

Report for Government-owned
Companies, January–December 2001
Issued by the Swedish Government Offices



Government-owned enterprises encompass companies operating under market conditions as well as companies with special societal interests. The boundaries between these companies are not always clear. Companies operating under market conditions are characterised by one both of the following criteria:

- They operate in a fully competitive market.
- The owner, the Swedish Government, sets market requirements as to profit and yield based on risk profiles. Evaluation and follow-ups are based on these, and in some cases on certain express ownership requirements.

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

- The owner, the Swedish Government, controls operations in an obvious and direct manner.
- They operate in their markets under special conditions.
- Some of the companies operate wholly or partly without competition. Others are fully exposed to competition. Special goals are set. These include the fact that yield requirements differ from those that are the norm in operations carried out completely under market conditions. Evaluations and follow-ups are based on qualitative parameters derived from socio-economic or sectoral policy objectives and on efficiency/earnings requirements. Although much importance is attached to other goals, cost-efficiency requirements may nonetheless be stringent. The degree of societal interest and control by the owner differs greatly between the various companies in this group.

Due to these differences between companies operating under market conditions and companies with special societal interests, the two categories are reported separately by sector in this report. This means that comparisons can be made between companies that operate under market conditions. In addition, a fairer evaluation of companies with special societal interests can be made, taking into account how various societal interests are safeguarded.

- ▶▶ For 2001, earnings after tax amounted to SEK 18,203 million (22,934).
- ▶▶ Turnover increased by 20 per cent in 2001 to SEK 286 billion, primarily due to Vattenfall's acquisitions in Germany.
- ▶▶ Pre-tax earnings for the fourth quarter increased to SEK 9,398 million (8,243).
- ▶▶ Turnover for the fourth quarter increased by 22 per cent to SEK 77,732 million (63,872).
- ▶▶ Investment increased considerably in the fourth quarter, to SEK 38,740 million (18,781), mainly as a result of Sveaskog's acquisition of AssiDomän.

2001 was a troublesome financial year for Swedish businesses. The earnings of Swedish listed companies for 2001 fell by 27 per cent according to a review by the publication Affärsvärlden. The survey excluded Ericsson, ABB, Telia, Investor and Skanska, whose earnings were affected by non-recurring expenses and capital gains. Including these items, earnings fell by 80 per cent. When compared with this analysis, Government-owned companies¹⁾ reported relatively good earnings. Earnings after tax for these companies in 2001, excluding Telia, rose by approximately 29 per cent. Net profits for Government-owned companies including Telia fell by 21 per cent to SEK 18,203 million.

Turnover increased by 20 per cent in 2001 compared with last year and amounted to SEK 286.3 billion (237.7). Investment in 2001 increased by 43 per cent to SEK 128.8 billion. Cash flow for 2001 decreased by 36 per cent, to SEK 30.9 billion (48.1).

In 2001, Stockholmsbörsen (the Stockholm stock exchange) fell until September and then began to recover. In the fourth quarter of 2001, Affärsvärlden's General Index (AFGX) increased by 21.5 per cent and the decline for the year stopped at 16.7 per cent.

GOVERNMENT-OWNED COMPANIES, JANUARY–DECEMBER 2001

Table 1 Summary	Government-owned companies, total			Companies operating under market conditions		Companies with special societal interests	
	Jan–Dec 2001	Jan–Dec 2000	Change	Jan–Dec 2001	Jan–Dec 2000	Jan–Dec 2001	Jan–Dec 2000
Net turnover	286,268	237,721	20%	197,513	152,627	88,755	85,094
Profit before tax and minority share	26,172	28,689	–9%	22,337	22,173	3,835	6,517
Profit after tax	18,203	22,934	–21%	14,077	16,980	4,126	5,955
Investment	128,784	90,179	43%	121,834	82,739	6,950	7,440
Cash flow from operating activities	30,881	48,141	–36%	22,254	41,131	8,627	7,010
Shareholders' equity	188,146	153,770	22%	158,077	123,763	30,069	30,007
Total assets	976,207	856,641	14%	867,370	751,293	108,837	105,348
Employees	198,128	196,758	1%	146,479	144,739	51,649	52,019

The turnover figures do not include associated companies.

The Government's share of pre-tax earnings includes earnings from associated companies.

For associated companies, shareholders' equity is calculated as the Government's proportion of shareholders' equity.

For SJ AB, GreenCargo and Swedcarrier, pro forma figures have been stated to facilitate comparison with 2000. For GreenCargo, no pro forma figures are available for the number of employees in 2000. For SJ AB, no pro forma figures are available for cash flow, shareholders' equity and total assets.

No gross investment figures have been reported for A/O Dom Shvetsii and Kasernen Fastighets AB.

Turnover for finance companies is reported in accordance with the Act on Annual Accounts in Credit Institutions and Securities Companies (SFS 1995:1559).

¹⁾ See accounting principles on page 11.

