

Quarterly Interim Report for Government-owned Companies

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30 May 2001

- ▶▶ Earnings before tax fell by 49 per cent primarily due to substantial non-recurring items for SJ and Telia AB last year
- ▶▶ Listed holdings performed strongly
- ▶▶ Akademiska Hus AB and V&S Vin & Sprit AB involved in strategic acquisitions



Government-owned companies noted a fall in pre-tax profit of 49 per cent to SEK 5.9 billion during the first quarter of 2001, compared with the same quarter last year. This was mainly attributable to substantial non-recurring items in last year's accounts for Telia AB and SJ (Swedish Rail). During the first quarter, Akademiska Hus AB carried out its largest real estate acquisition to date, and V&S Vin & Sprit AB created a new, global distribution network for its international products.

An active quarter for Government-owned companies

Profit for Government-owned companies before tax and appropriations fell by 49 per cent to SEK 5,934 million during the first quarter of 2001, from SEK 11,737 million in the same quarter of 2000. This was mainly due to non-recurring items totalling approximately SEK 4,395 million in last year's accounts for Telia AB and the former public service company, SJ (Swedish Rail). Turnover rose by 8 per cent to SEK 61,197 million during the same period.

At the same time, the Government's holdings in listed companies have developed favourably. An index for the Government's listed holdings rose by 10 per cent during the quarter, largely thanks to the strong performance of the Telia share, which climbed 19 per cent during the period. This can be compared with Affärsvärlden's General Index (AFGX), which fell by 18 per cent during the quarter. During the same period, Handelsbanken's European PTO weighted index of eleven former European telephone monopolies fell by 13 per cent.

Significant business events during the quarter include the creation of a new, global distribution network for V&S Vin & Sprit AB's international products. This network is the result of a joint venture between V&S Vin & Sprit AB, the alcoholic beverages company Jim Beam and the distribution company Maxxium. V&S will also acquire 10 per cent of the shares in Jim Beam Brands. AssiDomän is continuing its transformation into a focused forest-owning company through the sale of AssiDomän Corrugated & Containerboard to Kappa Alpha Holdings. Telia AB is also continuing to streamline its operations by selling its holdings in the Brazilian mobile operator Tess S.A.

Work continues at the Government Offices on increasing the transparency of Government-owned companies and rendering their accounting records as clear, fair and correct as possible. From this interim report onwards, the aggregated figures will be adjusted to

reflect the proportion of the Government's holding in part-owned companies. A consolidated income statement and balance sheet will also be presented in the forthcoming annual report for Government-owned companies.

The next quarterly report will be published on 10 September.

Sector analysis of earnings and turnover

Base industry Profit for LKAB after financial items fell from SEK 152 million in the first quarter of 2000 to SEK 24 million in the first quarter of this year. Volumes declined and financial income/expenses fell from SEK +40 million to SEK -25 million, mainly as a result of lower returns on shares. Iron ore prices have risen by around 4 per cent this year. Cash flow declined from a positive flow of SEK 177 million to a negative flow of around SEK -87 million. World production of raw steel reached a record of approximately 846 million tonnes last year. However, several steel producers are now warning that production is about to drop from this high level. It is difficult to estimate the company's deliveries of iron ore for the rest of the year.

Energy During the quarter, Vattenfall increased its earnings after financial items by 17 per cent to SEK 2,814 million compared with the same period last year. At the same time, cash flow from current operations rose from SEK 2,053 million to SEK 3,022 million. The consolidation of the energy sector continues. In April, Germany's biggest power company, E.ON, acquired Powergen, England's third largest energy producer, for a sum of approximately SEK 140 billion. After the close of the period, Vattenfall has also reached an agreement with the American energy company Mirant on the future ownership structure of Bewag AG.

The Swedish National Grid increased its pre-tax profit

for the quarter by 17 per cent to SEK 266 million compared with the same period last year. At the same time, cash flow from current operations rose from SEK 84 million to SEK 275 million. The Swedish National Grid, which has been commissioned by the Government to roll out a national optical fibre backbone network, has not connected any additional municipalities since the start of 2001 as work on rolling out optical fibre cables along power lines is mainly carried out during the frost-free months. The Porjus-Grundfors stretch is estimated to be complete by the end of May, and the Kista-Haparanda stretch is expected to be operational in July. Electricity consumption reached an all-time high on 5 February, with a consumption of 27,000 MW between 8 a.m. and 10 a.m.

