

Interim report for
state-owned companies
January – June 2005



Substantial improvements in earnings

THE PERIOD JANUARY–JUNE 2005

- Net profit increased by 19 per cent to SEK 19.5 (16.4) billion.
- Profit before tax increased by 23 per cent to SEK 26.6 (21.7) billion.
- Turnover amounted to SEK 161.6 (151.2) billion.
- Gross investments increased by 75 per cent and amounted to SEK 21.7 (12.4) billion.
- The value of the state's listed portfolio decreased by 4 per cent.

THE SECOND QUARTER OF 2005

- Net profit increased by 25 per cent to SEK 8.5 (6.8) billion.
- Profit before tax increased by 19 per cent to SEK 10.9 (9.2) billion.
- Turnover increased by 8 per cent and amounted to SEK 79.2 (73.1) billion.
- Gross investments increased by 148 per cent and amounted to SEK 17.0 (6.9) billion.

Net profit for state-owned companies improved by 19 per cent and amounted to SEK 19.5 (16.4) billion during the first half of 2005. Turnover amounted to SEK 161.6 (151.2) billion during the same period.

The improvement in earnings is largely attributable to Vattenfall and LKAB, which reported very substantial increases in earnings. Akademiska Hus, Systembolaget and SJ

also improved their results considerably during the first six months compared with the corresponding period last year. Altogether, 25 companies reported improved or unchanged earnings, corresponding to SEK 7.0 billion and 39 (38) companies reported a profit.

During the second quarter, net profit improved by 25 per cent at the same time as turnover increased by 8 per cent.

Affärsvärlden's general index increased by 12 per cent during the first half of the year. The value of the state's listed portfolio decreased by 4 per cent and amounted on 30 June to SEK 118.7 billion. From the turn of the year to 8 September, the value has decreased by 3 per cent to SEK 119.8 billion.

STATE-OWNED COMPANIES, TOTAL

SEKm	Apr–Jun 2005	Apr–Jun 2004	Change, %	Jan–Jun 2005	Jan–Jun 2004	Change, %	Rolling 12-months Jul 2005–Jun 2005	Jan–Dec* 2004
Net turnover	79,231	73,062	8	161,648	151,162	7	312,374	303,508
Operating profit	12,136	10,522	15	28,855	24,754	17	52,448	44,442
Profit before tax	10,934	9,201	19	26,604	21,684	23	47,381	38,821
Net profit	8,469	6,789	25	19,481	16,378	19	35,466	31,582
Gross investments	4,617	5,636	-18	21,727	12,447	75	33,684	29,635
Cash flow from operating activities	-3,032	11,159	-127	-12,999	15,377	-185	5,441	37,981

SEKm	30 Jun 2005	30 Jun 2004	31 Dec 2004
Shareholders' equity	245,040	233,952	227,275
Total assets	1 035,094	936,316	891,463
Average no. of employees	135,995	140,961	137,180
Average no. of employees, including associated companies	193,389	199,337	195,693

%	2004
Return on equity	14.6
Equity/assets ratio	21.6

* The information for the full year 2004 has not been adjusted for IFRS.

TURNOVER



■ Companies operating under market conditions, 70%
■ Companies with special societal interests, 30%

PROFIT BEFORE TAX



■ Companies operating under market conditions, 89%
■ Companies with special societal interests, 11%

Companies operating under market conditions

State-owned companies include companies operating under market conditions and companies with special societal interests. Companies operating under market conditions are characterised by one or both of the following criteria:

- They operate in a fully competitive market.
- The owner, the state, makes market requirements for earnings and return based on the risk profile. Assessment and follow-up of the companies in this group is based on these requirements and, in certain cases, on special owner requirements.

STABLE DEVELOPMENT OF PROFIT – INCREASED TURNOVER The period January–June

Turnover for companies operating under market conditions increased by 10 per cent compared with the previous year and amounted to SEK 113,065 (102,968) m.

Vattenfall and LKAB increased their turnover by SEK 7,257m and SEK 2,732 m respectively and accounted for 98 per cent of the total increase in turnover in the group companies operating under market conditions.

Profit before tax improved by 27 per cent to SEK 23,599 (18,579) m. Vattenfall and LKAB together improved their profit before tax by SEK 5,570m. Akademiska Hus, SJ and Teracom showed strong improvements in earnings totalling SEK 536m. 15 companies improved their earnings by a total of SEK 6,591m and 11 companies reported a deterioration in their results corresponding to

SEK –1,477m. 23 (23) companies reported a profit for the period and 3 (3) companies a loss. Green Cargo has moved from loss into profit while the Swedish Space Corporation has gone from profit to loss.