Companies operating under market conditions

EARNINGS AND TURNOVER

Pre-tax earnings for companies operating under market conditions rose by 40 per cent during the fourth quarter to SEK 8,613 million compared with the corresponding period in 2000. The improvement in earnings can primarily be explained by Posten AB's sale of Postgirot. Vattenfall also reported improved earnings for the fourth quarter while Telia reported a decline in earnings partly due to non-recurring expenses. For the entire year, pre-tax earnings amounted to SEK 22,337 million (22,173). Turnover increased by 30 per cent to SEK 55,655 million for the fourth quarter and by 29 per cent to SEK 197,513 million for the entire year. The increase in turnover can primarily be attributed to Vattenfall, which more than doubled its turnover after its acquisitions in Germany.

Base industry LKAB reported decreased turnover of SEK 1,217 million (1,326) and decreased pre-tax earnings of SEK 1 million (90) for the fourth quarter. In 2001, turnover amounted to SEK 4,870 million (4,822). Higher ore prices and a higher US dollar price were counteracted by lower delivery volumes. Pre-tax earnings fell, amounting to SEK 62 million (591), mainly due to lower delivery volumes but also as a result of higher production costs and increased pension costs. An action programme is in progress for the purpose of offsetting cost increases and reducing the volume of investment.

AssiDomän reported a turnover for the fourth quarter of SEK 1,720 million, an increase of 5 per cent compared with the previous quarter. The turnover does not include any divested or distributed units. Pre-tax earnings for the fourth quarter increased by SEK 27 million to SEK 381 million compared with the previous

quarter. For 2001, pre-tax earnings amounted to SEK 3,122 million (3,090). Net financial income improved by SEK 475 million compared with 2000, mainly through the sale of operations.

Svenska Skogsplantor AB reported a decline in turnover and worsened earnings for the fourth quarter. The pre-tax loss amounted to SEK 68 million compared with last year's loss of SEK 9 million. The loss for the entire year amounted to SEK 70 million, compared with last year's loss of SEK 7 million. The earnings were charged with non-recurring expenses amounting to SEK 32.6 million.

Industrial goods and services In the fourth quarter, companies in this sector reported somewhat decreased turnover and smaller pre-tax earnings compared with the corresponding period last year. For 2001, Swedesurvey reported pre-tax earnings of SEK 5 million (5). During the year, demand for aerial and mapping products fell while the demand for the company's other services remained satisfactory. In 2001, over 30 new contracts were entered into to a total value of SEK 105 million, compared with SEK 65 million for 2000.

Transport The events in New York on 11 September led to a major drop in air traffic in virtually all markets, at the same time as costs for insurance and airport security, etc. increased considerably. Extensive rationalisation has begun in the sector, with large adjustments in the routes of most major airlines, staff cutbacks and other structural measures. Continued weakened demand and substantially reduced Business Class traffic were the main reasons for SAS' weak fourth quarter earnings, with a pre-tax loss of SEK 245 million compared with last year's pre-tax profit of SEK 368 million. After 11

Table 2 Turnover by sector, January–December 2001, SEK m

Sector	Number of companies	Turnover Jan–Dec 2001	Turnover Jan–Dec 2000	Change	Turnover ¹⁾ Oct–Dec 2001	Turnover ¹⁾ Oct–Dec 2000	Change
Base industry	4	5,499	5,578	-1%	1,365	1,495	-9%
Industrial goods and services	4	2,061	2,056	0%	568	605	-6%
Transport ²⁾	6	31,200	35,958	9%	10,149	1,703	5%
Non-durable goods	1	6,788	5,816	17%	1,868	1,778	5%
Finance ³⁾	4	9,232	9,541	-3%	2,080	2,700	-23%
Real estate	6	8,070	7,437	9%	2,154	1,955	10%
Telecom	2	57,660	54,546	6%	15,234	14,796	3%
Energy	1	69,003	31,695	118%	22,237	9,640	131%
Total	28	197,513	152,627	29%	55,655	42,673	30%

¹⁾ The turnover figures do not include associated companies.

²⁾ For SJ AB, GreenCargo AB and AB Swedcarrier, pro forma figures have been stated to facilitate comparison with 2000.

³⁾ Turnover for finance companies is reported in accordance with the Act on Annual Accounts in Credit Institutions and Securities Companies (SFS 1995:1559).

September, the traffic for airlines within the AEA (Association of European Airlines) dropped by 17.7 per cent while SAS' fell by 9.0 per cent during the same period. SAS strengthened its market share in a weak market.

The growth in train travel, which has been very promising since 1997, continued in 2001, and travel with SJ AB increased by 5 per cent. SJ AB reported increased turnover for the fourth quarter amounting to SEK 1,535 million (1,419). The pre-tax loss for 2001 amounted to SEK 49 million, compared to a pre-tax profit of SEK 103 million last year. This can partly be explained by the parent company's costs for measures to improve quality.

