

Interim report for state-owned  
companies January–December 2007



*The Swedish state is an important company owner in Sweden. The Swedish Government Offices administer 54 companies, of which 40 are wholly owned and 14 partly owned. Three companies are listed on the stock exchange. These companies represent substantial values and are large employers. Furthermore, they are the common property of all Swedish taxpayers. The state therefore has a great responsibility to be an active and professional owner. The Government's overall objective is for the companies to create value and, in appropriate cases, to ensure that societal interests are fulfilled.*

*The Government Offices interim reports for state-owned companies aim at contributing to transparency and the assessment of state-owned companies. The Government also publishes an annual report for state-owned companies with a view to providing an integrated and clear picture of its administration of the state-owned companies and to make it possible to evaluate the development of this administration during the year.*

# Interim report for state-owned companies January–December 2007

## The period January–December 2007

- Turnover increased by 7 per cent to SEK 336.4 (314.5) billion.
- Profit before tax decreased by 7 per cent to SEK 62.4 (67.0) billion.
- Net profit decreased by 4 per cent to SEK 52.9 (55.4) billion.
- Gross investments increased by 5 per cent to SEK 36.8 (35.1) billion.
- On 3 May, the state sold around 360 million shares in TeliaSonera for around SEK 18 billion.
- On 20 June, the Swedish parliament, the Riksdag, adopted the Government Bill Sale of Certain State-owned Companies.
- The value of the state's listed portfolio decreased by 7 per cent during 2007 from SEK 173.9 billion to SEK 162.0 billion, mainly due to sales of shares.
- Changed accounting principles and sale of shares in TeliaSonera have affected the consolidated accounts.
- Company dividends are expected to amount to SEK 30.6 (37.1) billion.

## The fourth quarter of 2007

- Turnover increased by 2 per cent to SEK 89.9 (88.0) billion.
- Profit before tax decreased by 30 per cent to SEK 12.8 (18.3) billion.
- Net profit decreased by 39 per cent to SEK 10.6 (17.6) billion.
- Gross investments increased by 14 per cent to SEK 12.6 (11.1) billion.
- The Government adopted new guidelines for reporting with expanded information requirements for sustainability reporting.

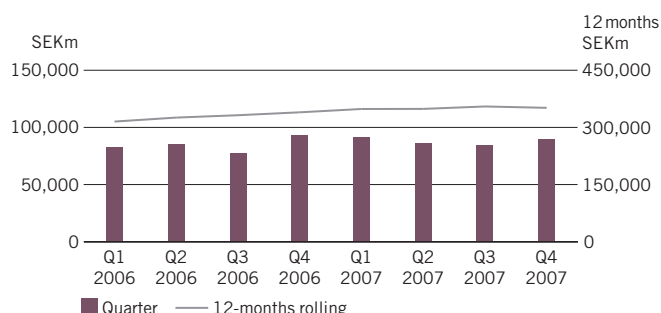
## After the end of the period covered by the report

- On 31 January 2008, the Government decided to accept Borse Dubai's public all-cash offer to all shareholders of OMX to acquire shares in OMX at SEK 265 per share. Acceptance of the offer was made to Borse Dubai on 12 February and the state accordingly received SEK 2,118 million as payment for its shares in OMX on 22 February.

