	242	231
Sick leave, %	5.0	6.0
Share owned by state, %	100	100



Board of directors 2002/2003

Chairman: Gunnell Färm. Director-General: Jan-Olof Selén. Board members: Solgerd Björn-Rasmussen, Claes-Göran Brandin, Karin Jeppsson, Rolf Johannesson, Elisabeth Nilsson, Elizabeth Nyström, Kent Olsson, Lars Starkerud. Employee representatives: Tapani Hoffrén, Göte Karlsson, Uno Pålsson. Deputy employee representatives: Johan Bagge, Norbert Grinne, Lennart Johansson. Auditors: Kerstin Jönsson, National Audit Office and Tommy Bergendahl, BDO Feinstein Revision.



SOS Alarm Sverige 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 Förenade 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 rescue services are alarmed on behalf of the municipalities and alarm calls and directions are sent to ambulances on behalf of the county councils. SOS Alarm is also responsible for health service information commissioned by the county councils. The emergency number 112, emergency and health care services accounts for approximately two-thirds of the turnover and commercial security and alarm services for a third.

In 2002, SOS Alarm received 3.3 (3.7) million calls to 112. The proportion of non-emergency calls decreased to 56 per cent (62) but is still unacceptably high. The company has undertaken technical measures due to the non-emergency calls and increased its information efforts. By entering a pause to check the fourth digit in numbers that start with 112, the proportion of non-emergency calls fell in fixed telephony by approximately 30 per cent in a test area.

The group also includes the subsidiaries SOS Flygambulans AB, SOS Säkerhetstjänster AB and You Call Sverige AB.

Objective

The company is required to have an average response time of 8 seconds.

Assessment

The average response time in 2002 was 7.1 (6.7) seconds. The emergency service centres in the metropolitan area do not meet this requirement at present, however. SOS Alarm is going to install a new technology platform in the next few years, which will improve the conditions for meeting the requirements placed on the activity at the same time as it makes efficiency improvement possible.

FINANCES

Net profit decreased in 2002 primarily due to a deterioration in net financial income as a result of write-downs in the company's share portfolio. Operating profit decreased from SEK 10.6 till 8.8 million. Increased expenses for restructuring and preparations for the replacement of the technology platform have been charged to income.

Objective

The return on equity is to be 8 per cent.

Assessment

There is an increased need for security in the community and technical developments place an increasingly high demand on the company and its services. At the same time, a number of the company's public customers in municipalities and county councils are experiencing financial strains. The required return on equity was not achieved. The board of directors has decided on a new investment policy to minimise the risk of future investments. Furthermore, it is considered that restructuring and the new technology will reduce expenses in future. It is important that the different programmes are carried out with financial discipline. During the coming period, the level of dividends has been reduced to 3 per cent of equity from 5 per cent to avoid risking the company's financial status during the period of investment.



MD: Sven-Runo Bergqvist



Chairman: Curt Persson

INCOME STATEMENT, SEK m	2002	2001
Net turnover	619	583
Expenses	-610	-572
Operating profit	9	11
Financial income	-5	7
Financial expenses	-3	-4
Profit before tax	1	14
Tax	-1	-3
Net profit/loss for the year	0	11

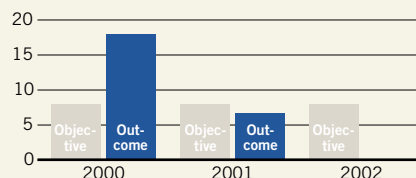
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	163	140
Non-interest bearing current assets	64	81
Interest-bearing current assets	96	123
Total assets	323	344
Shareholders' equity, provisions and liabilities		
Shareholders' equity	156	160
Minority	1	1
Non-interest bearing provisions	23	23
Interest-bearing long-term liabilities	25	27
Interest-bearing current liabilities	2	2
Non-interest bearing current liabilities	116	131
Total liabilities and shareholders' equity	323	344

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	57	49
Cash flow from investment activities	-66	-32
Cash flow from financing activities	-7	-10

KEY RATIOS	2002	2001
Return on equity (average), %	0.0	6.7
Return on total assets (average), %	1.2	5.1
Return on capital employed (average), %	2.2	8.9
Return on operating capital (average), %	11.2	13.4
Equity/assets ratio, %	48.6	46.7
Average response time, seconds	7.1	6.7

OTHER, SEK m	2002	2001
Proposed dividend	5	5
Gross investment	66	49
Depreciation and write-downs	44	57
Average no. of employees	790	756
- of which women	467	444
Sick leave, %	5.0	n.a.
Share owned by state, %	50	50

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	59%
Environmental policy	YES
Environmental management system	ISO 14001

Board of directors 2002/2003

Chairman: Curt Persson. *Board members:* Benny Jönsson, Lars-Olof Lindell, Hjördis Berg, Lise Brögger, Peter Lindell, Ingrid Lennerwald, Christina Salomonsson. *Employee representatives:* Berit Råhlin, Åke Nordin. (Lise Brögger, Lars-Olof Lindell and Berit Råhlin resigned and Annika Castwall, Ewa Back and Ann-Catrin Löf were appointed as board members and employee representative at the annual general meeting of shareholders in 2003). *Auditor:* Peter Lander, Ernst & Young.



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 involve different forms of project financing of infrastructural facilities and ownership and management of shares, participation rights and other rights in companies within the road and railway maintenance sector.

Operations have taken place in 2002 within three areas:

- Management of subsidiaries including monitoring of equity interests and the investigation of corporate matters.
- Finance operations focusing on borrowing on behalf of Stockholmsleder AB, Göteborgs Trafikleder AB and Botniabanan AB.
- Consultancy operations including audits, cost accounting and financing.

Botniabanan AB is working 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.

The company is working actively and systematically to increase the environmental adaptation of its own activity. Work on equal opportunities and diversity is integrated into the activity and is part of the ordinary work of planning and monitoring.

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 2,670 million. Botniabanan AB's borrowing at the National Debt Office has increased during the year by SEK 620 million.

Assessment

The reported earnings in both the parent company and the group comply with the plans made. The company does not have any dividend requirements from the owner.



MD: Bo Johansson



Chairman: Gösta Gunnarsson

INCOME STATEMENT, SEK m	2002	2001
Net turnover	335	226
Expenses	-335	-226
Operating profit	0	0
Financial income	1	1
Profit before tax	0	1
Tax	0	0
Net profit/loss for the year	0	1

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1,788	1,093
Interest-bearing fixed assets	8,139	5,474
Non-interest bearing current assets	147	138
Interest-bearing current assets	25	39
Total assets	10,099	6,744
Shareholders' equity, provisions and liabilities		
Shareholders' equity	17	17
Interest-bearing long-term liabilities	9,801	6,511
Non-interest bearing current liabilities	280	216
Total liabilities and shareholders' equity	10,099	6,744

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	56	-2
Cash flow from investment activities	-3,360	-2,765
Cash flow from financing activities	3,291	2,762

KEY RATIOS	2002	2001
Return on equity (average), %	1.9	4.1
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, %	0.2	0.3

OTHER, SEK m	2002	2001
Gross investment	3,360	2,765
Depreciation and write-downs	0	0
Average no. of employees	68	44
- of which women	23	14
Sick leave, %	2	n.a.
Share owned by state, %	100	100

Equal opportunities policy	.NO
Proportion of women	.34%
Environmental policy	.NO
Environmental management system	.NO

Board of directors 2002/2003

Chairman: Gösta Gunnarsson. **Board members:** Gerd Engman, Lena Erixon, Eva-Britt Gustafsson, Gunnar Holmgren, Ulf Lundin.

Auditors: Per Wardhammar, Öhrlings PricewaterhouseCoopers and Lars Nordstrand, National Audit Office.

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.

OPERATIONS

The company increasingly focuses on its core operations, i.e. mandatory operations and voluntary inspections, which will probably become mandatory. The core operations also include "Kontrollerad Bilverkstad" (controlled garage), a joint operation with the Swedish Automobile Association, Motorbranschens Riksförbund.

The requirements for flexibility in Bilprovningen's operations have increased mainly through seasonal variations in the flow of vehicles and to the enlargement of and alterations to the testing programme. Private persons have sometimes been affected by a lack of capacity when needed. Haulage firms, bus and coach companies and car dealerships are demanding an expanded and more flexible service.

Testing times have been redistributed to reduce queues in the spring. A new system for summoning vehicles for inspection and for payment procedures has been introduced. An investment programme has been started to replace older, less efficient testing stations. Training activities have been stepped up because of increased demands in conjunction with changed testing methods.

Objective

The company is to promote traffic safety and the environment by checking the vehicle standard and offering good availability throughout Sweden. The company aims to reduce waiting times for testing in order to improve service. It is aimed to increase booking on the internet.