Non-durable goods V&S Vin & Sprit AB's pre-tax earnings for the fourth quarter amounted to SEK 152 million (364), partly as a result of a decline in demand in the important US market. Earnings for the entire year increased to SEK 1,472 million (1,433). Turnover increased by 5 per cent to SEK 1,868 million (1,778) for the fourth quarter and by 17 per cent, to SEK 6,788 million (5,816) for 2001.

Finance For the fourth quarter, companies within the finance sector reported a turnover of SEK 2,080 million, a decrease of 23 per cent. Pre-tax earnings amounted to SEK 404 million (370). Stattum reported improved earnings of SEK 113 million (16), while other companies within the finance sector reported decreased or unchanged earnings.

Real estate In 2001, the commercial property rental market has experienced calmer developments as a result of the economic slowdown. However, most companies in this sector reported improved earnings compared with the corresponding period last year. Pre-tax earnings for the fourth quarter amounted to SEK 1,038 million (114). Earnings for the entire year improved by 137 per cent to SEK 3,483 million (1,472).

For the fourth quarter of 2001, Vasakronan reported a pre-tax profit of SEK 805 million, compared with a

pre-tax loss of SEK 14 million last year. For 2001, earnings increased to SEK 2,281 million (460). Earnings excluding capital gains from property sales and costs of future interest expense payments amounted to SEK 603 million (426), an increase of 42 per cent.

Telecom Telia's pre-tax earnings for the fourth quarter fell to SEK 1,082 million (7,658). Turnover amounted to SEK 14,970 million (14,540). Telia's fourth quarter was weaker than the entire year as a result of cyclical effects but also non-recurring expenses. Due to prevailing market conditions, Telia wrote down assets in Telia International Carrier by SEK 3,027 million. Telia's winding up of non-core operations has for all practical purposes been completed and the company has a strong focus on development and rendering its core operations more efficient.

Energy The consolidation of the European energy sector continued in 2001 with the aim of bigger customer bases and risk differentiation of production resources and geographical location. During the period, a majority stake in Hamburgische Electricitäts-Werke AG (HEW) was acquired and the holding in the company amounted to 73.8 per cent on 31 December 2001. HEW was consolidated in the group retroactively from 1 January 2001. The income statement and balance sheet also include the subsidiaries VEAG and LAUBAG, which were acquired by HEW and which will be consolidated in the group retroactively from 16 May and 1 July 2001, respectively. In 2002, BEWAG will be integrated in the German operation. At the same time, Vattenfall Europe will be set up, which will comprise the unifying name for the group's operations in Germany.

Vattenfall reported strongly improved earnings and a turnover that has more than doubled. Pre-tax earnings increased in 2001 to SEK 7,454 million (5,189) and turnover rose from SEK 31.7 billion to SEK 69.0 billion. Earnings for the fourth quarter amounted to SEK 2,718 million (–29), with a turnover of SEK 22,237 million (9,640).

Table 3 Profit/loss before tax and net margin by sector, January–December 2001, SEK m

Sector	Number of companies	Profit/loss before tax Jan–Dec 2001	Profit/loss before tax Jan–Dec 2000	Net margin ²⁾ Jan–Dec 2001	Profit/loss before tax Oct–Dec 2001	Profit/loss before tax Oct–Dec 2000
Base industry	4	1,185	1,805	2%	88	378
Industrial goods and services	4	20	–136	1%	14	46
Transport ¹⁾	6	2,458	–1,599	7%	3,140	–2,677
Non-durable goods	1	1,472	1,433	22%	152	364
Finance	4	1,531	2,230	17%	404	370
Real estate	6	3,483	1,472	43%	1,038	114
Telecom	2	4,734	11,778	8%	1,059	7,592
Energy	1	7,454	5,189	11%	2,718	–29
Total	28	22,337	22,173	11%	8,613	6,158

¹⁾ SJ AB, AB Swedcarrier and Green Cargo AB report pro forma figures as comparative figures for pre-tax earnings for 2000.

²⁾ Associated companies have not been included in the net margin.

**COMPANIES IN WHICH THE
GOVERNMENT'S PARTICIPATING
INTEREST DOES NOT EXCEED 20 PER CENT**

Nordea AB's operating profit for 2001 amounted to SEK 17.9 billion (20.6). This decrease is primarily attributable to the fact that capital yields were high in 2000 and that the recovery during the last quarter could not compensate for the decline earlier in the year. The development of net interest income was relatively stable during the year while commission income dropped somewhat. The economic slowdown had a negative impact on Nordea's lending losses, which rose from SEK 0.7 to SEK 3.5 billion. This is the equivalent of 0.29 per cent of total lending, which is still lower than the maximum loss level that Nordea has set to apply on average over the course of a business cycle. Postgirot Bank has been a part of Nordea since December. The Government's holding in Nordea amounts to 18.2 per cent and the proportion of dividend is expected to amount to just over SEK 1.1 billion if the annual general meeting accepts the board's proposal.