Continued improvement in earnings during the second quarter

Turnover increased by 12 per cent to SEK 54,458 (48,733) m. Profit before tax improved by 22 per cent and amounted to SEK 9,309 (SEK 7,619) m. The improvement in earnings is largely attributable to LKAB and Vattenfall. LKAB accounted for the single largest improvement in earnings in the second quarter of SEK 1,229m. SAS, Akademiska Hus and Posten also reported improved earnings. 15 companies improved their results by a total of SEK 2,830m and 8 companies reported a deterioration in earnings corresponding to SEK –1,825m. 26 (24) companies

reported a profit for the period and 1 (2) a loss. Lernia and Imego have moved from loss into profit. At the same time, Swedish Space Corporation reported a loss for the second quarter.

Increased investment levels

Gross investments for companies operating under market conditions increased by 89 per cent to SEK 18,539 (9,810) m. Vattenfall's gross investments amounted to SEK 15,336 (5,930) m. Of these SEK 3,886 (3,001) m were replacement investments in facilities and SEK 11,450 (2,929) m new investments. Over SEK 10 billion of the new investments were for acquisition of 35.3 per cent of the shares in Elsam, which according to an agreement in principle with Dong will be exchanged for power assets. Investments in the new pellets plant in Malmberget is the main part of LKAB's gross investments

COMPANIES OPERATING UNDER MARKET CONDITIONS

SEKm	Apr–Jun 2005	Apr–Jun 2004	Change, %	Jan–Jun 2005	Jan–Jun 2004	Change, %	Rolling 12-months Jul 2005–Jun 2005	Jan–Dec* 2004
Net turnover	54,458	48,733	12	113,065	102,968	10	215,752	207,225
Operating profit	10,347	8,781	18	25,511	21,255	20	45,605	37,361
Profit before tax	9,309	7,619	22	23,599	18,579	27	41,260	32,612
Net profit	6,945	5,348	30	16,563	13,453	23	29,620	25,674
Gross investments	15,017	5,097	195	18,539	9,810	89	28,269	22,602
Cash flow from operating activities	-8,338	6,553	-227	-18,070	10,251	-276	-4,788	28,083
				30 Jun 2005	30 Jun 2004			31 Dec 2004
SEKm				219,955	209,833			200,084
Shareholders' equity				939,067	845,659			795,458
Total assets				85,846	89,757			90,090
Average no. of employees				143,240	148,133			147,952
Average no. of employees, including associated companies								
%								2004
Return on equity								13.5
Equity/assets ratio								20.6

* The information for the full year 2004 has not been adjusted for IFRS.

totalling SEK 1,060 (455) m. SJ also increased its investments to SEK 541 m. Vasakronan and Akademiska Hus reduced their investments by a total of SEK 1,855 m.

During the second quarter gross investments increased by 195 per cent and amounted to SEK 15,017 (5,097) m. Vattenfall accounted for SEK 13.5 billion of the total gross investment in the group companies operating under market conditions during the second quarter.

Cash flow

The cash flow from operating activities amounted to SEK -18,070 (10,251) m. Excluding companies in the financial sector, the cash flow improved by 18 per cent to SEK 20,511 (17,421) m. Vattenfall's cash flow from operating activities amounted to SEK 12,516 (13,277) m. Excluding companies in the financial sector, LKAB, Posten, and Akademiska Hus greatly improved the cash flow from operating activities. During the

second quarter, the cash flow from operating activities amounted to SEK -8,338 (6,553) m.

EARNINGS FOR THE LARGEST COMPANIES

Vattenfall's turnover increased by 12.7 per cent in the first half of the year and amounted to SEK 64,328 (57,071) m. Vattenfall's profit before tax increased by 30.5 per cent to SEK 12,827 (9,831) m. The improvement in operating profit is mainly explained by higher market prices for electricity and transmission charges in Germany. Good access to water increased the production of water power by almost 25 per cent to 20.2 TWh. While the Swedish spot prices on NordPool were 5 per cent lower compared with the corresponding period last year, the spot price in Germany increased by over 45 per cent. Net financial income improved by SEK 433 m to SEK -996 (-1,429) m.

During the second quarter, turnover increased to SEK 29,292 (25,261) m. Profit before tax amounted to SEK 4,010 (3,053) m.

Vattenfall's earnings varied greatly during the year. The largest part of the annual earnings is normally obtained during the first and last quarter when demand for electricity is greatest.

Posten's turnover amounted to SEK 12,352 (12,516) m. Within the administrative range, accounting for 53 per cent of Posten's income, turnover decreased by 4 per cent to SEK 6,649 (6,918) m. Decreased volumes of A-post (first class mail) and Ekonomibrev (second class mail) primarily in the metropolitan regions account for this reduction. Profit before tax amounted to SEK 395 (319) m, of which provisions amounted to SEK 8 (136) m and capital gains to SEK 0 (47) m. Earnings have been affected both by the lower turnover and by higher transport costs. Divested activities have entailed a decrease in personnel costs by SEK 50 m to SEK 6,296 (6,345) m.