Board of directors 2002/2003

Chairman: Olof Johansson. *Vice chairman:* Kjell Alkärr. *Board members:* Ulf Blomgren, Lars Johan Cederlund, Katja Elväng, Göran Forssén, Birgitta Frejhagen, Jan von Oelreich, Bertil Persson. *Employee representatives:* Sonny Johansson, Bo Johansson. *Deputy employee representatives:* Rolf Jakobsson, Tommy Nyström. (Kjell Alkärr, Lars Johan Cederlund, Göran Forssén and Jan von Oelreich resigned and Per Johansson, Jan-Erik Kjellberg, Peter Lindell and Jan-Erik Werner were appointed at the annual general meeting of shareholders in 2003). (Tommy Nyström resigned and Rolf Jakobsson was appointed as employee representative and Erik Jonasson was appointed as deputy employee representative). **Auditors:** Roland Nilsson, KPMG and Karin Holmerin, National Audit Office.

Assessment

Bilprovningen has 177 testing stations from Ystad in the south to Kiruna in the north. In 2002, approximately 5.2 million inspections were carried out. Waiting times have been slightly reduced. At the turn of the year 2002/2003, the waiting time for inspection of cars was 16 days and 11 days for lorries. At the previous turn of the year, the corresponding waiting time was 17 days for cars and 14 days for lorries. The proportion of bookings made on the internet has increased from 22 per cent in December 2001 to 32 per cent in December 2002. As part of the concentration on the core activity, Motortestcenter MTC AB has been divested in 2002.

FINANCES

Earnings have substantially improved in 2002, primarily due to a price increase but also due to improved efficiency. Profit before tax increased by SEK 166.8 million. Turnover was SEK 1,399 million. SEK 43 million of the turnover related to products and services which were exposed to competition. Earnings for these products were SEK 8 million. Dividend is not paid.

Objective

The government's decision on pricing for Bilprovningen's inspections stipulates that the company shall break even in the long run. According to the decision of the board of directors, the equity/assets ratio shall be approximately 35 per cent.

Assessment

After several years of losses, the result is now positive. This is in accord with the principles for pricing in monopoly activities. Bilprovningen complies with the requirement for separate account of services in competitive markets. A benchmarking in relation to other countries shows that the cost for inspection is considerably lower than in comparable countries despite the similarity of the testing methods.



MD: Magnus Ehrenstråhle



Chairman: Olof Johansson

INCOME STATEMENT, SEK m	2002	2001
Net turnover	1,399	1,239
Expenses	-1,314	-1,340
Operating profit	85	-101
Financial income	8	10
Financial expenses	-27	-10
Profit before tax	66	-101
Tax	19	3
Minority	-1	-1
Net profit/loss for the year	84	-99

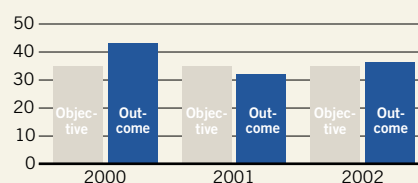
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	638	599
Non-interest bearing current assets	83	98
Interest-bearing current assets	205	108
Total assets	926	805
Shareholders' equity, provisions and liabilities		
Shareholders' equity	339	255
Minority	2	2
Interest-bearing provisions	205	199
Interest-bearing long-term liabilities	141	86
Non-interest bearing long-term liabilities	2	0
Interest-bearing current liabilities	5	0
Non-interest bearing current liabilities	232	263
Total liabilities and shareholders' equity	926	805

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	124	58
Cash flow from investment activities	-119	-124
Cash flow from financing activities	92	68

KEY RATIOS	2002	2001
Return on equity (average), %	28.3	neg
Return on total assets (average), %	10.7	neg
Return on capital employed (average), %	15.1	neg
Return on operating capital (average), %	18.5	neg
Equity/assets ratio, %	36.8	31.9

OTHER, SEK m	2002	2001
Gross investment	165	98
Depreciation and write-downs	91	95
Average no. of employees	2,181	2,223
- of which women	262	289
Sick leave, days per employee	5.7	n.a.
Share owned by state, %	52	52

EQUITY/ASSETS RATIO, %



Equal opportunities policy	YES
Proportion of women	12%
Environmental policy	YES
Environmental management system	NO



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).

OPERATIONS

SVEDAB shall – directly or indirectly through the Consortium – own and manage the Øresund Link and the Swedish land-based approaches. The group consists of the parent company SVEDAB and the Consortium (50 per cent owned), which is responsible for the Øresund Link.

The Øresund 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 Øresund Link.

The environment is promoted by Sweden and Denmark having jointly decided that the operators using the rail part of the Øresund Link shall pay a fixed charge per year. However, road users are to bear the larger part of the financing of the link.

The number of passenger journeys over the Øresund Link in 2002 was approximately 14 million. Of these 61 per cent used the motorway and 39 per cent the railway. Road traffic increased by 16 per cent to 3.4 million vehicles. Train traffic increased by 11 per cent or 5.4 million passengers.

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 total travel over Øresund has increased by over 30 per cent per year on average after the opening of the link. The market share of the Øresund Link of the total vehicle traffic over Øresund is approximately 64 per cent – an increase by six percentage points compared with 2001. The market share for cars was 68 per cent (63) while the market share for lorries was 34 per cent (29) per cent.

FINANCES

Turnover totalled SEK 592 million (557). Income from road traffic is SEK 343 million, which is a ten per cent improvement on 2001. The average income per road vehicle decreased during the year from DKK 170 to DKK 163. Income from the railway totalled SEK 244 million. Operating expenses have improved by approximately SEK 35 million. Net loss for the year after tax totalled SEK –347 million (–413) which is an improvement by SEK 66 million or 16 per cent.

Assessment

The group will make a loss in the initial years and the Riksdag has authorised the National Rail Administration and the National Road Administration irrevocably to provide conditional shareholders' contribution so that the capital of the company always amounts to the registered shareholders' equity. No liquid funds are granted to the company. The conditional shareholders contribution is expected to be repaid to the owners at the latest by 2030.

The Group's share of the investment cost for the Øresund Link is just under SEK 15 billion. SVEDAB is expected to make a profit at the latest by 2020. According to the consortium agreement, profit is to be distributed to the greatest possible extent. Depending on the development of road traffic and dividend policy, SVEDAB can expect to be free of debt between 2040 and 2050.



MD: Mats Wemming



Chairm: Jörgen Andersson

INCOME STATEMENT, SEK m	2002	2001
Net turnover	592	557
Expenses	–446	–464
Operating profit	146	93
Financial income	194	168
Financial expenses	–823	–836
Profit before tax	–482	–574
Tax	135	161
Net profit/loss for the year	–347	–413

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	14,884	15,301
Interest-bearing fixed assets	1,131	781
Non-interest bearing current assets	373	503
Interest-bearing current assets	1,705	2,655
Total assets	18,093	19,240

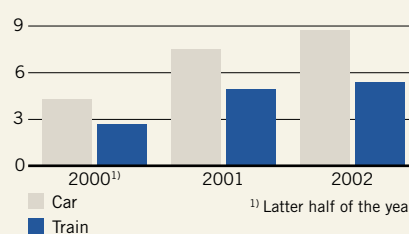
Shareholders' equity, provisions and liabilities	2002	2001
Shareholders' equity	12	3
Interest-bearing long-term liabilities	15,895	17,218
Interest-bearing current liabilities	1,601	1,312
Non-interest bearing current liabilities	585	707
Total liabilities and shareholders' equity	18,093	19,240

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	–381	–144
Cash flow from investment activities	31	–84
Cash flow from financing activities	175	533

KEY RATIOS	2002	2001
Return on equity (average), %	neg	neg
Return on total assets (average), %	1.9	1.4
Return on capital employed (average), %	2.0	1.5
Return on operating capital (average), %	1.0	0.0
Equity/assets ratio, %	0.1	0.0

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	0	118
Depreciation and write-downs	247	248
Average no. of employees	83	73
– of which women	45	38
Sick leave, %	4	3
Share owned by state, %	100	100

PASSENGER JOURNEYS, ØRESUND LINK, million



Equal opportunities policy	YES
Proportion of women	.54%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Jörgen Andersson. Board members: Göran Ahlström, Bo Bylund, Ingemar Skogö.

Auditors: Filip Cassel, National Audit Office and Henrik Otbo, the National Audit Office of Denmark and Mikael Eriksson, Öhrlings PricewaterhouseCoopers and Lars Andersen, KPMG C. Jespersen.



**Svenska
Kraftnät**

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 during times of crisis or war. Operations are financed by the charges paid by producers and consumers for transporting electricity on the grid.

In February 2003, the government revised Svk's commission, to enable Svk to participate in the continued development of the national optofibre network like any other player in the market. There are now almost 200 Swedish municipalities connected to the optofibre network.

Objective

Svk shall offer reliable, efficient and environmentally compatible transmission of power on the national grid, promote an open and competitive Swedish, Nordic and European electricity market and exercise its system responsibility in a cost effectively.

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.

FINANCES

Svenska kraftnät's turnover increased by SEK 128 million to SEK 3,841 million. Net profit for the year decreased by SEK 186 million to SEK 541 million primarily due to the expenses for energy losses, additional and balance power increasing more than system income.

Objective

Return on adjusted shareholders' equity¹⁾ is to be 7 per cent and the equity/assets ratio shall be 38 per cent.

Dividend and the tax equivalent corresponding to 65 per cent of operating profit for the year after financial income and expense.