OM AB reported pre-tax earnings of SEK 144 million (174) for the fourth quarter. Costs fell during the

fourth quarter due to implemented cost-cutting programmes and the reorganisation of Jiway. For the year 2001, pre-tax earnings decreased by the amount of SEK 1,212 million, resulting in a loss of SEK 469 million. Reorganisation costs for Jiway affected the result by SEK 832 million (282). The Government's holding in OM amounts to 9.4 per cent.

INVESTMENT

Gross investment in 2001 rose by 62 per cent to SEK 121,834 million (82,739). The increase for 2001 can primarily be attributed to Sveaskog's purchase of AssiDomän and Vattenfall's acquisitions in Germany; however, Vasakronan also increased its investment considerably during the year. During the same period, Telia reduced its investment compared with last year, from SEK 47,742 million to SEK 20,784 million.

CASH FLOW

Cash flow from operating activities decreased by approximately SEK 19 billion to SEK 22.2 billion in 2001 compared with last year. SBAB's cash flow decreased by SEK 11.5 billion to SEK –3.4 billion in 2001. The

Table 4 Investment and investment ratio by sector, January–December 2001, SEK m

Sector	Number of companies	Investment Jan–Dec 2001	Investment Jan–Dec 2000	Investment ratio Jan–Dec 2001	Investment ratio Jan–Dec 2000	Investment Oct–Dec 2001	Investment Oct–Dec 2000	Investment ratio Oct–Dec 2001	Investment ratio Oct–Dec 2000
Base industry ¹⁾	4	25,970	1,054	472%	19%	25,220	438	1,848%	29%
Industrial goods and services	4	81	160	4%	8%	10	13	2%	2%
Transport ¹⁾	6	12,748	2,225	33%	6%	1,164	891	11%	9%
Non-durable goods	1	8,539	1,093	126%	19%	199	171	11%	10%
Finance	4	18	857	0%	9%	5	362	0%	13%
Real estate ²⁾	6	10,252	5,480	127%	74%	1,308	1,620	61%	83%
Telecom	2	20,784	48,030	36%	88%	5,179	10,591	34%	72%
Energy	1	43,443	23,840	63%	75%	4,426	3,924	20%	41%
Total	28	121,834	82,739	62%	54%	37,511	18,010	67%	42%

¹⁾ The figures do not include investment by associated companies.

²⁾ Gross investment figures have not been reported for AVO Dom Shvetsii and Kasemen Fastighets AB.

Table 5 Cash flow and balance sheet by sector, January–December 2001, SEK m

Sector	Number of companies	Cash flow from operating activities Jan–Dec 2001	Cash flow from operating activities Jan–Dec 2000	Shareholders' equity 31 Dec 2001	Shareholders' equity 31 Dec 2000	Balance sheet total 31 Dec 2001	Balance sheet total 31 Dec 2000	Equity/assets ratio 31 Dec 2001
Base industry ^{2) 3)}	4	1,054	1,320	20,736	9,542	43,589	13,553	48%
Industrial goods and services	4	–16	73	478	463	968	1,034	50%
Transport ^{1) 2) 3)}	6	900	3,630	10,115	5,439	42,286	108,546	17%
Non-durable goods	1	1,246	–102	3,694	2,934	15,040	5,712	25%
Finance	4	–4,831	17,149	20,514	9,874	315,000	327,948	7%
Real estate	6	3,036	2,822	19,958	20,253	62,478	55,675	32%
Telecom	2	10,423	10,108	43,003	39,869	128,965	123,567	47%
Energy	1	10,442	6,131	39,578	35,374	259,043	115,259	23%
Total	28	22,254	41,131	158,077	123,763	867,370	751,293	

¹⁾ Comparative cash flow figures for 2000 have not been reported for SJ AB and AB Swedcarrier. Green Cargo AB has reported pro forma figures to facilitate comparisons of cash flow for 2000. SJ AB, AB Swedcarrier and Green Cargo AB have reported pro forma figures for shareholders' equity in 2000.

²⁾ The Government's proportion of shareholders' equity includes shareholders' equity and total assets in the associated companies SAS and AssiDomän.

³⁾ Associated companies have not been included in the calculation of cash flow and equity/assets.

Swedish Export Credit Corporation's cash flow decreased by SEK 13.2 billion to SEK -1.6 billion in 2001 and Vattenfall improved its cash flow from SEK 6.1 billion to SEK 10.4 billion.

SIGNIFICANT EVENTS

Sveaskog's public offer to the shareholders of **AssiDomän** has, after the expiry of the extended offer period on 11 February 2002, ultimately been accepted to such an extent that Sveaskog now holds a total of 99.4 per cent of the share capital and votes in AssiDomän. Sveaskog has demanded the compulsory redemption of outstanding shares in AssiDomän. The merger between Sveaskog and AssiDomän is going according to plan. Forestry operations will be run under the name Sveaskog, while industry operations will retain the name AssiDomän. AssiDomän was delisted from Stockholmsbörsen on 28 January 2002.