Non-durable goods (of special public interest) Apoteket AB (Swedish National Pharmacy Corporation) has the sole right to the sale of pharmaceuticals to the general public and is responsible for the satisfactory provision of pharmaceuticals at minimum cost. The corporation reported a loss of SEK 43 million after financial expenses. This represents an increase on last quarter's loss of SEK 26 million. Costs rose by 6 per cent during the quarter to SEK 7,432 million compared with the same period last year.

Systembolaget AB has a monopoly on the retailing of spirits, wine and strong beer. The societal goals of the

company are to be achieved at the lowest cost possible. Systembolaget's sales and earnings are approximately at the same level as last year. Costs were more or less unchanged during the quarter compared with the same period in 2000.

For AB Svenska Spel, which has a near-monopoly in the Swedish gaming market, profit for the first quarter of 2001 amounted to SEK 984 million, which was up 1 per cent on the same quarter last year.

Transport SJ AB (Swedish Rail) posted a pre-tax profit of SEK 19 million. This represents a decline compared with the profit of SEK 69 million recorded during the same period last year. The figures are pro forma since SJ was converted into several limited companies at the beginning of the year. The fall in profit is mainly due to a 20 per cent rise in costs. Mainly due to the closure of loss making operations Green Cargo AB replaced the last year's first quarter loss with a pre-tax profit of SEK 13 million.

Posten AB (Sweden Post) reported a profit after financial items of SEK 155 million, compared with SEK 400 million during the same period last year. Excluding Postgirot, Sweden Post made a loss of SEK 29 million, compared with a profit of SEK 174 million last year. The poorer result is due to increased costs for the development of new services. Cash flow for Sweden Post, excluding Postgirot, is negative. The equity/assets ratio for the Group was 0.9 per cent on 31 March. Pending a decision

Table 1 Government-owned companies by sector, January – March 2001, SEK million

Sector	Number of companies	Turnover, Q1 2001	Change in turnover	Profit/loss before tax, Q1 2001	Profit/loss before tax, Q1 2000	Net margin, Q1 2001 ¹
Base industry	4	1,321	-9%	298	390	4%
Industrial goods and services	9	3,360	-5%	-22	1	-1%
Transport ²	8	10,622	3%	-231	2,589	-3%
Durable goods and services	5	484	1%	-33	-28	-7%
Non-durable goods	4	16,392	6%	1,348	1,346	8%
Finance ³	7	590	23%	582	926	99%
Real estate	5	1,994	10%	457	403	23%
Transport-property	2	53	42%	1	2	2%
Telecom ⁴	3	14,105	6%	460	3,471	3%
Energy	2	12,276	26%	3,074	2,637	25%
Total	49	61,197	8%	5,934	11,737	9%

¹ In the calculation of net margins, shares in the profits of directly-owned associated companies have not been taken into account.

² As comparison data, the former public service corporation SJ (Swedish Rail) is used for the companies SJ, Green Cargo and Swedcarrier in Q1 2000. In Q1 2000, SJ received SEK 1,900 million in compensation for SL.

³ Telia reported capital gains of SEK 2,495 million in the first quarter of last year.

⁴ Turnover for finance companies is reported in accordance with the Act on Annual Accounts in Credit Institutions and Securities Companies.

on Government compensation for its over-the-counter service, Sweden Post has made a balance sheet provision for estimated future deficits of SEK 2,353 million from over-the-counter service in its new structure.

Industrial goods and services Lernia AB reported a pre-tax profit of SEK 15 million. This can be compared with a loss of SEK 40 million in the first quarter of 2000. The improvement was due to higher sales and reduced costs. However, cash flow was negative at SEK –62 million, compared with a positive cash flow of SEK 23 million last year.