During the second quarter, turnover amounted to SEK 6,261 (6,263) m. Profit

IMPORTANT EVENTS DURING THE SECOND QUARTER 2005 AND UP TO 8 SEPTEMBER 2005

- **Green Cargo** runs approximately 10 full trainloads of storm-felled timber from the affected forests in southern Sweden to plants in central Sweden and Norway.
- **Green Cargo** has produced prototypes for modernising 80 electric locomotives and 110 diesel locomotives. This will entail a total investment of SEK 1.2 billion up to 2011.
- **Lernia Bemanning AB** was designated Sweden's fastest growing company for the second year running according to Ahrens and Svenska Dagbladet's Growth List for 2005.
- Through its subsidiary Minelco, **LKAB** has acquired the remaining shares in Seqi Olivin AS that owns olivine deposits in Greenland.
- On 1 September, **SAS** launched the New European tickets including lower prices and single tickets.
- In April, **SJ** took over train services between Linköping and Kalmar and between Linköping and Västervik after BK Tåg's bankruptcy.
- In April, **SJ** and Tågkompaniet established a jointly owned company, Stockholmståg AB, to submit a tender for commuter train services in Stockholm.
- In April, **SJ's** trains achieved the best punctuality to the final destination (95 per cent) for a particular month since April 1998.
- **TeliaSonera** has signed a final agreement to acquire 91.2 per cent of the shares in Norwegian Vollvik Gruppen AS, which owns the mobile operator Chess/Sense for SEK 1,895 m. The acquisition will strengthen the position of TeliaSonera's Norwegian mobile operator in the Norwegian mobile market and contribute with a customer base of over 400,000 mobile customers. The transaction is conditional on the approval of the Norwegian competition authority.
- **Vattenfall** entered into an agreement in principle with Dong at the beginning of June. The agreement means that Vattenfall will take over approximately 24 per cent of the total production capacity in Elsam and Energi E2 in exchange for Dong taking over Vattenfall's shareholding in Elsam. With this agreement, Vattenfall will obtain approximately 21 per cent of Danish electricity production and approximately 25 per cent of heating production from combined power and heating plants.
- In accordance with the Government's decision and current legislation, the second reactor at Barsebäck was shut down. The Barsebäck plant is accordingly completely shut down. **Vattenfall** and the Government are negotiating on compensation according to existing agreements.
- **Vattenfall** notified in May that the company will construct the world's first pilot facility for a carbon-dioxide-free coal power plant adjacent to the Schwarze Pumpe coal power plant in eastern Germany.
- **Vattenfall** is investigating the possibilities of constructing northern Europe's largest wind power plant in the Swedish part Kriegers Flak, which is an area in the Baltic Sea between Sweden and Germany. If a licence is granted during 2006, construction is expected to be completed by 2010. Production is expected to total slightly more than 2 TWh per year.
- **V&S Vin & Sprit** has signed an agreement for acquisition of a majority of shares in Cruzan International Inc (Cruzan). Cruzan owns the largest growing trademark in the rum segment, Cruzan Rum.
- **V&S Vin & Sprit** started a new distillery in Nöbbelöv. The capacity for production of ABSOLUT accordingly increased. A start has been made on construction of an additional bottling plant in Åhus.

before tax increased to SEK 219 (121) m.

V&S Vin & Sprit's turnover decreased slightly to SEK 4,408 (4,436) m. This decrease is explained by the fall in the US dollar since sales volumes increased by 2 per cent during the period to 11.8 million 9-litre boxes. Sales successes for ABSOLUT account for the increased volume. Profit before tax amounted to SEK 790 (794) m. The fall in the US-dollar has affect earnings negatively by SEK 11 m compared with the corresponding period last year.

During the second quarter, turnover amounted to SEK 2,415 (2,461) m. Profit before tax improved by 11 per cent to SEK 483 (434) m.

LKAB's net turnover increased by 65 per cent to SEK 6,966 (4,234) m. This increase is mainly explained by price increases but also higher delivery volumes. During the first half of the year China's iron ore export increased by 34 per cent to 131 Mt. LKAB increased total production by 0.8 Mt to 11.5 Mt. LKAB's invoiced iron ore deliveries amounted to 11.4 (10.8) Mt, of which pellets accounted for 7.6 (7.3) Mt. Profit before tax improved greatly and amounted to SEK 3,319 (745) m.

During the second quarter, turnover increased to SEK 3,544 (2,282) m. Profit before tax amounted to SEK 1,692 (463) m.

Sveaskog's turnover amounted to SEK 4,282 (4,350) m. The forestry industry has been affected by the storm in January and turnover decreased to SEK 3,215 (3,265) m. Operating profit for the forestry industry deteriorated by 41 per cent due to higher costs for felling, transport, road maintenance and planning and lower timber prices. The change in value of forest amounted to SEK 575 (588) m. Sveaskog's profit before tax amounted to SEK 694 (1,061) m. Earnings from property sales were SEK 111 (154) m.