Billerud, which is owned by AssiDomän and Stora Enso, was listed on the stock exchange in November 2001 in connection with AssiDomän's distribution of shares in Billerud.

Vattenfall has decided to invest SEK 1.4 billion in Swedish hydroelectric plants. In December, Vattenfall acquired Mirant's share in the German energy company Bewag for USD 1.6 billion and now possesses 92 per cent of the votes in the company. The new German group, Vattenfall Europe, is now Germany's third largest energy company. Vattenfall also sold its Norwegian subsidiary, Vattenfall Norge AS, to Hafslund ASA. In conjunction with the sale, Vattenfall became a joint owner of Hafslund ASA.

Posten AB (Sweden Post) has sold 45 per cent of its share capital in the shopping portal Svenska Torget AB to Emerging Technologies. Posten owns 15 per cent of the portal after the sale. Posten will also be responsible for

managing the portal after the sale. In the autumn of 2001, the transition to Posten's new service network will have been implemented in ten areas. All in all, Posten will be opening 3,100 new service outlets in 2002. Most of the new service outlets will be managed on contract by Posten's partners. ICA, Axfood, Pressbyrån and OK/Q8 have signed a partnership agreement regarding Posten's letter and parcel services. Swedish Cashier Service will be present at 1,350 locations.

On 8 October, **SAS** flight SK 686 crashed in Milan and 118 lives were lost in the worst air disaster in SAS' history.

In November 2001, SAS entered into an agreement to increase its holding in Spanair from 49 per cent to 74 per cent. The purchase sum totalled EUR 112 million, of which EUR 52 million in cash and EUR 60 million through the conversion of loans into shares. The agreement is under consideration by the European Commission.

Nordea has acquired Postgirot Bank from Posten AB.

The Riksdag has adopted the Government bill regarding the sale of the government enterprise **Svenska Lagerhus AB**.

V&S Vin & Sprit AB will form a joint venture together with the Norwegian company, Amundsen AS. Through this joint venture, all products sold by the V&S group on the Norwegian market will be marketed and distributed through Amundsen. This applies to V&S wine agents in Norway and the spirits products Absolut vodka, Aalborg Akvavit, Reimersholme and Lord Calvert.

In early October, **Telia** sold all of its shares in the US subsidiary Telia Internet, Inc. to Aleron, Inc. Through the acceptance of Eniro's public offer, Telia's entire shareholding in Scandinavia Online AB was sold on 21 December. On 28 December, Flextronics acquired 91 per cent of the Orbiant Group.

Companies with special societal interests

EARNINGS AND TURNOVER

In the fourth quarter, companies with special societal interests reported pre-tax earnings amounting to SEK 785 million (2,085). The corresponding value for the entire year was SEK 3,835 million (6,517), which corresponds to a decrease of 41 per cent. Turnover rose to SEK 22,078 million in the fourth quarter and to SEK 88,755 million for 2001, an increase of 4 per cent. The decrease in earnings can primarily be explained by the decline in profits for the Samhall, Teracom and SVE-DAB companies and the Swedish Civil Aviation Administration.

Industrial goods and services For the fourth quarter, Samhall reported a pre-tax loss of SEK 309 million and a turnover that had fallen by approximately 13 per cent. Last year, Samhall had a profit of SEK 299 million. 2001 was characterised by a gradually deepening economic slowdown and decreasing demand in several of Samhall's markets. The negative earnings trend has been restrained with the help of cost-cutting measures. For many of Samhall's employees, the decline has meant considerable overcapacity. In order to boost Samhall's earning capacity and decrease costs, an extensive action programme has been implemented. Liquidation costs and conversion costs amounting to SEK 323 million affected the year's result.

Durable goods and services Svensk Bilprovning AB reported a drop in earnings and a slight rise in turnover for 2001. The pre-tax loss for the fourth quarter amounted to SEK 32 million compared with a profit of SEK 35 million for the corresponding period last year. For

2001, the company reported a loss of SEK 101 million compared with a loss of SEK 43 million for 2000. Svensk Bilprovning AB's fees are based on full cost coverage and a breakeven result. The company's main operations comprise mandatory vehicle inspections and registration inspections of all vehicles in Sweden, which entailed that some 5,300,000 inspections were carried out in 2001. Svensk Bilprovning AB carried out 2.9 million inspections of private cars in 2001. Of these cars, 50 per cent failed inspection – 16 per cent failed without requiring a new inspection and 34 per cent failed and required reinspection.

Non-durable goods In the fourth quarter, companies in this sector reported an increase in turnover of just over 7 per cent. During the same period, earnings fell by approximately one-third, amounting to SEK 919 million. Turnover for the entire year also rose by 7 per cent while the drop in earnings for the year as a whole stopped at 5 per cent.

As in the third quarter, Svenska Spel AB increased its turnover by 12 per cent compared with the corresponding period last year. Its pre-tax earnings for the fourth quarter amounted to SEK 1,037 million (1,050). Svenska Spel AB transfers all of its profit to the central government budget and therefore pays no tax.