Assessment

The earning capacity was 7.8 per cent (10.6) on adjusted shareholders' equity and the equity/assets ratio was 46.3 per cent (46.5). Accordingly, the owner's objectives were not met. The board of directors has recommended a dividend of SEK 356 million which is in line with the dividend policy.

Studies have shown that Svk is among the most cost-efficient national grid companies in Europe. National grid tariffs can therefore be kept at a low level compared with other European grid companies.

Svk should continue to develop its accounts and monitoring per branch of operations in order to improve the transparency of operations and communications to the electricity market and other stakeholders.

In 2002, work has been carried out on reviewing and reformulating certain objectives. The objective for 2003 is that Svk should achieve a return on adjusted shareholders' equity, after deduction of standard tax at 6 per cent reduced by expenses for so-called residual electrification. Svk shall at most have an indebtedness ratio of 55 per cent and cost efficiency is to be as high as in comparable companies.



DG: Jan Magnusson



Chairman: Sven Hulterström

INCOME STATEMENT, SEK m	2002	2001
Net turnover	3,841	3,713
Expenses	-3,224	-2,870
Profit/loss from participations in associated companies	40	37
Operating profit	657	880
Financial income	41	14
Financial expenses	-150	-159
Profit before tax	548	735
Tax	-5	6
Minority	-2	-14
Net profit/loss for the year	541	727

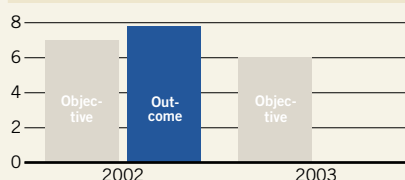
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	9,350	9,498
Interest-bearing fixed assets	372	178
Non-interest bearing current assets	894	777
Interest-bearing current assets	165	212
Total assets	10,781	10,665
Shareholders' equity, provisions and liabilities		
Shareholders' equity	6,701	6,634
Minority	28	27
Interest-bearing provisions	193	168
Interest-bearing long-term liabilities	2,816	2,968
Non-interest bearing long-term liabilities	98	104
Interest-bearing current liabilities	138	138
Non-interest bearing current liabilities	807	626
Total liabilities and shareholders' equity	10,781	10,665

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1,053	1,147
Cash flow from investment activities	-474	-375
Cash flow from financing activities	-626	-699

KEY RATIOS	2002	2001
Return on equity (average), %	7.8	10.6
Return on total assets (average), %	6.4	8.3
Return on capital employed (average), %	7.0	9.0
Return on operating capital (average), %	6.5	8.7
Equity/assets ratio, %	46.3	46.5

OTHER, SEK m	2002	2001
Proposed dividend	356	474
Gross investment	460	363
Depreciation and write-downs	512	490
Average no. of employees	257	243
- of which women	67	64
Sick leave, %	4	3
Share owned by state, %	100	100

RETURN ON ADJUSTED SHAREHOLDERS' EQUITY, %



Equal opportunities policy	YES
Proportion of women	.26%
Environmental policy	YES
Environmental management system	.OWN

Board of directors 2002/2003

Chairman: Per-Olof Eriksson. *Vice chairman:* Yvonne Gustafsson. *Board members:* Viktoria Aastrup, Sussi Kwart, Christel Nettelvik-Söderberg, Christer Samuelsson, Jan Magnusson. *Employee representatives:* Erik Bengtsson, Lisa Björklind. (Per-Olof Eriksson resigned and Sven Hulterström was appointed as chairman of the board of directors on 1 April 2003).

Auditors: Kerstin Jönsson, National Audit Office and Tommy Mårtensson, Deloitte & Touche.

¹⁾ See definition on page 103.



The then newly-established AB Svenska Miljöstyrningsrådet was made responsible by a government decision on 2 March 1995 for registration of facilities and publication of a list of registered facilities pursuant to the European Regulation on the Eco Management and Audit Scheme. The company is owned jointly by the state, the Swedish Association of Local Authorities and the Confederation of Swedish Enterprise. The company's activity was expanded to its present extent in accordance with a government decision on 13 November 1997.

OPERATIONS

The mission of the company is to support industry, the business sector and public administration in the further development of their environmental work in a systematic and cost-effective way. It should also provide recognition to those organisations that openly describe the purpose and result of their environmental work, which can be understood both nationally and internationally.

The increased strategic value of rational environmental work in companies and organisations has entailed a need for experienced and tried and tested methods of work. The Swedish Environmental Management Council is responsible for two voluntary systems of this kind – EMAS and EPD.

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 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.

The Swedish Environmental Management Council is principal and the registration body in Sweden for EU's environmental management and environmental audit scheme, EMAS. This commission includes supporting and promoting the introduction of EMAS and registering and maintaining a national register of the organisations that have complied with the EMAS requirements.

Board of directors 2002/2003

Chairman: Axel Wenblad. **Vice chairman:** Eva Smith. **Board members:** Gunilla Blomquist, Henry Gustafsson, Ingrid Haglind, Annaa Mattsson, Sven-Olof Ryding, Inger Strömdahl, Lars Waldner, Peter Wenster.
Auditor: Jan Nordlöv, KPMG Bohlins.

The Environmental Management Council is also the principal for the system of certified environmental product declarations, EPD, which entails administration of the work in an advisory and a technical committee and registering approved environmental product declarations and maintaining a register of certified environmental product declarations.

Objective

The Swedish Environmental Management Council is to inform the business sector and the government activities on EMAS and EPD and publish the names of organisations that join these systems.

Assessment

The activities of the Swedish Environmental Management Council were reviewed in 2001 and 2002.

FINANCES

The operations of the Swedish Environmental Management Council are financed by registration and annual fees from the organisations that belong to the EMAS and EPD systems. Furthermore, the council takes part in various projects that generate approximately SEK 0.5 million. Income for registration and annual fees totalled SEK 2.5 million in 2002.

Objective

The financial objective for the Swedish Environmental Management Council is that the activity should produce a sufficient surplus to enable increased and improved information services in the first place for EMAS and EPD registered organisations which can be expanded to a broader range of customers in time. The owners do not have any dividend requirements on the company.

Assessment

There is an unused potential in the Swedish Environmental Management Council's work with internet-based information on the environmental work of the business sector which in time can be developed into a commercial operation.



MD: Sven-Olof Ryding



Chairman: Axel Wenblad

INCOME STATEMENT, SEK m	2002	2001
Net turnover	3	2
Expenses	-3	-3
Operating profit	0	-1
Profit before tax	0	-1
Net profit/loss for the year	0	-1

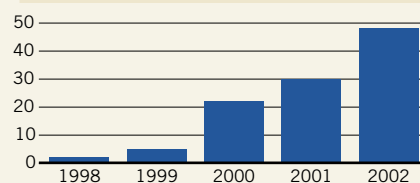
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing current assets	1	1
Interest-bearing current assets	1	1
Total assets	2	2
Shareholders' equity, provisions and liabilities		
Shareholders' equity	1	1
Non-interest bearing current liabilities	1	1
Total liabilities and shareholders' equity	2	2

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	0	-1
Cash flow from investment activities	0	0
Cash flow from financing activities	0	0

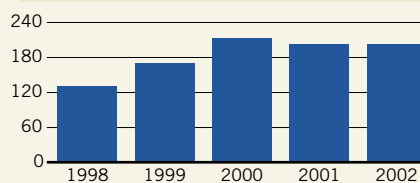
KEY RATIOS	2002	2001
Return on equity (average), %	neg	neg
Return on total assets (average), %	neg	neg
Equity/assets ratio, %	71.4	73.8

OTHER, SEK m	2002	2001
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	3	3
– of which women	1	1
Share owned by state, %	90	90

NO. OF EPD REGISTRATIONS



NO. OF EMAS REGISTRATIONS



Equal opportunities policy	.NO
Proportion of women	.33%
Environmental policy	.NO
Environmental management system	.NO



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 in the long term to make possible a high level of income for the state and organisations. However, this should take place within the framework of societal responsibility, well-developed service and without the risk of the security of the operation being neglected.

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 entertainment, restaurant operations and gambling.

Foreign 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 and in the operations in general. Maximum security in gambling should be aimed at and effective, independent control made possible.

Assessment

During 2002, Svenska Spel has complied with the objectives set by the government and Riksdag. Addiction to gambling and responsibility for gambling still dominate the public discussion on gambling. The Swedish National Institute of Public Health produced its report with proposed measures at the beginning of January 2003. Among other things, this contains ten guidelines for responsible marketing which the gambling companies have agreed on.

FINANCES

Svenska Spel's turnover increased by 15 per cent in 2002 compared with the previous year and totalled SEK 18,240 million (15,799). Turnover increased for slot machine games and for Internet gambling. Profit before tax increased by SEK 368 million and totalled SEK 4,210 million. SEK 910 million goes directly to sports and other clubs.

Svenska Spel is exempted from lottery and income tax. The company's profits are paid in to the Swedish state. Svenska Spel also provides a grant of SEK 160 million to the Swedish Sports Confederation. The surplus from slot machine games is distributed to the activities of local organisations for children and young people.