During the second quarter net turnover amounted to SEK 2,312 (2,321) m. Profit before tax amounted to SEK 162 (570) m.

Green Cargo's turnover amounted to SEK 3,004 (3,091) m. Profit before tax improved by SEK 63m to SEK 56 (-7) m. The improvement is mainly explained by higher income and lower production costs. The company is further strengthening its quality work.

During the second quarter, turnover increased to SEK 1,540 (1,530) m. Profit

before tax amounted to SEK 34 (4) m.

SJ's turnover amounted to SEK 2,769 (2,790) m. Income has decreased due to the storm in January, because certain services are no longer operated by SJ and because SJ sells journeys at net price. At the same time, income has increased by SEK 25m since bistro sales now take place in house. Profit before tax amounted to SEK 155 (25) m. The improvement in earnings is mainly attributable to better use of resources and more efficient production resulting in lower costs.

During the second quarter, turnover amounted to SEK 1,430 (1,403) m. Profit before tax was SEK 103 (71) m.

Akademiska Hus's rental income amounted to SEK 2,228 (2,221) m. The vacancy ratio was 2.9 (2.8) per cent. Profit before tax amounted to SEK 985 (689) m. The improvement in earnings is partly explained by lower maintenance costs and by negative changes in value in investment properties in 2004. The market value of the company's investment properties was SEK 37,529 (36,785) m.

During the second quarter rental income amounted to SEK 1,111 (1,106) m and profit before tax to SEK 421 (272) m.

Vasakronan's rental income amounted to SEK 1,355 (1,364) m. This reduction is due to renegotiated and new leases and sale of properties. The vacancy ratio increased to 11 (10) per cent of rental income. Of the total vacancy ratio, vacancies in Kista and InfraCity accounted for a total of 6 percentage points. Profit before tax amounted to SEK 703 (477) m. The market value of Vasakronan's property portfolio amounted to SEK 33,249 (31,793) m.

During the second quarter, rental income amounted to SEK 683 (697) m. Profit before tax amounted to SEK 447 (257) m. The forecast in earnings for 2005 was increased from SEK 875 to SEK 950 m for profit/loss after financial items but before realised and unrealised change in value in properties.

Teracom's turnover increased by 34 per cent and amounted to SEK 1,274 (952) m. The increased in income is due to the continued positive development for data- and telecommunications and a stable growth in the number of digital-TV subscriptions. The number of digital-TV subscriptions increased by 66 per cent to 447,000

(269,000) compared with the same period last year. Profit before tax amounted to SEK 149 (38) m.

During the second quarter, turnover amounted to SEK 668 (501) m. Profit before tax amounted to SEK 86 (17) m.

SBAB's net interest income amounted to SEK 635 (629) m. The increase is explained by a good retail market lending. New retail market lending increased by SEK 3,979m to SEK 16,443 (12,464) m. Increased commission and overhead expenses had a negative impact on earnings. Profit before tax amounted to SEK 325 (360) m.

Svensk Exportkredit's (SEK) net interest income amounted to SEK 369 (418) m and profit before tax was SEK 238 (308) m. Despite the fact the market continued to be characterised by high liquidity and price competition, SEK achieved the highest new lending ever during the first half of 2005.

Net interest income for the second quarter amounted to SEK 186 (219) m. Profit before tax amounted to SEK 113 (164) m.

TeliaSonera is included in the compilation of earnings with the state's share of net profit of SEK 2,711 (3,224) m. TeliaSonera's earnings have been affected by an increase in turnover due to a strong growth in the customer base but with lower margins due to pressure on prices. The company is carrying out a restructuring programme in Sweden and Finland, which is expected to reduce annual costs by SEK 5–6 billion. At the same time, the company is developing a platform for future growth focused on mobile and Internet-based services.

The state's share of net profit for the second quarter totals SEK 1,097 (1,571) m in the compilation of earnings.

SAS is included in the compilation of earnings with the state's share of net profit/loss of SEK -101 (-263) m. The cost reductions carried out by the SAS group have together with yield control and fuel hedging made it possible to compensate for the greatly increased costs for oil. Continued unit cost reductions and new commercial initiatives will be important activities in the future.

For the second quarter, the Swedish state's share of net profit amounts to SEK 107 (31) m in the compilation of earnings.

The group companies operating under market conditions includes:

Akademiska Hus, Civitas (Vasakronan), Dom Shvetsii, Green Cargo, Imego, Kasernen, Lerna, LKAB, Posten, Swedish Space Corporation, SAS, SBAB, SJ AB, Swedish Ships Mortgage Bank, Specialfastigheter, Stattum, Sveaskog, Swedcarrier, Swedesurvey, Svensk Exportkredit, SweRoad, TeliaSonera, Teracom, Vasallen, Vattenfall, Venantius, V&S Vin & Sprit.