Apoteket AB reported a fourth quarter loss of SEK 103 million, compared with a profit of SEK 29 million for the corresponding period last year. Turnover rose in the same period by 7 per cent, to SEK 7,647 million. Loss for the full year amounted to SEK 144 million, compared with a profit of SEK 29 million for last year. Turnover increased by 6 per cent, to SEK 29,699 million.

Table 6 Turnover and net profit/loss by sector, January–December 2001, SEK m

Sector	Number of companies	Turnover Jan–Dec 2001	Turnover Jan–Dec 2000	Change	Turnover Oct–Dec 2001	Turnover ¹⁾ Oct–Dec 2000	Profit/loss before tax Jan–Dec 2001	Profit/loss before tax Jan–Dec 2000	Profit/loss before tax Oct–Dec 2001	Profit/loss before tax Oct–Dec 2000
Industrial goods and services	7	10,759	11,800	–9%	2,665	3,021	–530	375	–302	330
Transport	3	6,455	6,406	1%	289	0	–24	668	–64	0
Durable goods and services	4	1,970	1,866	6%	530	496	–113	–10	–35	55
Non-durable goods	3	63,739	59,399	7%	17,114	15,944	3,895	4,060	972	960
Finance ²⁾	3	425	845	–50%	166	431	853	577	359	390
Transport-property	3	846	505	68%	82	54	–573	–168	–4	–2
Telecom	1	1,623	1,549	5%	446	438	–411	247	–297	220
Energy	1	2,938	2,724	8%	786	816	738	768	156	132
Total	25	88,755	85,094	4%	22,078	21,200	3,835	6,517	785	2,085

¹⁾ No comparative figures for Q4 2000 have been submitted by the Swedish Maritime Administration and the Royal Swedish Opera.

²⁾ Turnover for finance companies is reported in accordance with the Act on Annual Accounts in Credit Institutions and Securities Companies (SFS 1995:1559).

For the full year 2001, Systembolaget AB reported pre-tax earnings of SEK 197 million (196). Its turnover increased in the same period by 5 per cent, to SEK 18,241 million (17,368).

Finance Venantius' pre-tax earnings for the fourth quarter rose by 58 per cent to SEK 334 million compared with the corresponding period last year. This improvement is partly due to a reversal of provisions for lending losses.

Transport The Swedish Civil Aviation Administration's pre-tax earnings for 2001 amounted to SEK 20 million, a decrease of SEK 613 million compared with 2000. In 2001, the Swedish Civil Aviation Administration invested SEK 3,224 million in the third runway at Arlanda airport, terminal projects at Arlanda and modernisation of air traffic control. An action programme has been initiated which will entail measures for a total of SEK 500 million to improve earnings. At least half of these measures are to have been implemented in 2002.

Telecom For the fourth quarter, Teracom reported a pre-tax loss of SEK 297 million compared with last year's profit of SEK 220 million. The company reported a fourth quarter turnover of SEK 446 million (438). For the entire year, Teracom reported a loss of SEK 411 million compared with last year's profit of SEK 247 million. Teracom is undergoing restructuring in order to focus on its core operations, to strengthen the company's financial position and to create a long-term, economically sound direction for the company. Teracom is also implementing a savings programme for the parent company. Teracom's focus on its core operations means that the company will keep its subsidiaries Boxer, Senda, Mobile Links and Quadracom in the long term. These companies have natural links to Teracom's core operations and comprise a complement to the parent company's operations. Other subsidiaries will be disposed of.

Energy Svenska Kraftnät's turnover dropped by 4 per cent last quarter to SEK 786 million. Pre-tax earnings for the fourth quarter fell compared with the corresponding period last year, from SEK 246 million to SEK 203 million.

CASH FLOW

For companies with special societal interests, cash flow from operating activities increased by SEK 1,662 million in 2001 to SEK 8,633 million. The improved cash flow can primarily be attributed to Venantius, whose cash flow from operating activities for 2001 increased to SEK 2,787 million, from SEK -571 million.

SIGNIFICANT EVENTS

An investment programme with the aim of modernising **Bilprovningen's** network of stations was initiated in 2001 and a project was launched with the aim of introducing a new summons and payment system.

The Riksdag has adopted the Government bill FoU och samverkan i innovationssystemet [R&D and Co-operation in the Innovation System] (2001/02:2). This means that **IRECO** will be entering a new operational phase with a clear mission to work with restructuring and strengthening of the Swedish institution sector. The Government/VINNOVA and the Foundation for Knowledge and Competence Development have decided to invest an additional SEK 400 million on enhancing the institutions' long-term competence development from 2002 to 2005.

On 16 December, the **Swedish Space Corporation** launched the Swedish research rocket Hygrosonde-2 from the Esrange facility to measure the distribution of water vapour between 20 and 90 kilometres' altitude. The rocket was launched when the Swedish research satellite, Odin, passed near Esrange. Odin is Sweden's most ambitious space research project to date.