Assessment

In 2002, Svenska Spel has complied with the objectives set by the government and the Riksdag. Of the company's profit of SEK 4,210 million (3,842), SEK 3,300 million (3,297) has been paid to the state and SEK 910 million (509) to organisations.



MD: Meg Tivéus



Chairman: Anders Gustafzon

INCOME STATEMENT, SEK m	2002	2001
Gambling and lottery income	17,989	15,590
Other operating income	251	209
Winners' share	-10,003	-8,453
Agents' commission	-1,679	-1,459
Personnel costs	-487	-342
Other operating expenses	-1,662	-1,580
Profit/loss from participations in associated companies	0	-1
Profit before depreciation	4,409	3,964
Depreciation	-261	-170
Operating profit	4,148	3,794
Financial income	118	64
Financial expenses	-56	-16
Profit before tax	4,210	3,842
Net profit/loss for the year	4,210¹⁾	3,842

¹⁾ The entire net proceeds are transferred to the government to be paid out in the form of grants to the Swedish Sports Confederation and the National Board for Youth Affairs, as stipulated by the Riksdag.

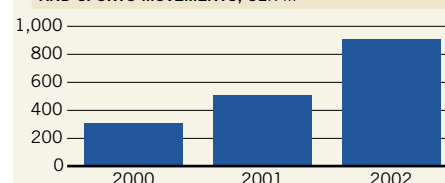
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1,262	1,059
Interest-bearing fixed assets	740	540
Non-interest bearing current assets	2,329	2,446
Interest-bearing current assets	1,272	1,228
Total assets	5,603	5,273
Shareholders' equity, provisions and liabilities		
Shareholders' equity	4,211	3,806
Non-interest bearing provisions	20	20
Non-interest bearing long-term liabilities	21	15
Non-interest bearing current liabilities	1,351	1,432
Total liabilities and shareholders' equity	5,603	5,273

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	4,532	4,561
Cash flow from investment activities	-671	-753
Cash flow from financing activities	-3,806	-3,871

KEY RATIOS	2002	2001
Return on equity (average), %	105.0	100.5
Return on total assets (average), %	78.4	75.7
Return on capital employed (average), %	106.4	101.0
Return on operating capital (average), %	195.8	181.5
Equity/assets ratio, %	75.2	72.2

OTHER, SEK m	2002	2001
Proposed dividend	4,210	3,806
Gross investment	651	753
Depreciation and write-downs	-261	-170
Average no. of employees	1,224	750
- of which women	627	375
Sick leave, %	4.24	4.16
Share owned by state, %	100	100

GRANTS TO POPULAR AND SPORTS MOVEMENTS, SEK m



Equal opportunities policy	YES
Proportion of women	.51%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Anders Gustafzon. *Board members:* Jan Blomberg, Hans Dalborg, Rose-Marie Frebran, Lars-Åke Lagrell, Eva Lindström, Kjell Nordström, Anna Söderblom, Meg Tivéus.

Auditors: Torsten Lyth, Ernst & Young and Lars Nordstrand, National Audit Office.



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 and provide information about Sweden abroad.

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 government's assessment is that general international marketing is best promoted if the state and the companies and organisations of the tourist industry work together to this end.

The council is to market Sweden as a tourist destination and ensure that people in Sweden and abroad have an attractive enriching experience. The council shall also help companies and co-operative organisations in Sweden to improve their profitability, and shall work towards increased revenues and thus increased national prosperity.

Besides the markets where the Council is directly represented, the company monitors and carries out marketing activities in a number of other markets. Marketing activities take place by taking part in trade fairs and workshops, and by visiting sales and transport companies. Internet technology facilitates increasingly global communications and service.

Besides the traditional channels, information is provided through a dedicated website www.visit-sweden.com, which now provides an opportunity to

present an integrated picture of the Swedish offering to the market abroad.

Objective

The overall objective for tourist 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.

Assessment

The Swedish Travel and Tourism Council has carried out the activity stipulated by the owners.

The foreign markets where the Council carries out direct marketing activities account for 85 per cent (84) of the registered guest nights in Sweden. The number of visitors from abroad increased in 2002 by 6.9 per cent. This can be compared with the global increase of 3.1 per cent, Europe's increase of 2.4 per cent and the Nordic countries of 0.4 per cent.

The Council has drawn up an Eco-tourism programme. Work will continue over a three-year period to give Sweden an international profile as a destination for eco-tourism, and to market the experiences certified as qualitative leading edge products with the Naturens Bästa (Nature's Best label).

FINANCES

Net turnover totalled SEK 143.2 million. The government grant of SEK 77 million is to finance the company's basic activity and the general marketing of the "brand" Sweden. The Council's assignment is performed by a commercial approach, which is at the same time neutral from the point of view of competition. The company is to contribute to creating business but not to conclude any deals itself. The company does not pay a dividend.



MD: Karl-Erik Strand



Chairman: Lars Carmén

INCOME STATEMENT, SEK m	2002	2001
Net turnover	143	139
Expenses	-143	-142
Operating profit	-0	-3
Net financial income	0	1
Profit before tax	0	-2
Net profit/loss for the year	0	-2

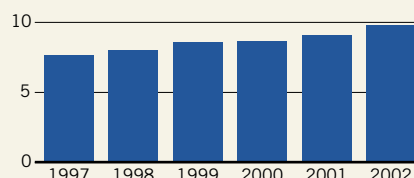
BALANCE SHEET, SEK 000s	2002	2001
Assets		
Non-interest bearing fixed assets	2	2
Non-interest bearing current assets	22	25
Interest-bearing current assets	18	16
Total assets	42	43
Shareholders' equity, provisions and liabilities		
Shareholders' equity	15	15
Non-interest bearing current liabilities	27	28
Total liabilities and shareholders' equity	42	43

CASH FLOW, SEK 000s	2002	2001
Cash flow from operating activities	3	-2
Cash flow from investment activities	-1	-1
Cash flow from financing activities	2	-3

KEY RATIOS	2002	2001
Return on equity (average), %	0.9	neg
Return on total assets (average), %	1.1	neg
Equity/assets ratio, %	35.4	34.6

OTHER, SEK m	2002	2001
Gross investment	1	1
Depreciation and write-downs	1	0
Average no. of employees	43	39
- of which women	22	22
Sick leave, %	4	n.a.
Share owned by state, %	50	50

NUMBER OF FOREIGN GUEST NIGHTS, million



Equal opportunities policy	YES
Proportion of women	.80%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Lars Carmén. **Board members:** Claes Bjerkne, Leif Byman, Nils Carlsson, Martin Creydt, Inger Holmström, Bengt Klaesson, Karin Mattsson. **Deputies:** Jan Paul Ephithite, Magnus Nilsson. (Jan Paul Ephithite and Magnus Nilsson resigned and Anders Blomquist and Jan Kårström were appointed at the annual general meeting of shareholders in 2003). **Auditor:** Alexander Hagberg, Ernst & Young.

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 shall endeavour to promote Swedish interests in its operations. 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, Ukraine and the least developed EU candidate countries.

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. The intention is that the capital reinforcement is to enable an expansion of the company's operations in Central and Eastern Europe. The company started a special effort during the year to find good projects in the East. The recommendation on de-linking of developing co-operation in the developing countries means that the company actively looks for opportunities for making good investments 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. These contributions are made in the form of contributing risk capital in the form of shares or loans primarily in conjunction with direct investments but also through investments in risk capital and investment funds. The activity is to be carried out in such a way that it combines development objectives and a commercial approach.

FINANCES

The company reported profit before appropriations and tax of SEK 48.6 million (52).

Swedfund's total capital amounted in 2002 to SEK 1,046 million (1,025) with an equity/assets ratio of 91.5 per cent.

Objective

The board of directors has decided that 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 3.7 per cent.



MD: Olle Arefalk



Chairman: Lars Gårdö

INCOME STATEMENT, SEK m	2002	2001
Net turnover	65	74
Expenses	-64	-49
Operating profit	0	26
Financial income	50	28
Financial expenses	-2	-2
Profit before tax	49	52
Appropriations	-7	0
Tax	-12	-15
Net profit/loss for the year	30	37

BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1	1
Interest-bearing fixed assets	0	50
Non-interest bearing current assets	28	11
Interest-bearing current assets	1,018	963
Total assets	1,046	1,025

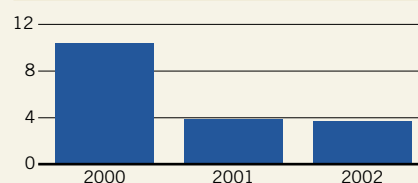
Shareholders' equity, provisions and liabilities	2002	2001
Shareholders' equity	937	907
Untaxed reserves	28	0
Non-interest bearing provisions	0	6
Interest-bearing long-term liabilities	61	76
Interest-bearing current liabilities	11	8
Non-interest bearing current liabilities	10	28
Total liabilities and shareholders' equity	1,046	1,025

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	4	4
Cash flow from investment activities	100	28
Cash flow from financing activities	1	-159

KEY RATIOS	2002	2001
Return on equity (average), %	3.7	3.9
Return on total assets (average), %	4.9	4.9
Return on capital employed (average), %	5.0	5.1
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	91.5	88.5

OTHER, SEK m	2002	2001
Proposed dividend	0	36
Gross investment	0	0
Depreciation and write-downs	0	0
Average no. of employees	16	17
- of which women	8	8
Sick leave, %	1.0	n.a.
Share owned by state, %	100	100

RETURN ON EQUITY, %



Equal opportunities policy	YES
Proportion of women	.50%
Environmental policy	YES
Environmental management system	NO

Board of directors 2002/2003

Chairman: Lars Gårdö. *Board members:* Anne Abrahamsson, Kristine Cakste, Rolf Carlman, Tomas Danestad, Christer Zetterberg, Lars Öjefors. *Deputies:* Anders Bengtén. (At the annual general meeting of shareholders in 2003 Elisabeth Westberg and Lennart Hjelmåker were appointed as board members and Eva Fagerman replaced Anders Bengtén as deputy). *Auditors:* Bo Sunesson, KPMG and Curt Öberg, National Audit Office. (At the annual general meeting of shareholders in 2003, it was noted that the National Audit Office had appointed public accountant Staffan Nyström to replace Curt Öberg).