Companies with special societal interests

Companies with special societal interests are characterised by one or more of the following:

- The owner, the state controls the operation in a tangible and direct manner.
- They operate in a market with special conditions.
- Some of the companies operate wholly or partly without competition, while others operate in a fully competitive market.

Special objectives are set for these companies, according to which, among other things, the required return departs from what is usual in the companies operated wholly under market conditions. Assessment and monitoring are based partly on qualitative parameters derived from economic or sector policy objectives and efficiency/performance requirements. The requirements for, for instance, cost effectiveness can be set at a high level even though other objectives are very important. The degree of societal interest and the owner's control differ greatly between the different companies in this group.

A SLIGHT DETERIORATION IN EARNINGS The period January–June

Turnover for companies with special societal interests increased by one per cent to SEK 48,583 (48,194) m. Apoteket, Svenska Spel, and Svenska kraftnät have increased their turnover while Samhall, the Swedish Civil Aviation Administration and the Swedish Maritime Administration have decreased

turnover. Profit before tax deteriorated by three per cent to SEK 3,005 (3,105) m. The largest deteriorations in earnings are attributable to Swedfund, the Swedish Maritime Administration, Apoteket and Svenska Spel. Svenska Spel accounted for 77 per cent of profit before tax in this group. Swedfund reported capital gains last year totalling SEK 196m from sales of two holdings in Namibia and Zambia. Ten companies reported improved or unchanged earnings corresponding to SEK 431m. 16 (15) companies reported a profit and 7 (8) companies reported a loss. Among others ALMI Företagspartner, Samhall and SP have moved from losses to profits.

Improvement in earnings during the second quarter

Turnover increased during the second quarter by two per cent and amounted to SEK 24,782 (24,329) m. Profit before tax was SEK 1,625 (1,586) m.

Increased gross investments

Gross investments for companies with special societal interests increased by 14 per cent to SEK 3,187 (2,633) m. Statens väg- och baninvest increased its investments by SEK 516m to SEK 1,791 (1,275) m. The company thereby accounted for 56 per cent of the investments in this group. During the second quarter, gross investments amounted to SEK 2,012 (1,759) m.

Cash flow

Cash flow from operating activities decreased by one per cent to SEK 5,071 (5,126) m. During the second quarter, the cash flow increased by 15 per cent to SEK 5,306 (4,606) m.

EARNINGS FOR THE LARGEST COMPANIES

Apoteket's net turnover amounted to SEK 17,693 (17,087) m and the loss before tax amounted to SEK –30 (68) m. Prescription sales (pharmaceutical drugs on prescription including, for instance, drugs dispensed in

COMPANIES WITH SPECIAL SOCIETAL INTERESTS

SEKm	Apr–Jun 2005	Apr–Jun 2004	Change, %	Jan–Jun 2005	Jan–Jun 2004	Change, %	Rolling 12-months Jul 2005–Jun 2005	Jan–Dec* 2004
Net turnover	24,773	24,329	2	48,583	48,194	1	96,622	96,284
Operating profit	1,789	1,741	3	3,344	3,500	–4	6,843	7,081
Profit before tax	1,625	1,582	3	3,005	3,105	–3	6,121	6,208
Net profit	1,524	1,440	6	2,918	2,925	0	5,846	5,908
Gross investments	2,012	1,759	14	3,188	2,636	21	5,415	7,033
Cash flow from operating activities	5,306	4,606	15	5,071	5,126	–1	10,229	9,898

SEKm	30 Jun 2005	30 Jun 2004	31 Dec 2004
Shareholders' equity	25,085	24,119	27,191
Total assets	96,027	90,657	96,004
Average no. of employees	49,228	50,285	46,804
Average no. of employees, including associated companies	50,149	51,204	47,741

%	2004
Return on equity	22.6
Equity/assets ratio	29.0

* The information for the full year 2004 has not been adjusted for IFRS.

IMPORTANT EVENTS DURING THE SECOND QUARTER OF 2005 AND UP TO 8 SEPTEMBER 2005

- The Court of Justice of the European Communities pronounced on 31 May 2005 through its preliminary ruling in case C-438/02 Public Prosecutor v. Krister Hanner, its interpretation of whether **Apoteket AB's** retail trade monopoly is compatible with the EC-treaty. To abide by the ruling of the European Court of Justice, the Government has made amendments to the agreement between the State and Apoteket AB concerning the range and stock of the company. The new agreement came into force on 24 June 2005.
- During the last week of August the "World Canals Conference" was organised for the first time in Sweden. The conference was held in Trollhättan, with **AB Göta kanalbolag** in a prominent role.
- **Ireco Holding AB** has largely carried out restructuring of the Industrial Research institutes to fewer, larger institutes with more international impact.
- **Samhall** celebrates its 25th anniversary this year. To celebrate this, all employees in Sweden have been invited to anniversary concerts. During Samhall's 25-year existence, approximately 100,000 disabled persons have been employed by the company.

doses), which account for approximately 70 per cent of Apoteket's net turnover, was largely unchanged at SEK 12,386m. Contract-based sales increased by 10.6 per cent to SEK 2,652m. Sale of self-care products – commercial goods and off-prescription drugs – increased by 9.5 per cent to SEK 2,307m. This component accounted for 13 per cent of Apoteket's net turnover. The deterioration in earnings is attributable to the first quarter of the year when both volumes and prices of prescription sales decreased. The generic drugs reform is thus continuing to produce financial benefits for society as a whole while having a negative impact on Apoteket's earnings.