Real estate For Vasakronan AB, profit after financial items for the first quarter of 2001 was up 58 per cent on the same period last year, partly due to a 16 per cent rise in rental income. At the same time, cash flow from current operations was SEK –128 million, compared with a positive cash flow of SEK 84 million last year. This discrepancy is due to an increase in current liabilities, primarily rent receivables and VAT recoverable.

Accounting principles

This report encompasses 49 of a total of 59 Government-owned enterprises, excluding liquidation companies. The report does not include OM Gruppen AB, Nordea AB, SAKAB and SIS Miljömärkning AB, since

the Government's participating interest in these companies does not exceed 20 per cent. No figures have been submitted by A/O Dom Shvetsii, Norrland Center AB, AB Svenska Miljöstyrningsrådet and SVEDAB. The Swedish Civil Aviation Administration submits reports on a four-monthly basis. In addition, the report does not encompass the holding company Civitas Holding AB. However, Civita's subsidiaries Vasakronan AB and Vasallen AB have been included. Part-owned companies have been included according to their participating interest in terms of profit, turnover, investment and cash flow. Companies in which the Government's participating interest is less than 20 per cent have not been included.

For property companies, rental income has been viewed as turnover. For finance companies, turnover has been defined as the net sum of net interest income/expense, commission and other income.

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 grant paid to the Royal Dramatic Theatre of Sweden. Svenska Spel is exempt from tax.

When interpreting the tables, please note that companies operating under market conditions and companies with special public interests have both been included.

Table 2 Investment (including company acquisitions and divestments) by Government-owned companies by sector, 2001, SEK million

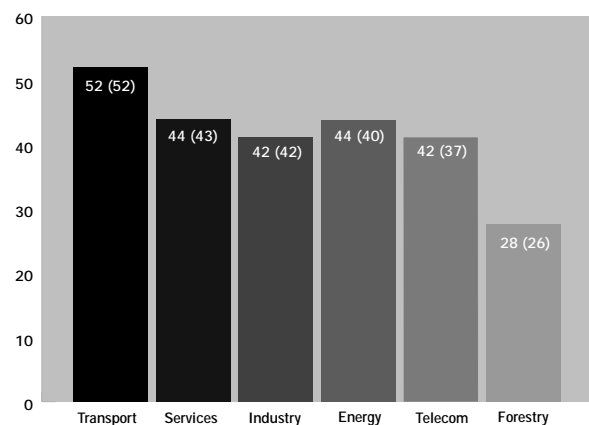
Sector	Number of companies	Investment, Q1 2001 ¹	Investment, Q1 2000	Investment ratio, Q1 2001	Investment ratio, Q1 2000
Base industry	4	243	158	18%	11%
Industrial goods and services	9	103	91	3%	3%
Transport ²	8	6,020	573	57%	6%
Durable goods and services	5	12	9	3%	2%
Non-durable goods	4	196	256	1%	2%
Finance ³	7	82	557	14%	116%
Real estate	5	1,059	1,002	53%	55%
Transport-property	2	95	51	179%	137%
Telecom	3	3,757	4,684	27%	35%
Energy	2	5,143	4,520	42%	46%
Total	49	16,710	11,901	27%	21%

¹ The transport sector includes Swedcarrier's acquisition of properties from the former public service corporation SJ for approximately SEK 5.3 billion.

² As comparison data, the former public service corporation SJ (Swedish Rail) is used for the companies SJ, Green Cargo and Swedcarrier in Q1 2000. In Q1 2000, SJ received SEK 1,900 million in compensation for SL.

³ Turnover for finance companies is reported in accordance with the Act on Annual Accounts in Credit Institutions and Securities Companies.

Diagram 1 e-index by sector (0-100)



e-index

The index, which encompasses 17 companies administered by the Ministry of Industry, Employment and Communications, measured 41 during the first quarter of 2001. This is an increase from when the first measurement was recorded in the fourth quarter of 2000, when the index stood at 39. This means that companies have implemented different Internet-based systems which can provide overall cost savings of 41 per cent of the maximum potential cost saving. The estimated total saving for these companies is around 20 per cent of their total costs, i.e. approximately SEK 28 billion.