SYSTEM BOLAGET

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. In 1997, the European Court of Justice made a ruling that a state retail trade monopoly for alcoholic beverages which was organised and adapted in the way of the Swedish Systembolaget did not breach EC law.

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.

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 financially efficient manner.

Assessment

One of the most important components in the company's social responsibility is that young people under the age of 20 shall not be able to purchase alcohol in Systembolaget's stores. The measurements carried out show that the age control is

effective. Further efforts to reinforce age control will be made a priority to make further improvements. Communication on health and the risks of alcohol take place continuously focused on increasing knowledge about the effects of alcohol among the general public. Systembolaget's service and the expertise of the staff have been described in various studies as being on a level with the rest of the retail trade.

In 2002, Systembolaget had 98.7 million customer visits. The single day with the largest sales was Monday, 30 December with 905,300 customer visits.

An environmental impact study of Systembolaget's activities has been carried out and serves as the basis for how environmental work is to be integrated as a natural part of the activity.

FINANCES

Systembolaget's turnover in 2002 increased by 4.9 per cent to SEK 19,132 million (18,241). Profit before tax totalled SEK 202 million (197). In 2002, 347.3 million litres of alcoholic beverage were sold. This is an increase of 8.3 per cent compared with 2001 measured in pure alcohol. Sales by volume increased by 9.5 per cent. The increase in sales slackened towards the end of the year. In December, the increase was 4.7 per cent measured in pure alcohol.

Objective

The objective for return on equity is that it is to correspond to the ten-year bond rate in the long-term with a supplement of four percentage points.

Dividend should, on condition that the dividend rules in the Swedish Companies Act permit it, be an amount corresponding to at least half of the net profit taking into consideration the target for the equity/assets ratio which is approximately 30 per cent. If the profit durably exceeds the return objective, this should benefit the customer by the trading margin being adapted.

Assessment

Return on equity¹⁾ 2002 was 10.8 per cent.

Board of directors 2002/2003

Chairman: Olof Johansson. *Vice chairman:* Anna Hedborg. *Board members:* Elisebeht Markström, Ulf Melin, Marianne Nivert, Leif Linde, Ewa Persson Göransson, Bengt Silfverstrand. *Employee representatives:* Sven-Olof Danielsson, Eva Hagelberg. *Deputies:* Margareta Andersson, Robin Dahl, Evert Lindholm, Ingvar Löfstrand, Karin Pilsäter. *Deputy employee representatives:* Håkan Eilffors, Hans Kjellström. *Auditors:* Bo Axberg, SET Revision and Curt Öberg, National Audit Office (Curt Öberg was replaced by Filip Cassel at the annual general meeting of shareholders in 2003).



MD: Anita Steen



Chairman: Olof Johansson

INCOME STATEMENT, SEK m	2002	2001
Net turnover	19,132	18,241
Expenses	-18,969	-18,082
Operating profit	163	159
Financial income	45	45
Financial expenses	-6	-7
Profit before tax	202	197
Tax	-60	-64
Net profit/loss for the year	142	133

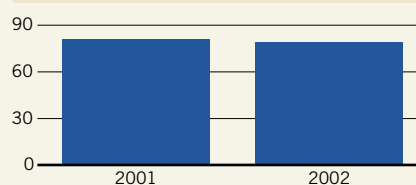
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	1,332	1,344
Interest-bearing fixed assets	20	15
Non-interest bearing current assets	1,010	843
Interest-bearing current assets	2,344	1,592
Total assets	4,706	3,794
Shareholders' equity, provisions and liabilities		
Shareholders' equity	1,410	1,348
Interest-bearing provisions	0	11
Non-interest bearing provisions	269	246
Non-interest bearing long-term liabilities	1	1
Non-interest bearing current liabilities	3,026	2,188
Total liabilities and shareholders' equity	4,706	3,794

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	1,525	2,311
Cash flow from investment activities	-165	-267
Cash flow from financing activities	-215	-802

KEY RATIOS	2002	2001
Return on equity (average), %	10.3	10.1
Return on total assets (average), %	4.9	5.0
Return on capital employed (average), %	15.0	11.8
Return on operating capital (average), %	neg	neg
Equity/assets ratio, %	30.0	35.5

OTHER, SEK m	2002	2001
Proposed dividend	80	80
Gross investment	232	278
Depreciation and write-downs	248	187
Average no. of employees	3,003	3,229
- of which women	1,867	2,099
Sick leave, %	4.85	n.a.
Share owned by state, %	100	100

AGE CHECKS CARRIED OUT, %



Equal opportunities policy	YES
Proportion of women	.62%
Environmental policy	YES
Environmental management system	.OWN

¹⁾ See definition on page 103.

TERACOM

Teracom AB is Sweden's largest TV and radio distributor. The company distributes programme channels such as SVT, TV4, SR, Community Radio (Nårradio) and many pay TV channels to Swedish households. Approximately 99.8 per cent of the Swedish population can now receive broadcasts and transmissions and approximately 140,000 subscribe to the pay-TV service. The company has a national service organisation and an infrastructure that is used by both external and internal parties.

OPERATIONS

Teracom's core activity is to engage in broadcasting and transmission of radio and TV programmes. The company shall develop, market and carry out other services, which are compatible with its operations. Teracom's services are based on a nationwide TV and radio network. Through making use of the company's technical expertise and infrastructure, Teracom also offers services in data and telecommunications to telecom operators, large companies and county councils and municipalities.

Teracom was founded in 1992 after a Riksdag resolution. The company took over the analog broadcasting and transmission network for radio and TV from the National Telecommunications Administration, Televerket. The government and the Riksdag considered that the broadcasting network as part of society's basic information infrastructure should be state-owned. Teracom also fulfils an important function as a channel of information at times of increased preparedness for emergency situations.

Since 1997, investment has been taking place in Teracom to go over from analog to digital transmissions. Furthermore, the company has introduced digital-TV services for consumers through the 70 per cent owned subsidiary Boxer (the remaining 30 per cent is owned by Skandia Liv).

FINANCE

Approximately 40 per cent of the group's turnover relates to activity not exposed to competition. This includes income from the programme companies which have been granted a government licence for analog transmissions, i.e. SVT, SR and TV4.

Turnover in Teracom increased by 11 per cent to SEK 1,778 million. The increase in sales mainly related to the subsidiary Boxer. During the year, the company increased its customer stock by 40 per cent to 140,000 subscribers.

The dividend target relates only to operations exposed to competition. Dividend over a business cycle shall correspond to a third of profit after net financial income after standard tax.

Assessment

2002 was another loss year for Teracom. The negative result was largely due to the company not being able to charge prices that corresponded to cost coverage for the digital broadcasting and transmissions of radio and TV. The company embarked upon a savings programme during the year which is to reduce Teracom's expenses by SEK 150 million from 2004. The subsidiary Boxer continued to make a loss, mainly as a result of subsidy of digital TV receivers (boxes) for new subscribers. However, the increased customer stock meant that the loss rate was considerably reduced.

Major investments to build up the digital transmission network in combination with operating losses in the past two years, have led to a substantial deterioration in the financial position. Both the equity/assets ratio and liquidity were insufficient on 1 January. This led the government to propose a capital contribution to Teracom of SEK 500 million. The government makes the assessment that the cost-saving measures combined with a successive improvement in cost coverage for the digital transmissions will make possible repayment of the capital contribution in the medium-long term.