Table 7 Gross investment and cash flow, January–December 2001, SEK m

Sector	Number of companies	Investment Jan–Dec 2001	Investment Jan–Dec 2000	Investment ratio Jan–Dec 2001	Investment Okt–Dec 2001	Investment ¹⁾ Okt–Dec 2000	Investment ratio Okt–Dec 2001	Cash flow from operating activities	Cash flow operating from activities
								Jan–Dec 2001	Jan–Dec 2000
Industrial goods and services	7	349	365	3%	135	85	5%	241	225
Transport	3	3,357	2,782	52%	51	0	18%	1,225	1,411
Durable goods and services	4	108	112	5%	63	41	12%	57	-9
Non-durable goods	3	1,283	950	2%	615	141	4%	3,287	4,939
Finance	3	80	84	19%	0	3	0%	2,791	-222
Transport-property	3	655	1,452	77%	165	126	201%	-90	-421
Telecom	1	755	697	47%	96	208	22%	-31	128
Energy	1	363	998	12%	104	167	13%	1,147	959
Total	25	6,950	7,440	8%	1,229	771	6%	8,627	7,010

¹⁾ No comparative figures for Q4 2000 have been submitted by the Swedish Maritime Administration and the Royal Swedish Opera.

To improve the capacity for electrical transmission to southern Sweden, **Svenska Kraftnät** decided to enhance the backbone network in southern Sweden by renewing a transformer substation in Blekinge. The renewed substation is to be operational in September 2003.

Samhall Informationsteknik has signed an agreement with AGA Gas AB which involves Samhall being responsible for scanning, interpreting, encoding and storing AGA Gas' incoming post.

On 7 December, **Svenska Spel** opened its second international casino, in Malmö.

THE GOVERNMENT'S MARKET PORTFOLIO

Stockholmsbörsen developed negatively in 2001 and Affärsvärlden's General Index (AFGX) fell by 16.7 per cent during the year. As of 28 December 2001, the Government's market portfolio had fallen by 7.5 per cent and outperformed

Stockholmsbörsen. In the fourth quarter, the value of the Government's market portfolio increased by 3 per cent, while Affärsvärlden's General Index (AFGX) rose by 21.5 per cent. On 28 December, the Swedish Government was the largest shareholder on Stockholmsbörsen, with a holding totalling SEK 141.4 billion. The second largest shareholder was Robur Fonder AB (74.3) followed by Alecta (70.5), Investor (62.8) and AMF Pension (44.3). On 28 December 2001, Telia's share price had fallen by 3.7 per cent, which can be compared with Handelsbanken's weighted index for eleven former European telecom monopolies, which fell by 32.7 per cent during the same period. Since its listing on the stock exchange on 28 December 2001, Telia's share price has fallen by 45 per cent, while Handelsbanken's comparative index has fallen by 60 per cent.

THE E-INDEX

The e-maturity index encompasses 17 companies administered by the Ministry of Industry, Employment and

Diagram 1 Share price performance of the Government's market portfolio compared with AFGX



Source: Carnegie

Diagram 2 E-index by sector (0–100) Q4 2000, Q1 2001, Q2 2001, Q3 2001, Q4 2001

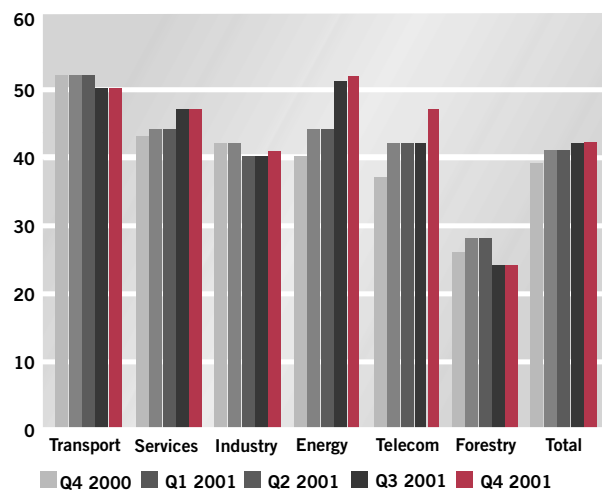


Table 8 Market value of listed Government-owned companies, 2000–2001, SEK m

Company	Government holding 28 Sep 2001	28 Dec 2001	28 Sep 2001	29 Jun 2001	30 Mar 2001	29 Dec 2000
AssiDomän AB	35.3% ¹⁾	8,838	8,721	7,595	7,023	6,385 ²⁾
Celtica AB	38.5%	80	75	80	80	62
Nordea AB	18.2%	30,082	28,185	33,605	34,147	38,754
OM Gruppen AB ³⁾	9.4%	1,103	604	1,103	1,479	1,862
SAS ⁴⁾	21.4%	2,397	1,939	3,578	3,349	3,173
Telia AB	70.6%	98,924	97,864	116,505	121,801	102,736
Total		141,424	137,387	162,466	167,879	152,973
Total excl. Telia		42,500	39,523	45,961	46,078	50,237

¹⁾ In this table, the stake in AssiDomän is reported prior to Sveaskog AB putting in a bid for the outstanding shares. On 28 December 2001, the Swedish Government, via Sveaskog, owned approximately 96 per cent of AssiDomän. AssiDomän was delisted from Stockholmsbörsen on 28 January 2002.