The rise in the index is mainly due to an increased

awareness among companies regarding the need to continually monitor and systematically follow-up their investments in technology. This increases companies' chances of actually achieving the savings potential. For example, more companies now intend to undertake systematic financial evaluations of web activities. Companies' expectations with regard to cost savings have risen markedly since the fourth quarter of 2000, and a limited increase in online purchases has been noted. However, problems persist in the form of too few customers and suppliers connecting to the new systems and using them.

The e-maturity index encompasses 17 companies in five sectors. The index covers four areas: customer relations, production and supplier contacts, internal administration and financial reporting, and overall issues relating to, among other things, attitudes and organisational support for IT-usage in the company.

Listed holdings

The Government's market portfolio, which comprises just over one-third of the value of the state's entire corporate portfolio, was worth SEK 170 billion on 30 March 2001. This is 10 per cent more than on 31 December 2000. On 3 May 2001, the value of the portfolio had risen by a further 10 per cent to SEK 186 billion. The Swedish Government was therefore the Stockholm Stock Exchange's largest owner, with 5 per cent of

Table 3 Cash flow and balance sheet total for Government-owned companies by sector, 2001, SEK million

Sector	Number of companies	Cash flow from current operations, Q1 2001	Cash flow from current operations, Q1 2000	Shareholders' equity, 31 March, 2001	Balance sheet total, 31 March 2001
Base industry	4	196	305	17,068	20,977
Industrial goods and services	9	-236	166	6,621	10,600
Transport	8	532	993	10,503	123,499
Durable goods and services	5	695	-33	220	962
Non-durable goods	4	1,154	920	11,224	21,416
Finance	7	-8,285	-7,756	15,132	358,092
Real estate	5	650	243	18,260	55,141
Transport-property	2	-22	-148	28	6,614
Telecom	3	436	1,783	42,650	131,195
Energy	2	3,297	2,137	44,822	126,959
Total	49	-1,583	-1,390	166,528	855,455

the total market value. Its shareholding in Telia AB comprises almost three-quarters of the Government's market portfolio.

The 21st of May this year, the Government's portfolio of listed companies with state ownership has clearly outperformed the Stockholm Stock Exchange as a whole. All holdings apart from Nordea and OM Gruppen have risen significantly, while Affärsvärlden's General Index (AFGX) has dropped by 6 per cent.

If a 12-month comparison (31 March 2000 – 30 March 2001) is made instead, a weighted index for the Government's shareholdings would have fallen by 14 per cent, compared with a fall of 37 per cent in Affärsvärlden's General Index (AFGX). Discounting Telia AB (quoted on the Stock Exchange in June 2000), the remaining companies in the Government's market portfolio were winners on the stock exchange. An index for the Government's shareholdings excluding Telia rose by 35 per cent during this 12-month period.

The most favourable price trend in 2001 is reported by Telia AB. Shares in Telia AB have risen by 31 per cent by the 21st May. Handelsbanken's European PTO weighted index for eleven former telecom monopolies fell by 10 per cent during the same period. On 21 May 2001, the Telia share price was 25 per cent below the issue price on 14 June 2000. For several telecom companies, share prices have fallen by between half and two thirds since June 2000. The greatest fall affected the Dutch company KPN, whose shares have dropped by 75 per cent. Share prices for both Deutsche Telekom and France Telecom have fallen by 62 per cent and 58 per cent respectively during the period. Only three of the eleven telecom companies have performed better than Telia.

AssiDomän AB AssiDomän reported a 22 per cent rise in profit after financial items during the quarter to SEK 690 million, compared with SEK 565 in the first quarter of last year. The company has divested various operations as part of its streamlining process. During the quarter, operating profit for the remaining business units fell by 25 per cent to SEK 211 million compared with same period last year. At the same time, the cash flow declined to a total of SEK –180 million, compared with a positive cash flow totalling SEK 517 million in the same quarter of 2000. During the quarter, the company continued its transformation into a focused forest-owning company through the sale of AssiDomän Corrugated & Containerboard to Kappa Alpha Holdings.

Nordea AB Operating profit fell by 25 per cent to EUR 555 million during the quarter, compared with EUR 729 million in the same period in 2000. This decline was partly due to lower returns on capital. At the end of March, approximately 2.3 million customers were registered for the Group's Internet banking service, and the number of log-ins to the Internet bank has risen by 12 per cent since the beginning of the year.