MD: Jan Danielsson



Chairman: Håkan Tidlund

INCOME STATEMENT, SEK m	2002	2001
Net turnover	1,778	1,618
Expenses	-1,920	-1,956
Items affecting comparability	-50	0
Profit/loss from participations in associated companies	0	-6
Operating profit	-192	-344
Financial income	15	10
Financial expenses	-95	-70
Profit before tax	-272	-404
Tax	4	-19
Minority	64	121
Net profit/loss for the year	-204	-301

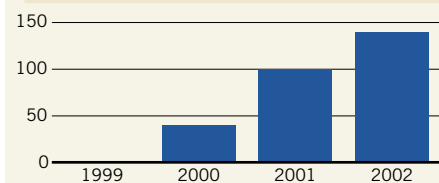
BALANCE SHEET, SEK m	2002	2001
Assets		
Non-interest bearing fixed assets	2,599	2,870
Non-interest bearing current assets	404	442
Interest-bearing current assets	28	28
Total assets	3,050	3,340
Shareholders' equity, provisions and liabilities		
Shareholders' equity	662	863
Minority	3	14
Interest-bearing provisions	87	85
Non-interest bearing provisions	366	321
Interest-bearing long-term liabilities	1,262	1,294
Interest-bearing current liabilities	175	247
Non-interest bearing current liabilities	476	516
Total liabilities and shareholders' equity	3,050	3,340

CASH FLOW, SEK m	2002	2001
Cash flow from operating activities	221	-110
Cash flow from investment activities	-166	-808
Cash flow from financing activities	-56	917

KEY RATIOS	2002	2001
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, %	21.8	26.3

OTHER, SEK m	2002	2001
Proposed dividend	0	0
Gross investment	187	807
Depreciation and write-downs	427	400
Average no. of employees	997	1,007
- of which women	190	166
Sick leave, %	4	3
Share owned by state, %	100	100

SUBSCRIBERS TO DIGITAL-TV, 000s



Equal opportunities policy	YES
Proportion of women	.22%
Environmental policy	YES
Environmental management system	OWN

Board of directors 2002/2003

Chairman: Per-Ola Eriksson. **Board members:** Jan Danielsson, Mino Akhtarzand, Åke Gustavsson, Karl Erik Gustafsson, Lars Ilshammar, Helena Dyrssen. **Employee representatives:** Thomas Erlandsson, Jan-Olof Blomkvist, Elisabeth Viktorsson. (Per-Ola Eriksson, Åke Gustavsson, Karl Erik Gustafsson and Lars Ilshammar resigned and Björn Björnsson, Håkan Tidlund, Tobias Henmark, Ingrid Engström, Annika Nilsson and Claes Ljung were appointed as board members at the annual general meeting of shareholders in 2003). **Auditors:** Hans Andersson, Deloitte & Touche and Karin Holmerin, National Audit Office and Anders Holm, KPMG and Ulla Nordin Buisman, Öhrlings PricewaterhouseCoopers.

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 2002, 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. Voksenåsen was also

host for the first of a series of cultural policy conferences which are taking place in the Nordic countries in the next few years.

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.

Assessment

The degree of compliance with the objectives in 2002 considered to be satisfactory.

FINANCES

Voksenåsen receives a grant from the Swedish government 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.



MD: Karl Einar Ellingsen



Chairman: Görel Bohlin

INCOME STATEMENT, NOK m	2002	2001
Net turnover	43	43
Expenses	42	43
Operating profit	0	0
Profit before tax	0	0
Net profit/loss for the year	0	0

BALANCE SHEET, NOK m	2002	2001
Assets		
Non-interest bearing fixed assets	3	3
Non-interest bearing current assets	9	9
Total assets	12	12

Shareholders' equity, provisions and liabilities	2002	2001
Shareholders' equity	8	7
Non-interest bearing current liabilities	4	5
Total liabilities and shareholders' equity	12	12

KEY RATIOS	2002	2001
Return on equity (average), %	–	–
Return on total assets (average), %	–	–
Return on capital employed (average), %	–	–
Return on operating capital (average), %	–	–
Equity/assets ratio, %	63.1	60.2

OTHER, NOK m	2002	2001
Gross investment	0	0
Depreciation and write-downs	0	1
Average no. of employees	48	55
– of which women	25	22
Share owned by state, %	100	100

Equal opportunities policy	YES
Proportion of women	.52%
Environmental policy	YES
Environmental management system	.OWN

Board of directors 2002/2003

Chairman: Görel Bohlin. *Board members:* Johan Buttedahl, Karin Bruzelius, Pia Enochsson, Martin Martinsson, Erik Rudeng, Arne Ruth, Ragnar Sohlman, Tove Veierod. (Görel Bohlin and Ragnar Sohlman resigned and Berit Oscarsson and Sara Kristensson were appointed as board members at the annual general meeting of shareholders in 2003). *Auditors:* Statsautorisert Auditor (Norwegian authorised public accountant) Ole Kjelstrup, Kjelstrup og Wiggen as., Oslo.

Liquidation companies

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.

SVERIGES GEOLOGISKA AB, SGAB

In 1982, the Riksdag decided to split up the Geological Survey of Sweden (SGU) into an administrative agency and a commercial component. The latter was to be run as a limited company and was given the name Sveriges Geologiska AB, SGAB. Operations consisted of the commissioned work which SGU had carried out earlier.

In 1991, it was resolved that SGAB was to be wound up. In 1995, a decision was taken to liquidate the company.

The winding-up process continued in 2002. The company was in liquidation during the entire year. The liquidation of SGAB was completed in November 2002.

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 2002, 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.



At most, Zenit Shipping controlled 6,400,000 dwt spread over approximately 40 ships.

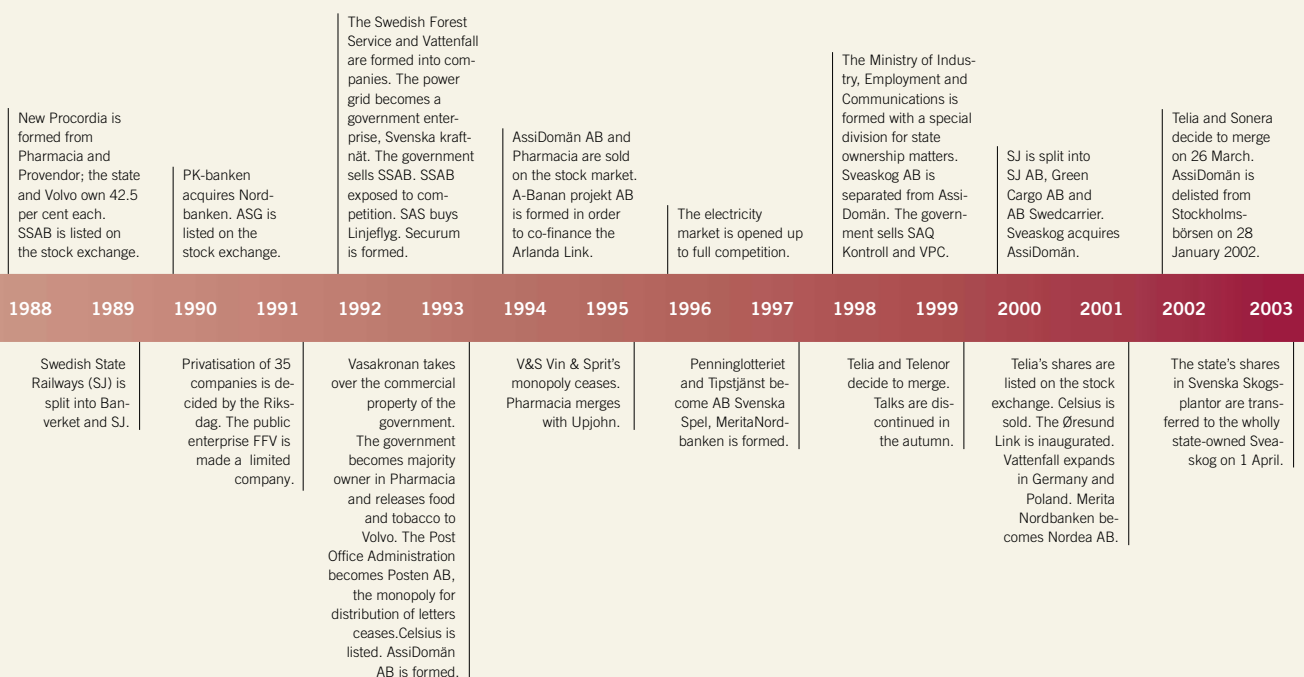
A historical overview

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 (SFS 1970:596). 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.

The government and ASEA form ASEA-ATOM.	Statsföretag is founded.	KabiVitrum is founded.	Svenska Varv is founded.	Kockums is incorporated into Svenska Varv.	ASEA purchases the state's shares in ASEA-ATOM.	Nokia purchases a majority in Luxor.	OK Petroleum is formed from SP, OK and Finnish Neste. SSAB is partially privatised.								
1968	1969	1970	1971	1972	1974	1977	1978	1979	1980	1981	1983	1984	1985	1986	1987
The Ministry of Industry is formed.	Apoteksbolaget is granted sole right to the retailing of pharmaceuticals.	Postbanken and Sveriges Kreditbank become PK-banken.	SSAB is formed (75 per cent of Statsföretag).	Procordia becomes a subsidiary group for consumer goods.	Svenska Varv is reconstructed. Support for LKAB, SSAB, NCB.	The telephone monopoly of the Swedish Telecommunications Administration ceases. Statsföretag changes its name to Procordia.	Procordia is listed on the stock exchange. The Swedish Civil Aviation Administration invests in a new terminal and a third runway at Arlanda Airport.								

- 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 Provendora 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 share-



holding 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 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 Tiptjänst 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 Øresund Link 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 energy 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.