## STATE-OWNED COMPANIES, TOTAL

| SEK million   | Oct–Dec<br>2007 | Oct–Dec<br>2006 | Change,<br>% | Jan–Dec<br>2007 | Jan–Dec<br>2006 | Change,<br>% |
|---|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| Net turnover  | 89,924          | 87,995          | 2            | 336,404         | 314,509         | 7            |
| Net turnover, including associated companies                  | 102,218         | 101,368         | 1            | 385,562         | 368,645         | 5            |
| Changes in value  | 1,019           | 4,406           | -77          | 5,444           | 6,874           | -21          |
| Operating profit  | 15,795          | 19,245          | -18          | 68,789          | 70,997          | -3           |
| Profit before tax   | 12,789          | 18,345          | -30          | 62,378          | 67,044          | -7           |
| Profit from wound-up operations                               | -3              | 31              | -110         | 706             | 1,217           | -42          |
| Net profit  | 10,661          | 17,574          | -39          | 52,902          | 55,387          | -4           |
| – Attributable to shareholders in parent company              | 10,759          | 17,258          | -38          | 51,898          | 54,181          | -4           |
| – Attributable to minority interests                          | -98             | 316             | -131         | 1,004           | 1,206           | -17          |
| Gross investments   | 12,612          | 11,082          | 14           | 36,764          | 35,056          | 5            |
| Cash flow from operating activities                           | 194             | 17,104          | -99          | 25,800          | 28,606          | -10          |
|   |                 |                 |              | Jan–Dec<br>2007 | Jan–Dec<br>2006 |              |
| SEK million   |                 |                 |              |                 |                 |              |
| Equity capital attributable to shareholders in parent company |                 |                 |              | 324,483         | 309,183         |              |
| Equity capital attributable to minority interests             |                 |                 |              | 13,176          | 11,751          |              |
| Total shareholders' equity                                    |                 |                 |              | 337,659         | 320,934         |              |
| Total assets  |                 |                 |              | 1,233,621       | 1,138,489       |              |
| Average no. of employees                                      |                 |                 |              | 124,942         | 127,454         |              |
| Average no. of employees, including associated companies      |                 |                 |              | 176,130         | 177,112         |              |
| %   |                 |                 |              | 2007            | 2006            |              |
| Return on equity  |                 |                 |              | 16.4            | 18.5            |              |
| Equity/assets ratio   |                 |                 |              | 23.9            | 23.7            |              |



**TURNOVER****TURNOVER**

Turnover for state-owned companies increased by 7 per cent from SEK 314.5 billion to SEK 336.4 billion during 2007. Vattenfall accounted for 36 per cent of the increase in turnover and 43 per cent of the total turnover of the state-owned companies. Posten, LKAB and Apoteket contributed with large absolute increases in turnover. SJ, Sveaskog and Almi Företagspartner accounted for large percentage increases during 2007.

**The fourth quarter**

Turnover for the fourth quarter rose by 2 per cent, from SEK 87,995 million to SEK 89,924 million.

Vattenfall's turnover decreased by 3 per cent compared with the fourth quarter last year. Vattenfall accounted for 43 per cent of the total turnover of the state-owned companies. Apoteket, Systemföbolaget and Svenska Spel reported large absolute increases in turnover compared with the same period last year.

**PROFITS**

The total profit before tax was SEK 62.4 (67.0) billion for the whole year 2007. Swedcarrier, Vasakronan and Vattenfall accounted for large improvements in profit in absolute terms. Vattenfall reported a SEK 828 million higher net profit compared with the same period last year. Net profit for Vattenfall amounted to SEK 20,686 (19,858) million. Sale of shares in TeliaSonera had a negative effect on the overall result. Sveaskog, SBAB and Akademiska Hus reported a considerable deterioration in earnings compared with last year.

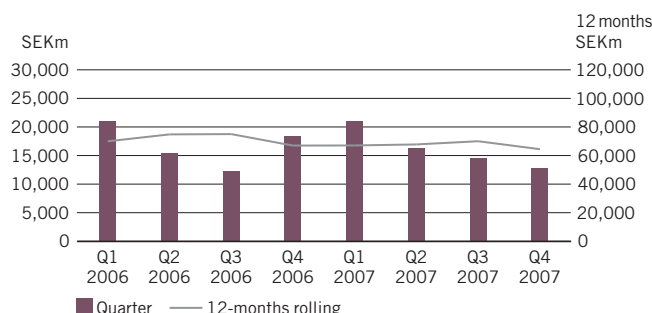
The sale of shares in TeliaSonera and changed accounting principles in certain companies have affected the consolidated result for state-owned companies.

**The fourth quarter**

Net profit for the fourth quarter deteriorated by 39 per cent, from SEK 17,574 million to SEK 10,661 million. Posten, Teracom and Systemföbolaget contributed improvements in earnings in absolute figures. Akademiska Hus, LKAB and Vattenfall reported a deterioration in earnings compared with the fourth quarter last year.

**INVESTMENTS**

Gross investments increased by 5 per cent during 2007, from SEK 35.1 billion to SEK 36.8 billion. Vattenfall contributed 52 per cent and LKAB 16 per cent of the total investments. Together with Vasakronan, Vasallen and Apoteket, they also

**PROFIT BEFORE TAX**

contributed with increased investments compared with the same period last year. Posten, Vin & Sprit and Systembolaget reported considerably lower investments than the same period last year, which is mainly explained by their having reported large investments last year, including several major acquisitions.