OM Gruppen AB Operating profit fell from SEK 278 million in the first quarter of 2000 to SEK 15 million during the first quarter of 2001. This was partly attributable to higher costs for Jiway and to an increase in the number of employees. On 3 April, the OM Stockholm Exchange changed its name to Stockholmsbörsen. Kerstin Hessius has been appointed the new President of Stockholmsbörsen and will take up her post on 6 August of this year. Kerstin Hessius was formerly a member of the Executive Board of the Riksbank.

Table 4 Market value of listed Government-owned companies at the close of each quarter 2000-2001, SEK million

Company	Government holding,				
	21 May 2001	21 May 2001	30 March 2001	29 December 2000	31 March 2000
AssiDomän AB	35.5	10,292	8,779	7,981	6,007
Celtica AB	38.5	76	80	62	60
Nordea AB	18.2	34,147	34,147	38,754	24,933
OM Gruppen AB ¹	9.42	1,627	1,479	1,862	2,309
SAS Sverige AB	50.0 (21.4 ²)	3,895	3,349	3,173	2,556
Telia AB	70.6	134,511	121,801	102,736	-
Total		184,547	169,635	154,569	35,864
Total exc. Telia		50,036	47,834	51,832	35,864

¹ The Government's participating interest is calculated on the basis of the number of outstanding shares in OM Gruppen after full conversion and exercise of subscription warrants, i.e. 84,818,818 shares.

² Shareholding in the SAS Group

SAS Group The SAS Group posted a marked improvement in its result. Earnings before tax amounted to a profit of SEK 22 million, compared with a loss of SEK 303 million in the same period last year. Factors contributing to this improvement include strong growth in the number of Business Class passengers as well as certain price adjustments. Earnings before tax and excluding capital gains are expected to be considerably higher this year than in 2000. After the close of the quarter, the governments in Norway, Sweden and Denmark submitted a proposal to create a single SAS share in place of the three separate shares that exist today. Each share in the parent companies will entitle the holder to one newly issued share in SAS AB. The ownership stakes of the three governments will not be affected by this change. The SAS subsidiaries Scandinavian IT Group (SIG) and Compaq will jointly form a company for mobile IT solutions for the airline and travel industry. From 1 April onwards, SAS Cargo will be made an independent limited company. At the same time, the board issued the management with a mandate to initiate negotiations with Lufthansa on a commercial partnership and minority share in the company. The intention is to create an optimum platform for the company to continue to be competitive in a market that is very strongly based on volumes.

Telia AB Telia's underlying operating margin, EBITDA excluding items affecting comparability and profit/loss from associated companies, amounted to SEK 3,348 million, representing a 2.7 per cent increase on the first quarter

of last year. The improvement is partly due to the acquisition of NetCom and improved earnings from Swedish mobile communications operations. From this autumn, it will be possible for Telia's customers in Norway to phone anywhere in the Nordic region with a unified price plan. This will make Telia the first company to introduce a pan-Nordic mobile service. The service will primarily be offered to customers in the Norwegian market via Telia's Norwegian subsidiary NetCom ASA. The launch of the pan-Nordic service is a step in Telia's Nordic strategy. Telia and Tele2 have signed a partnership agreement for a joint network company for the roll-out of UMTS. The new company will be called Svenska UMTS-nät AB. Chairman of the Board will be Bo Jacobsson from Telia and the President will be Henrik Ringmar from Tele2.

Significant events in unlisted companies during the first quarter and subsequent to its close

LKAB AB The company has signed an agreement with Stahlwerke Bremen on the annual delivery of approximately 2 million tonnes of pellets and around 0.5 million tonnes of sinter fines between 2001-2003. The order is worth approximately SEK 2 billion.