During the second quarter, net turnover amounted to SEK 9,114 (8,625) m. Profit before tax amounted to SEK 35 (33) m.

Systembolaget's turnover amounted to SEK 8,424 (8,447) m, a decrease of 0.3 per cent. During the first half of the year, 168.9 (166.9) million litres of beverages were sold. This is an increase of 1.2 per cent compared with the corresponding period last year. Profit before tax amounted to SEK 219 (37) m. Earnings include capital gains from property sales of SEK 73 (0) m. The improved earnings are also explained by increased turnover for wine and reduced overheads.

During the second quarter turnover amounted to SEK 4,494 (4,519) m. Profit before tax amounted to SEK 178 (64) m.

Svenska Spel's gaming income increased by 0.8 per cent and amounted to SEK 9,888 (9,805) m. Earnings amounted to SEK 2,304 (2,356) m. While gaming income increased by SEK 83m, the cost of prizes increased by SEK 155m. This is a consequence of the

trend towards fast games with a lower margin. Svenska Spel is exempt from tax and the whole earnings go to the state and the children's and youth activities of the popular and sports movements.

Samhall's turnover amounted to SEK 3,966 (4,083) m. Samhall's turnover consists of invoicing and additional cost compensation from the state. The successive change-over from industrial activity to services means that invoicing from service activities increased by 18 per cent while invoicing from industrial activities decreased by 21 per cent. Total invoicing decreased by 11 per cent. Profit before tax amounted to SEK 47 (-16) m. A higher degree of refinement in service activities and lower costs compensate for the lower invoicing. 594 (462) disabled employees transferred to employment with other employers, which, in a rolling 12-month value, corresponds to 5.3 (4.0) per cent. The set target is 5 per cent. The number of hours worked amounted to 13.6 (13.6) million. The outcome for rolling 12 months is thereby slightly over the set target of 25.4 million hours. Recruitment from prioritised groups amounted to 30 (29) per cent.

During the second quarter, turnover amounted to SEK 2,061 (2,115) m. Profit before tax amounted to SEK 42 (5) m.

Swedish Civil Aviation Administration's (LFV) turnover amounted to SEK 2,799 (2,923) m, of which airport and air traffic control charges accounted for SEK 1,858 (1,985) m. The number of passengers at LFV's airports increased by 4 per cent compared with the corresponding period last year. The number of landings at LFV's airports decreased by two per cent and amounted to

115,239 (117,804). International traffic counted by number of landings decreased by 3.3 per cent. Profit before tax amounted to SEK 15 (54) m. LFV's action programme is proceeding according to plan and has to date entailed savings of SEK 850m.

During the second quarter, turnover amounted to SEK 1,448 (1,526) m. Profit before tax amounted to SEK 80 (70) m.

Svenska kraftnät's turnover amounted to SEK 2,764 (2,525) m. Profit before tax increased to SEK 450 (320) m. The improvement in earnings can largely be attributed to lower costs for balance power purchased.

During the second quarter, turnover amounted to SEK 1,267 (1,072) m. Profit before tax amounted to SEK 136 (69) m.

Swedish Maritime Administration's turnover amounted to SEK 762 (887) m. Traffic income accounts for approximately 83 per cent of turnover. This reduction is explained by changes in the charge system for fairway charges. Profit before tax amounted to SEK 23 (139) m.

During the second quarter, turnover amounted to SEK 406 (356) m. Profit before tax amounted to SEK 39 (3) m.

Svensk Bilprovning's turnover amounted to SEK 773 (800) m. Profit before tax amounted to SEK 58 (83) m. The result is mainly explained by lower production volume at the beginning of the year.

During the second quarter, turnover amounted to SEK 416 (410) m. The number of inspections increased by 0.8 per cent and the average income increased by 0.5 per cent to SEK 274.7 (273.4). Profit before tax amounted to SEK 47 (49) m.

The group companies with special societal interests includes:

A-banan, Almi Företagspartner, Apoteket, Bostadsgaranti, Dramaten, Göta Kanal, Ireco, the Swedish Civil Aviation Administration, Norrland Center, Operan, Samhall, the Swedish Maritime Administration, SOS Alarm Sweden, SP Sveriges Provnings- och forskningsinstitut, Statens Bostadsomvandling, Statens väg- och baninvest, Svedab, Swedfund International, Svensk Bilprovning, Svenska kraftnät, Svenska Miljöstyrrådet, Svenska Spel, Swedens Rese- och Turistråd, Systembolaget, Voksenåsen.