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 kommun	Jan. 01	-1,000	0	100,000
Industrikredit 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	strategic	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.
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 in 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, 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 2003, excluding the holdings in Securum.

Accounting principles

The companies included in the consolidated accounts are limited companies in which the state's shareholdings were managed by the Government Offices on 31 December 2002, and the three public enterprises the Civil Aviation Administration, the Swedish Maritime Administration and Svenska Kraftnät. Limited companies owned by other authorities including the Riksbank and by foundations are thus not included in the accounts. On the other hand, the following are included: A-Banan projekt AB, Statens Väg- och Baninvest AB, Svensk-Danska Broförbindelsen AB and Swedish National Road Consulting AB, the shares of which are owned by the state but administered by other government authorities.

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 103).

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 state-

ment 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 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 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.

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.

OWNERSHIP CHANGES DURING THE YEAR

Telia has been consolidated as a subsidiary from January to November inclusive. During December TeliaSonera has been treated as an associated company. During the fourth quarter, income, expenses and income have been distributed equally over the three months, which has meant that the earnings during October and November relates to the period when Telia was a subsidiary and earnings in December to the period when Telia was an associated company.

Svenska Lagerhusaktiebolaget which was sold during the year is included in the consolidation until 30 June 2002 inclusive.

Definitions and abbreviations

Average no. of employees

Recalculated as annual employees.

Capital employed

Balance sheet total less non-interest-bearing liabilities.

Dividend

For 2002, dividends refer to the proposed dividend, for 2001 to the actual dividend paid.

Equity/assets ratio

In general – shareholders' equity including minority as a percentage of the balance sheet total.

Page 88 – adjusted shareholders' equity at the end of the year divided by total capital.

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 capital employed (Rsys)

Profit/loss after financial items plus expenses as a percentage of average capital employed.

Return on equity (Re)

In general – net profit/loss as a percentage of average shareholders' equity.

Page 58 – net profit/loss as a percentage of shareholders' equity at the beginning of the year.

Page 88 – 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 capital as 72 per cent of restricted and non-restricted reserves and net profit/loss for the year.

Page 94 – profit/loss 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 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.

Total capital

Balance sheet total.

INDUSTRY-SPECIFIC KEY RATIOS

Property companies

Yield

Operating profit in relation to average book value, properties.

Finance companies

Capital adequacy ratio

Capital base divided by risk-weighted amount.

Income/expense ratio including loan losses

Total operating income in relation to total operating expenses.

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.a.

Not available

n.app.

Not applicable

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)
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)
Göta kanalbolag, AB	(Bill. 1991/92:134. bet. 1991/92:NU33. rskr. 1991/92:351)
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. 1993/94:126) (Bill. 1995/96:145) (rskr. 1996/97:95)
Swedish Civil Aviation Administration	
Luossavaara Kirunavaara AB, LKAB	
Nordea AB	
Norrländ Center AB	
OM AB	
Posten AB	
Samhall AB	(Bill. 1977/78:30) (Bill. 1978/79:25) (Bill. 1978/79:139. 1982/83:149) (Bill. 1991/92:91)
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)
Statens Bostadsfinansieringsaktiebolag, SBAB	(Bill. 1993/94:228)
Statens Väg- och Baninvest AB	(Bill. 1997/98:150)
Stattum, Förvaltningsaktiebolaget	(Bill. 2001/02:39) (Bill. 2002/03:24)
Sveaskog AB	(Bill. 1998/99:1 expenditure area 24. bet. 1998/99:NU1. rskr. 1998/99:00) (Bill. 1999/2000:1 expenditure area 24. bet. 1999/2000:NU1. rskr. 1999/2000:00) (Bill. 2001/02:39. bet. 2001/02:NU7. rskr. 2001/02:00) (Bill. 2002/03:24. bet. 2002/03:NU4. rskr. 2002/03:107)
Svensk Bilprovning, AB	
Svensk-Danska Broförbindelsen SVEDAB AB	
Svensk Exportkredit AB, SEK	
Svenska kraftnät, Affärsverket	(Bill. 1990/91:87. bet. 1991/92:NU38. rskr. 1991/92:318) (Bill. 1999/2000:86) (Bill. 2001/02:143) (Bill. 2002/03:40) (Bill. 2002/03:85)
Svenska Miljöstyrningsrådet, AB	(Bill. 1994/95:101. bet. 1994/95:JoU9. rskr. 1994/95:86)
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	Swedish Ships Mortgage Bank Act (1980:1097)
Svenska Skogsplantor AB	(Bill. 2002/03:24. bet. 2002/03:NU4. rskr. 2002/03:107)
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 and Bill. 1994/95:177. bet. 1994/95:KrU28. rskr. 1994/95:395)
Swedcarrier AB	
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. 1994/95:89. bet. 1994/95:SoU9. rskr. 1994/95:106) (Bill. 1993/94:136. bet. 1993/94:SoU22. rskr. 1993/94:249) (Bill. 1998/99:134. bet. 1999/2000:SoU14 rskr. 1999/2000:42) (Bill. 2000/01:97. bet. 2000/01:SoU19. rskr. 2000/01:260)
TeliaSonera AB	(Bill. 1992/93:200. bet. TU 11992/93:30, rskr. 1992/93:443) (Bill. 1997/98:121. bet. 1997/98:NU:14. 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:KU17. rskr. 1996/97:178) (Bill. 1998/99:1. exp. area. 17. bet. 1998/99:KrU1. rskr. 1998/99:55) (Bill. 2000/01:1. exp. area 17. bet. 2000/01:KrU1. rskr. 2000/01:59) (Bill. 2002/03:64)
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. 1999/2000:250. 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	
Voksenåsen A/S	

Report dates for state-owned companies

COMPANY	Interim report January–June 2003	Interim report January–September 2003	Interim report January–December 2003
A-banan projekt AB	.31.08.2003	.Not decided	.Not decided
Akademiska hus AB	.26.08.2003	.Not decided	.Not decided
ALMI Företagspartner AB	.Aug 2003	.Nov 2003	.March 2004
Apoteket AB	.14.08.2003	.30.10.2003	.20.02.2004
AB Bostadsgaranti	.Not decided	.Not decided	.Not decided
Civitas Holding AB (Vasakronan AB)	.1.07.2003	.22.10.2003	.01.02.2004
A/O Dom Shvetsii	.Not decided	.Not decided	.Not decided
Green Cargo AB	.Not decided	.Not decided	.Not decided
AB Göta kanalbolag	.Oct 2003 ¹⁾	.Not applicable	.March 2004
Imego AB	.28.07.2003	.28.10.2003	.Not decided
IRECO Holding AB	.Not applicable	.Not applicable	.Not applicable
Kasernen Fastighets AB	.Not decided	.Not decided	.Not decided
Kungliga Dramatiska Teatern AB	.Not decided	.Not decided	.Not decided
Kungliga Operan AB	.05.08.2003	.07.11.2003	.Not decided
Lernia AB	.29.08.2003	.03.11.2003	.Not decided
LKAB	.21.08.2003	.06.11.2003	.Feb 2004
Civil Aviation Administration	.27.08.2003	.27.11.2003	.20.02.2004
Nordea AB	.20.08.2003	.29.10.2003	.Not decided
Norrand Center AB	.Not applicable	.Not applicable	.Not decided
OM AB	.16.07.2003	.15.10.2003	.Not decided
Posten AB	.Aug 2003	.Oct/Nov 2003	.Feb/Mar 2004
Government Offices	.10.09.2003	.25.11.2003	.22.03.2004
Samhall AB	.14.08.2003	.30.10.2003	.20.02.2004
SAS AB	.11.08.2003	.11.11.2003	.01.02.2004
SBAB	.Not decided	.Not decided	.Not decided
SJ AB	.01.08.2003	.Not decided	.Not decided
Swedish Maritime Administration	.14.08.2003	.29.10.2003	.Not decided
Swedish Ships Mortgage Bank	.Not applicable	.Not applicable	.Not applicable
SOS Alarm Sverige AB	.26.08.2003	.05.11.2003	.Not decided
SP Sveriges Provnings- och Forskningsinstitut AB	.14.08.2003	.30.10.2003	.27.02.2004
Specialfastigheter Sverige AB	.29.08.2003	.27.10.2003	.Not decided
Statens väg- och baninvest	.29.08.2003	.Not decided	.Not decided
Förvaltningsaktiebolaget Statum	.Not applicable	.Not applicable	.Not applicable
Sveaskog AB	.28.08.2003	.29.10.2003	.20.02.2004
SVEDAB	.29.08.2003	.Not decided	.24.03.2004
AB Swedcarrier	.Aug/Sep 2003	.Not decided	.Not decided
Swedfund International AB	.Aug 2003	.Nov 2003	.Apr 2004
Swedesurvey AB	.Not applicable	.Not applicable	.Not applicable
AB Svensk Bilprovning	.Not decided	.Not decided	.Not decided
Svensk Exportkredit AB	.Not decided	.Not decided	.Not decided
Affärsverket svenska kraftnät	.29.08.2003	.28.11.2003	.27.02.2004
Svensk Miljöstyrrådet AB	.Not decided	.Not decided	.Not decided
Svensk rymdaktiebolaget	.10.09.2003	.25.11.2003	.Not decided
AB Svenska Spel	.18.07.2003	.23.10.2003	.12.02.2004
Sveriges Rese- och Turistråd AB	.Not decided	.Not decided	.Not decided
Sweroad	.31.08.2003	.Not decided	.Not decided
Systembolaget AB	.31.08.2003	.30.11.2003	.Not decided
TeliaSonera AB	.31.07.2003	.29.10.2003	.01.02.2004
Teracom AB	.25.08.2003	.27.10.2003	.15.03.2004
Vasallen AB	.29.08.2003	.27.10.2003	.01.02.2004
Vattenfall AB	.31.07.2003	.06.11.2003	.Not decided
Venantius AB	.31.08.2003	.30.11.2003	.Feb 2004
V&S Vin & Sprit AB	.01.08.2003	.01.11.2003	.10.03.2004
Voksenåsen AS	.10.08.2003	.20.10.2003	.Feb 2004

¹⁾ Relates to period Jan–Aug 2003.