Table 5 Share price performance for listed Government-owned companies, 30 December 1999 – 21 May 2001

Company	Closing price 21 May 2001	Closing price 30 March 2001	Closing price 29 Dec 2000	Closing price 31 March 2000	Change Q1	Change, 12 months, 30/ 99-29/12 00	Change this year, 29/12 00–21/5 01
AssiDomän AB	245.00	209.00	190.00	143.00	10	14	29
Celtica AB	70.50	75.00	58.00	56.00	29	29	22
Nordea AB	63.00	63.00	71.50	46.00	-12	43	-12
OM Gruppen AB	203.50	185.00	233.00	360.00	-21	23	-13
SAS Sverige AB	110.50	95.00	90.00	72.50	6	18	23
Telia AB	63.50	57.50	48.50		19		31
Eniro AB	116	108.00	95.00		14		22
Government corporate portfolio inc. Telia*	134	131	142	97	-8	42	-3
Government corporate portfolio inc. Telia*	91	84	76	97	10	-24	19
Affärsvärlden's General Index * (AFGX)	83	72	88	114	-18	-12	-6

* Index figure on 30 Dec 1999=100

Posten AB (Sweden Post) Posten AB and Bankgirocentralen BGC AB have signed an expression of intent to jointly set up a new company for the operation and development of Public Key Infrastructure (PKI). Via its subsidiary Hultberg Inrikes Transporter AB (HIT AB), Sweden Post has set up a joint venture company together with Roadnet Finland OY. The new company will offer comprehensive transport solutions to Finnish customers and will function as a node in HIT's Nordic network. Finnish Roadnet has a turnover of SEK 1.5 billion, employs 1,700 people and owns 1,500 vehicles.

Pending a decision on Government compensation for its over-the-counter service, Sweden Post has made a balance sheet provision for estimated future deficits of SEK 2,353 million from the reduction in the over-the-counter service in its new structure.

Teracom Teracom is co-operating with the power companies Birka, Sydkraft, Svenska Kraftnät and Vattenfall on the roll-out of infrastructure for third-generation mobile communications (UMTS). More than ten thousand UMTS base stations will be constructed throughout Sweden. These five companies will jointly become a very strong and reliable player in terms of offering total solutions, resources and expertise in the field of transmission.

V&S Vin & Sprit AB A new, global distribution network for V&S' international products – primarily ABSOLUT – is the result of a joint venture between V&S Vin & Sprit AB, the alcoholic beverage company Jim Beam and the distribution company Maxxium. V&S is co-operating with Jim Beam Brands to set up a jointly owned distribution company for the US market, in addition to becoming a partner in Maxxium for distribution in other markets. Furthermore, V&S will acquire 10 per cent of the shares in Jim Beam Brands. The new distribution network will give V&S greater independence and control over its entire value chain.

Vattenfall AB The company is now in agreement with Sydkraft and E.ON on the wording of the definitive agreement governing the acquisition of Hamburgische Electricitäts-Werke (HEW). The deal entails Vattenfall taking over more than 37 per cent of the shares in HEW, resulting in a majority shareholding of 71.3 per cent. HEW is the fifth largest power group in Germany with around one million customers, turnover of more than SEK 20 billion and almost 7,000 employees. In addition, a settlement has also been finalised on the future ownership structure of the Berlin-based power company Bewag AG. The agreement between Vattenfall, Mirant and HEW has been approved by political representatives in Berlin.

Company acquisitions and divestments

Akademiska Hus AB Akademiska Hus has acquired two of Electrum's buildings in Kista from Stockholms Stads-hus AB. The purchase sum amounted to SEK 925 million and the acquisition covers a total area of 75,000 square meters, making it the largest single deal undertaken by Akademiska Hus to date.

AssiDomän AB During the quarter, the company continued its transformation into a focused forest-owning company through the sale of AssiDomän Corrugated & Containerboard to Kappa Alpha Holdings. The operations were formally taken over from 1 January 2001. The capital gain that the deal has generated for AssiDomän is estimated at SEK 1,570 million, plus positive tax effects of approximately SEK 300 million. In all, the transaction is expected to generate a positive effect on the result for 2001 of around SEK 1,870 million, corresponding to SEK 19.70 per share. Most AssiDomän products are expected to show a continued relatively stable development, although growth in demand during the rest of the year is predicted to be lower than in 2000.

Grängesbergs Gruvor AB The company was taken over by Ludvika Municipality in January 2001.