State ownership of listed companies

The market value of the state's portfolio decreased by 4 per cent during the first six months of the year and amounted to SEK 118.7 (123.4) billion on 30 June 2005. During the same period, Affärsvärlden's general index increased by 12 per cent.

The slightly weaker increase in value of the state's listed portfolio is primarily explained by the value of TeliaSonera, which corresponds to approximately two-thirds of the state's listed portfolio, decreasing by 6 per cent.

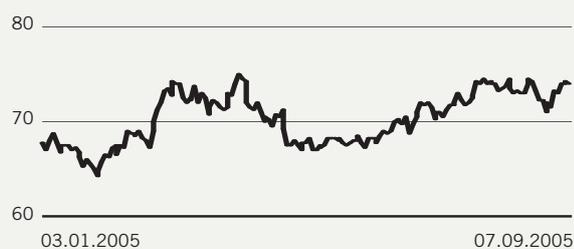
From the turn of the year to 8 September, the state's listed portfolio has decreased by 3 per cent at the same time as the general index had increased by 17.9 per cent.

THE MARKET VALUE OF THE STATE'S LISTED PORTFOLIO, SEKm

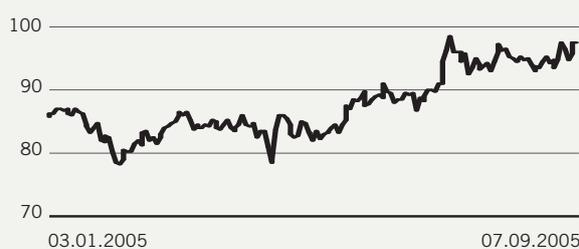
COMPANY	Ownership share, %	8 Sep 2005	% since 1 Jan	30 Jun 2005	% since 1 Jan	31 Dec 2004
Nordea Bank	19.5	37,897	4	36,608	1	36,315
OMX	6.7	787	16	711	5	679
SAS	21.4	2,732	29	2,371	12	2,115
TeliaSonera	45.3	78,376	-7	79,012	-6	84,307
Total		119,792	-3	118,701	-4	123,417
Total excluding TeliaSonera		41,416	6	39,690	1	39,109

PRICE MOVEMENTS

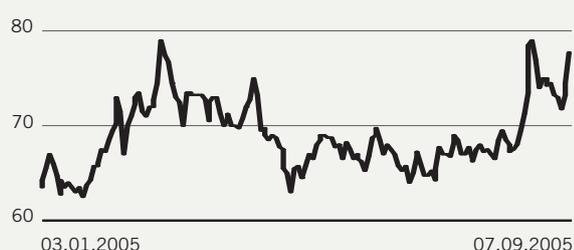
NORDEA



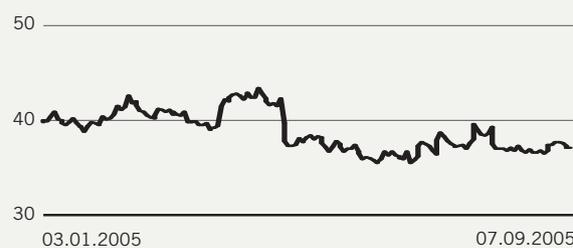
OMX



SAS



TELIASONERA



Changes in executive managements and boards

CHANGES DURING THE PERIOD 25 MAY – 8 SEPTEMBER

Managing directors

Company	Taking up office	Resigning
Swedesurvey AB	Hans-Erik Wiberg (1 sep)	Sture Pettersson

Chairman of the Board

Company	Taking up office	Resigning
Kungliga Operan AB	Lars G Nordström	Hans Dalborg

Accounting principles

The report includes 49 of 52 state-owned companies, excluding companies in process of being wound up and companies where the state holding is less than 20 per cent (OMX AB, Nordea Bank AB, SAKAB AB and SIS Miljömärkning AB). Furthermore, the holding company Civitas Holding AB has not been included, although its subsidiary Vasakronan AB has been. Associated companies, with an ownership share exceeding 20 per cent, have been included according to share of ownership for earnings. A/O Dom Shvetsii, Norrland Center AB and AB Svenska Miljöstyrningsrådet are not included in the report. For property companies, rental income has been treated as turnover. For financial companies, turnover has been defined as the total of net interest income, commissions and other net income. For activities with appropriations, this is included in turnover. This applies, for instance, to Samhall's compensation for additional costs and appropriations for Kungliga Operan and Kungliga Dramatiska Teatern AB. Svenska Spel is exempt from tax. Some of the companies in the consolidated accounts have adjusted their historical comparative figures for various reasons. In the cases where the changes have had a significant effect, the comparative figures in the consolidated accounts have also been adjusted. Some of the companies have reported in compliance with IFRS, below. These companies have also to some extent adjusted last year's figures for the first quarter. The comparative figures for the whole year of 2004 have not been consolidated taking into consideration

the adjustments that have arisen due to IFRS but have been taken from the Annual Report for 2004.