²⁾ Shares redeemed on 29 March 2001 have not been taken into account.

³⁾ The Government's participating interest is calculated on the basis of the number of outstanding shares in the OM Group after full conversion and exercising of subscription warrants, i.e. 84,818,818 shares.

⁴⁾ SAS AB has been a listed company since 9 July 2001.

Communications. The measurement for the fourth quarter of 2001 showed that the rate of increase regarding new initiatives for Internet solutions has slowed. It is now a matter of getting one's own organisation, customers and suppliers to utilise existing systems. For example, the proportion of sales on the Internet have increased from 5 per cent to 6 per cent. Purchases on the Internet have also increased from 3 per cent to over 4 per cent. This can be seen in the analysis despite the fact that the companies themselves view their ability to complete transactions on the Internet as unsatisfactory.

As regards staff use of the Internet, this has increased from quarter to quarter. Today, for example, over 25 per cent use an internal knowledge management system, and even more, 33 per cent, use the Internet for time and cost reporting.

EXECUTIVE AND BOARD

APPOINTMENTS AND RESIGNATIONS

Akademiska Hus AB Under-secretary of State Claes Ljung has replaced Annika Lundius on the board.

The Swedish Environmental Management Council Anna-Maria Wide, Rickard Almgren, Ulf Gunnarsson and Erik Asplund have resigned from the board and been replaced by Christina Linbäck, Inger Strömdahl, Peter Wenster and Maria Sandqvist.

Sveaskog and **AssiDomän** From 14 January 2002, the board of both companies comprises the following members: Bo Dockered (chairman), Lars Johan Cederlund, Åsa Domeij, Birgitta Johansson-Hedberg, Lena Johansson, Christina Liffner and Lena Söderberg.

AssiDomän Lars Sköld took up the post of MD on 28 December 2001.

SBAB Kerstin Grönwall, MD of KPA Fonder, has replaced Sören Ljung on the board.

FINANCIAL CALENDAR

- ▶ The annual report for 2001 will be published in May 2002.
- ▶ The interim report for Q1 2002 will be published on 27 May 2002.
- ▶ The interim report for Q2 2002 will be published on 10 September 2002.
- ▶ The interim report for Q3 2002 will be published on 25 November 2002.
- ▶ The interim report for Q4 2002 will be published on 21 March 2003.

ACCOUNTING PRINCIPLES

The report encompasses 53 of a total of 54 Government-owned enterprises, excluding liquidation companies and companies in which the Government's participating interest does not exceed 20 per cent (OM Gruppen AB, Nord-ea AB, Sydkraft Sakab and SIS Miljömärkning AB). Associated companies in which the Government's holding exceeds 20 per cent have been included according to their participating interest in terms of earnings.

Voksenåsen A/S has not submitted figures and is therefore not included in the report. No comparison figures for the corresponding period last year have been reported for the Swedish Maritime Administration and the Swedish Civil Aviation Administration, which previously submitted reports on a four-monthly basis. Norrlands Center AB, Swedish Environmental Management Council, SVEDAB and Almi Företagspartner AB have also not reported figures for the fourth quarter but are included in the figures for the full year 2001.

For property companies, rental income has been viewed as turnover.

For enterprises that receive a government grant, this grant is included in the turnover. For example, this applies to the compensation paid to Samhall to cover additional costs and to the government grants paid to the Royal Swedish Opera and the Royal Dramatic Theatre of Sweden.

Svenska Spel AB transfers all of its profit to the central government budget and therefore pays no tax.

Definitions

Profit/loss before tax	stated exclusive of minority share.
Net margin	shows the proportion of turnover after costs (before tax) have been covered – profit/loss before tax and minority share as a percentage of turnover.
Investment ratio	gross investment as a percentage of turnover.
Equity/assets ratio	shareholders' equity including minority share as a percentage of total assets.

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The Government is the largest owner of enterprises in Sweden. More than 200,000 people are employed in Government-owned enterprises. The sector harbours substantial wealth and includes some of Sweden's largest companies. Accordingly, the Government has an important responsibility to be an active and professional owner. The overall objective for the Government is for the companies to create wealth and, where relevant, to serve specific societal interests. The quarterly interim reports are a tool for increasing the transparency of Government-owned enterprises.

Previous interim reports and annual reports are available in Swedish on:
www.naring.regeringen.se/fragor/statliga_foretag

Also available in English on:
www.naring.regeringen.se/inenglish/areas_of/state_owned/index.htm



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