Telia AB After the close of the quarter, the Italian catalogue company Seat Pagine Gialle submitted a public offer for Telia's subsidiary Eniro. Eniro's shareholders are being offered 12.25 newly issued shares in Seat in exchange for each Eniro share. On 20 April, registered shareholders in Eniro were also offered the option to sell up to 1,000 Eniro shares at a cash price of SEK 164 per share. Telia has now completed the sale of its shareholding in the Brazilian mobile operator Tess S.A. to Telecom Americas for a purchase sum of just over SEK 9 billion. Telia's participation corresponded to approximately 62 per cent, including the indirect holding via Telia Overseas AB. Telia AB has also sold the Polish catalogue company Panorama Polska to Eniro AB for a total purchase sum of SEK 1,168 million.

Vasakronan AB The company has purchased four properties in Stockholm, Gothenburg and Malmö from Skanska. Vasakronan has also acquired the Bremen 3 property (formerly the Philips building) from Birka Energi for a purchase sum of SEK 470 million.

V&S Vin & Sprit AB V&S is to acquire a 25 per cent equity stake in the European distribution company Maxxi-

um, establish a jointly owned distribution company together with Jim Beam Brands for the US market and acquire 10 per cent of the shares in Jim Beam Brands.

Vin & Sprit intends to acquire the Finnish beverages company Marli Group with primarily wine operations in Finland, Denmark and Sweden. The acquisition will take place in two phases – approximately one third of the shares are currently being taken over from a number of minority shareholders, while the remaining shares will be acquired next year from the principal owner Oy Rettig AB and from the remaining shareholders. In terms of volume, the new acquisition will add approximately 40 million litres to the more than 130 million litres sold by V&S in 2000.

Executive and Board appointments

Akademiska Hus AB At the Annual General Meeting held on 23 March 2001, Veronica Rundqvist was elected to the board.

Apoteket AB Three new board members were appointed at the Annual General Meeting of Apoteket AB held on 18 April 2001. These are Barbro Carlsson, Eva Eriksson and Mikael Sjöberg.

IRECO Holding AB At the Annual General Meeting held on 10 April 2001, the new IVA Manager Lena Torell was elected to the board.

LKAB At the Annual General Meeting held on 2 May 2001, Egil M. Ullebø from the Norwegian Orkla Group was elected to the board. Christer Berggren of the Ministry of Industry, Employment and Communications was elected as deputy member.

Swedish Civil Aviation Administration (LFV) The Government has appointed Jan Danielsson as the Acting Director General of the Swedish Civil Aviation Administration during the period 1 April to 31 July 2001. Lars Rekke has been appointed the new Director General from 1 August onwards.

Nordea AB Thorleif Krarup has been appointed the new President of Nordea. He took up his duties on 1 January 2001. The former President Hans Dalborg has been appointed Deputy Chairman.

Posten AB (Sweden Post) Five new members were elec-

ted to the board at the Annual General Meeting held on 26 April. The new members are Curt Malmberg, Jonas Iversen, Jan Kvarnström and Ulla Litzén. Alf Mellström (SEKO) has been appointed the new employee representative.

SAS Group SAS AB appointed a new board of directors on 19 April 2001. The new Chairman is Harald Norvik. Members are Bo Berggren (Deputy Chairman), Erik Sørensen (Deputy Chairman), Bjørn Eidem, Anders Eldrup and Urban Jansson. It is also intended that Ulla Gröntvedt, Ingvar Lilletun and Helmuth Jacobsen will sit on the board as employee representatives. Jørgen Lindegaard has been appointed the new President and CEO of SAS AB. Jørgen Lindegaard is also President of the three owner companies.

Statens Bostadsfinansieringsaktiebolag (SBAB) Jan Berg was elected to the board at the Annual General Meeting held on 28 March 2001.

Svenska Lagerhus AB At the Annual General Meeting held on 19 April 2001, Reinhold Geijer and Maria Sedolin were elected as new members of the board. Reinhold Geifer was also elected as the new Chairman.

Svenska Skogsplantor AB Lena Söderberg was elected the new Chairman at the Annual General Meeting held on 18 April 2001. Two new members, Lars Leonardsson and Lisa Sennerby Forsse, were also elected to the board.