TRANSITION TO IFRS

From 2005, all listed companies in the European Union (EU) must prepare their consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS, formerly IAS). In accordance with IFRS's transitional rules, the rules will be applied on 1 January 2005 with retroactive recalculation from the transition for 2004. The general rule is that recalculations of the financial reporting for the time period after the date of transition are to be treated as if IFRS had been applied historically. There are exemptions from this general rule among the companies presented. In the interim reports for the first quarter of 2005 and the annual report for 2005, there will be a reconciliation between the affected companies' balance sheet and income statements according to IFRS and according to the company's present accounting principles. The Swedish Financial Accounting Standards Council's recommendations have gradually approached IFRS. However, a number of differences still remain between the Council's recommendations and IFRS. Some of the major differences between our existing accounting principles and future IFRS are the following:

- Accounting of pensions (this difference disappeared, however, through the introduction of RR 29 in 2004).
- Reporting of financial instruments, which

means that more instruments will be reported at their fair value and which will made the demands for permitting hedge accounting more stringent.

- Goodwill and certain intangible assets will no longer be depreciated according to straight-line depreciation. Instead, it will be compulsory each year to examine where there is a need for write-down.
 - Valuation of tangible fixed assets is to take place each year and be included at fair value in the balance sheet. The change in fair value is to be shown through the income statement. Tangible fixed assets with significant components that differ with regard to period of use are to be divided up and given individual periods of useful life.
 - For company acquisitions and mergers, the change means, among other things, that the purchase sum is to be distributed in more detail and values are to be set for acquired intangible assets such as trademarks, customer relations and licences. The financial useful life of these assets is to be established and serve as the basis for depreciation according to plan in the cases when a definite lifetime can be established.
- The company's financial reports will also be affected by changed demands for classification and information in accordance with IFRS. These changes can also affect the respective company's key ratios. To see the effect of IFRS on a particular company, the Government Offices refers to the respective company's annual report.

Report dates for state-owned companies

Company	Interim report January–September 2005	Report on operations January–December 2005
A-banan projekt AB		
Akademiska hus AB	27.10.2005	06.02.2006
ALMI Företagspartner		
Apoteket AB	07.11.2005	31.01.2006
Bostadsgarantin, AB		
Civitas Holding (Vasakronan)	31.10.2005	31.01.2006
Dom Shvetsii		
GreenCargo AB	16.11.2005	01.02.2006
Göta kanalbolag AB		
Imego AB	31.10.2005	30.01.2006
Ireco Holding AB		
Kasernen Fastighets AB		
Kungliga Dramatiska Teatern AB		
Kungliga Operan AB		
Lernia AB	04.11.2005	27.01.2006
LKAB	24.11.2005	
Swedish Civil Aviation Administration	30.11.2005	
Nordea AB	26.10.2005	
Norrland Center AB		
OMX AB	20.10.2005	
Posten AB	28.10.2005	21.02.2006
Samhall AB	31.10.2005	31.01.2006
SAS AB	08.11.2005	06.02.2006
SBAB	28.10.2005	
SJ AB	30.11.2005	30.01.2006
Swedish Maritime Administration	30.11.2005	
SOS Alarm Sweden AB		
SP Svedens Provnings och Forskningsinstitut AB	28.10.2005	31.01.2006
Specialfastigheter Sweden AB	25.10.2005	January 2006
Statens Bosatdsomvandling AB	29.10.2005	06.02.2006
Statens väg- och baninvest AB		
Stattum, Förvaltningsaktiebolaget		
Sveaskog AB	31.10.2005	31.01.2006
Svedab		
Swedcarrier AB		
Swedesurvey AB	31.10.2005	
Swedfund International AB		
Svensk Bilprovning AB	31.10.2005	January 2006
Svensk Exportkredit AB		
Svenska kraftnät, Affärsverket		
Svenska miljöstyrringsrådet		
Swedish Space Corporation	08.11.2005	January 2006
Svenska Swedish Ships Mortgage Bank		
Svenska Spel AB		
Swedens Rese- och Turistråd AB		
Sweroad AB		
Systembolaget AB	31.10.2005	31.01.2006
TeliaSonera AB	25.10.2005	
Teracom AB		
V&S Vin & Sprit AB	31.10.2005	31.01.2006
Vasallen AB	28.10.2005	31.01.2006
Vattenfall AB	27.10.2005	
Venantius AB	10.11.2005	
Voksenåsen AS		

Definitions

Profit before tax – Stated before minority share.

Equity/assets ratio – Shareholders' equity including minority as a percentage of total assets.

Return on equity – Net profit/loss as a percentage of average shareholders' equity.

Financial information

- Interim report for January–September will be published on 25 November 2005