Photo: Ulf Owenede



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Gert Knutsson Tel +46 8-405 33 27	Administrator, alcohol policy issues, Systembolaget AB and Alcoholic Beverages Product Range Board
Ingvar Löfstrand Tel +46 8-405 33 34	Internal and external co-ordination of corporate issues etc.

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Christian de Filippi Tel +46 8-405 56 97	AB Svensk Exportkredit, SEK

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Apoteket AB	Fredrik Lennartsson
Bostadsgaranti, AB	Michael Thorén
Civitas Holding AB - Agilia Holding AB	Lars Johan Cederlund
Dom Shvetsii A/O	Monica Lundberg
Förvaltningsaktiebolaget STATTUM	Viktoria Aastrup
Green Cargo AB	Björn Mikkelsen
Göta kanalbolag, AB	Christer Berggren
Imego AB	Mats Johnsson
IRECO Holding AB	Christer Berggren
Kasernen Fastighets AB	Monica Lundberg
Kungliga Dramatiska Teatern AB	Eva Bergquist
Kungliga Operan AB	Eva Bergquist
Lernia AB	Viktoria Aastrup
Swedish Civil Aviation Administration	Pia Stork Edhall
Luossavaara-Kiirunavaara, LKAB	Christer Berggren
Nordea AB	Michael Thorén
Norrländ Center AB	Bertil Carlstedt
OM AB	Michael Thorén
Posten AB	Jonas Iversen
Samhall AB	Tobias Henmark
SAS AB	Björn Mikkelsen
Statens Bostadsfinansieringsaktiebolag, SBAB	Michael Thorén
SIS Miljömärkning AB	Carin Wahren
SJ AB	Björn Mikkelsen
Swedish Maritime Administration	Johan Ericson
SOS Alarm Sverige AB	Peter Lindell
Specialfastigheter Sverige AB	Marianne Förander
Statens Väg- and Baninvest AB	Tomas Brolin
Sveaskog AB	Lars Johan Cederlund
Svensk Bilprovning, AB	Peter Lindell
Svensk Exportkredit, SEK AB	Christian de Filippi
Svenska Kraftnät, Affärsverket	Viktoria Aastrup
Svenska Miljöstylningsrådet, AB	Gun Tombrock
Swedish Space Corporation	Lars Johan Cederlund
Swedish Ships Mortgage Bank	Christer Berggren
Svenska Spel, AB	Monica Lundberg
Svensk-Danska Broförbindelsen SVEDAB AB	Tomas Brolin
Sveriges Provnings- och Forskningsinstitut AB	Christer Berggren
Sveriges Rese- och Turistråd AB	Ann-Charlotte Bernhard
Swedcarrier, AB	Bosse Wallin
Swedesurvey AB	Monica Lagerqvist Nilsson
Swedfund International AB	Lennart Hjelmåker
Swedish National Road Consulting AB	Tomas Brolin
Sydskraft SAKAB	Charlotta Andersson
Systembolaget AB	Gert Knutsson
TeliaSonera AB	Viktoria Aastrup
Teracom AB	Tobias Henmark
V&S Vin & Sprit AB	Jonas Iversen
Vasakronan AB	Lars Johan Cederlund
Vasallen AB	Marianne Förander
Vattenfall AB	Peter Lindell
Venantius AB	Michael Thorén
Voksenåsen A/S	Eva Bergquist
Zenit Shipping AB	Christer Berggren

Changes: Managing Directors and Chairmen

CHANGES DURING 2002 AND 2003 UNTIL 19 MAY

MANAGING DIRECTORS AND DIRECTOR-GENERALS

COMPANY	Taking up appt	Leaving
IRECO Holding AB	.Eva Sjöblom (26 Feb. 03)	.Håkan Widmark
Nordea AB	.Lars G. Nordström (26 Aug. 02)	.Thorleif Krarup
Posten AB	.Börge Österholm, acting (18 Nov. 02)	.Lennart Grabe
Posten AB	.Erik Olsson (Apr. 03)	.Börge Österholm
SJ AB	.Jan Forsberg (2 Apr. 02)	.Sune Karlsson, acting
Svenska Skogsplantor AB	.Urban Eriksson (1 May 02)	.Martin Lindell, acting
Telia AB	.Anders Igel (1 July 02)	.Marianne Nivert

CHAIRMEN OF THE BOARD

COMPANY	Taking up appt	Leaving
AB Bostadsgaranti	.Nils Dexe (6 Mar. 02)	.Stig Brink
AB Göta kanalbolag	.Björn Eriksson (Apr. 02)	.Kaj Janérus
Lernia AB	.Tomas Eneroth (31 May 02)	.Bo Dockered
Swedish Civil Aviation Administration	.Göte Bernhardsson (1 Jun. 02)	.Ulf Adelssohn
Posten AB	.Claes Ånstrand (24 Apr. 02)	.Göte Bernhardsson
Posten AB	.Marianne Nivert (25 Apr. 03)	.Claes Ånstrand
Samhall AB	.Peter Lagerblad (1 Apr. 03)	.Håkan Tidlund
SBAB	.Claes Kjellander (19 May 03)	.Christina Ragsten Pettersson
SJ AB	.Ulf Adelssohn (Apr. 02)	.Claes Ånstrand
Sveriges Provnings- och Forskningsinstitut AB	.Birgitta Böhlin (Apr. 02)	.Jan-Christer Persson
Svenska kraftnät, Affärsverket	.Sven Hultström (1 Apr. 03)	.Per-Olof Eriksson
Systembolaget AB	.Olof Johansson (18 Apr. 02)	.Gunnar Larsson
Teracom AB	.Håkan Tidlund (10 May 03)	.Per-Ola Eriksson
Vasallen AB	.Sten Olsson (10 Apr. 03)	.Per Nuder (Oct. 02)
TeliaSonera AB	.Tapio Hintikka (9 Dec. 02)	.Lars-Eric Petersson



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The merger between Telia and Sonera

In March Telia and Sonera announced their plans for merger and final agreement was reached in December. This created the leading telecommunications operator in the Nordic countries with approximately two and a half times as many subscribers as the next largest competitor both in the fixed and the mobile network and one of Stockholm's largest companies. Turnover in 2002 totalled SEK 80,979 million pro forma with an underlying gross profit (EBITDA) of SEK 25,457 million.

Underlying the merger was a common view on the following benefits.

- Agreement on the strategic approach.
- A larger customer base in the Nordic countries and strong market leading position.
- Consolidation of the Baltic shareholding and the holding in Russia.
- Significant synergies.
- Good financial position and strong cash flow.
- An increased ability together to attract the best co-operation partners.

Besides leading positions in Sweden and Finland, the merger meant that the two companies' combined holding makes Telia-Sonera the main owner of two leading telecommunications operators in the Baltic countries. Moreover, with its 43 per cent, the company will be the main owner of MegaFon, one of Russia's three large GSM-operators. In addition, there is a 37-per cent shareholding in Turkey's leading mobile operator.

The transaction took place by an exchange of shares, where Sonera's shareholders received 1.51 Telia shares per Sonera share. The largest owners in the merged company are the Swedish state with 46 per cent of the votes and capital and the Finnish state with 19 per cent. The shareholders' agreement between the two states which was drawn up in conjunction with the agreement included support for further value-creating consolidation. The two main owners are both open for a continued reduction in ownership.

Besides the geographical logic, the deal is expected to create considerable synergies.

From 2005, improvements in earnings totalling SEK 2.7 billion per year are expected. The main part of these are expected to arise through cost savings. This included sharing of a larger customer base, centralisation of administrative and other functions and introduction of "best practice" within a larger organisation. The expenses to achieve these synergies are expected to total approximately two billion Swedish kronor.

In Sweden and Denmark, TeliaSonera will continue to use the trademark Telia in relation to its customers. In Finland, TeliaSonera will use the trademark Sonera and in Norway NetCom. In Estonia, Latvia and Lithuania, TeliaSonera is represented by subsidiary and associated company respectively.



Photo: Carl-Axel Fridolf



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