AB Svenska Spel Lars-Åke Lagrell was elected as a new board member at the Annual General Meeting held on 26 April 2001.

Telia AB At the Annual General Meeting held on 10 May, four new members were appointed to the board of Telia. These are Peter Augustsson, Marianne Nivert, Lars Olofsson and Caroline Sundewall.

Vattenfall Dag Klackenbergh was elected the new Chairman of Vattenfall at the Annual General Meeting held on 26 April. He will replace Gerhard Larsson. CEO Lars G. Josefsson was elected to the board together with two other new members, Peter Fallenius and Annette Brodin Rampe.

Vasallen AB Lena Hedlund, Lars Jonsson and Agneta Rodosi were elected as new board members at the Annual General Meeting held on 7 May 2001.

V&S Vin & Sprit AB At the Annual General Meeting held on 17 April 2001, Pär Nuder was elected to the board.

Dividends

The total dividend payable to the Government fell from SEK 21,872 for 1999 to SEK 10,140 million for the

financial year 2000. However, the dividend for 1999 includes SEK 11,400 million in dividends from Stattum relating to the sale of shares in Pharmacia Upjohn.

Dividend in Government-owned companies, SEK million

Company	Dividend for 2000	Government's share of dividend	Dividend for 2000	Government's share of dividend
Nordea AB* (18.2 %)	5,965	1,084	3,659	949
Svenska Spel, AB ¹	3,871	3,561	3,739	3,563
Telia AB* (70.6 %)	1,501	1,060	1,470	1,470
Vattenfall AB	1,500	1,500	1,500	1,500
AssiDomän AB* ² (35.5 %)	619	200	710	230
SAS Group* ³ (21.4 %)	770	158	658	141
Swedish National Grid (public service company)	496	496	814	814
Vin & Sprit AB, V&S	455	455	230	230
OM Gruppen AB (9.42 %) ⁶	504	48	419	32
Svensk Exportkredit, AB (64.7%)	401	259	1,725 ⁴	225
Luossavaara-Kiirunavaara AB, LKAB	231	231	231	231
Akademiska Hus AB	200	200	600	600
Civitas Holding AB	173 ⁵	173 ⁵	164	164
Specialfastigheter Sverige AB	116	116	60	60
Statens Bostadsfinansieringsaktiebolag, SBAB	103	103	89	89
Apoteket AB	100	100	100	100
Systembolaget AB	80	80	50	50
Swedish Maritime Administration	8	8	0	0
SOS Alarm Sverige AB (50 %)	8	4	7	3
Kasernen Fastighets AB	3	3	2	2
Svenska Skogsplantor AB	1	1	3	3
Stattum, Förvaltningsaktiebolaget	300	300	11,400	11,400
Swedish Space Corporation	0	0	9	9
Svenska Lagerhusaktiebolaget	0	0	7	7
Total	17,405	10,140	27,646	21,872

22 companies paid dividends in 2000, compared with 23 in 1999.

* Listed company

¹ Profits from Svenska Spel are distributed in full. A small proportion is paid as grants to the Swedish Sports Confederation and the Swedish National Board for Youth Affairs, and the rest goes to the Government.

² The Government's stake in AssiDomän is 8.9 per cent owned via Förvaltningsaktiebolaget Stattum. SEK 24 million and SEK 22 million respectively are therefore not included in the total dividend.

³ Dividend for the SAS Group paid via SAS Sverige AB.

⁴ The dividend for 1999 was SEK 1,500 million for holders of B shares, i.e. the banks. The dividend on the Government's 50 per cent shareholding was SEK 225 million.

⁵ In addition, it has been proposed to distribute profits from Vasallen AB among the shareholders in 2001, at a value of SEK 2.3 billion.

⁶ The Government's participating interest is calculated on the basis of the number of outstanding shares in OM Gruppen after full conversion and exercise of subscription warrants, i.e. 84,818,818 shares.

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 value and, where relevant, to serve specific social interests. The quarterly interim reports are a tool for increasing the transparency of Government-owned enterprises.

Previous reports and annual reports are available on:
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REGERINGSKANSLIET

**Ministry of Industry,
Employment and Communications**

103 33 Stockholm

www.naring.regeringen.se