**The fourth quarter**

Investments increased by 14 per cent during the fourth quarter from SEK 11,082 million to SEK 12,612 million. This increase is mainly attributable to Vattenfall, LKAB and Vasakronan reporting higher investment levels. Akademiska Hus, Vin & Sprit and Vasallen reported lower investment levels compared with the fourth quarter last year.

**CASH FLOW**

The cash flow from operating activities was SEK 25,800 (28,606) million during 2007. Excluding companies in the financial sector (SBAB, SEK and Venantius), the cash flow from operating activities was SEK 57,810 (57,822) million.

Excluding companies in the financial sector, LKAB, Apoteket and Vasakronan reported improved cash flows compared with the same period last year. Swedcarrier, Sveaskog and Vattenfall reported a deterioration in cash flows compared with last year.

**The fourth quarter**

The cash flow from operating activities was SEK 194 (17,104) million in the fourth quarter. Excluding companies in the financial sector, the cash flow from operating activities was SEK 15,275 (18,033) million. SJ, Vasakronan and Vin & Sprit have improved their cash flows, compared with the fourth quarter last year. Vattenfall, LKAB and Svenska Spel reported a deterioration in cash flows compared with the fourth quarter last year.

**RECOMMENDED DIVIDENDS**

Dividends from state-owned companies for the 2007 financial year are expected to amount to SEK 30.6 (37.1) billion. This is a reduction compared with last year. During the year, the state has reduced its ownership in TeliaSonera, among other companies, which has affected the total level of dividends.

Among the companies that have increased their dividends are Vattenfall, Green Cargo, SJ, Svenska Spel, Vin & Sprit, Sveaskog, Posten and Teracom. Sveaskog paid an additional

dividend to the state of almost SEK 2 billion at an extraordinary shareholders' meeting at the end of December.

#### DEVELOPMENT OF VALUE OF THE STATE'S LISTED PORTFOLIO

The market value of the state's listed portfolio decreased during the year by 8 per cent from SEK 173.9 billion to SEK 160.8 billion compared with the market value at the end of 2007. The decrease in value is mainly explained by the state's sale of shares in TeliaSonera and the general negative development of value on the stock exchange. Excluding the state's shareholding in TeliaSonera, the market value of the state's listed portfolio, compared with the market value at the end of 2007, has increased by 6 per cent from SEK 59.5 billion to SEK 63.3 billion. OMX Stockholmsbörsen's all share-index decreased during the same period by 7 per cent.

#### OTHER IMPORTANT EVENTS

##### New guidelines for external reporting with expanded information requirements for sustainability information

On 29 November, the Government adopted new guidelines for external reporting for state-owned companies with clearer information requirements for sustainability reporting. The state-owned companies shall, inter alia, present a sustainability report in accordance with the Global Reporting Initiative's guidelines (GRI) at the latest from the 2008 financial year. In the state-owned companies, the boards of directors are responsible for the companies' work on sustainability issues, such as ethics, the environment, human rights, gender equality, and diversity. This decision reinforces the Government's high-pitched ambitions in this area by making clearer demands for reporting and accounting in the new guidelines.

##### State-owned companies awarded prizes for the best annual report and sustainability report

A number of state-owned companies won prizes in connection with the annual seminar "Finforum", which focuses on reporting and accounting. SAS was declared winner in the large company category for the best annual report. This prize was awarded by Stockholmsbörsen. Prizes were also awarded on the same occasions for the best sustainability report. Vattenfall shared first prize for the best sustainability report with Trelleborg. Green Cargo won the first prize for the best sustainability report in the administration report. SAS was also awarded a prize for the best sustainability report in the printed annual report.

#### Sales of shares in TeliaSonera

On 3 May 2007, the state sold the equivalent of 8 per cent of its shares in TeliaSonera.

This sale was carried out through what is commonly known as an accelerated book-building-process. The investment banks Deutsche Bank AG and UBS Investment Bank led the transaction. After the sale, the state's ownership share in TeliaSonera decreased from 45.3 to 37.3 per cent. The price was set at SEK 50 per share. 359,236,578 shares were sold to some 200 institutional investors, of which 70 per cent were foreign institutions. The sale of shares has affected the consolidated result and turnover of state-owned companies.

#### Decision on the Government Bill Sale of Certain State-owned Companies

On 20 June, the Riksdag adopted the Government Bill Sale of Certain State-owned Companies (Government Bill 2006/07:57, bet. 2006/07:NU16, rskr. 2006/07:222.). The Government was then authorised to initiate the sales process and reduce ownership of six companies: Civitas Holding AB which owns Vasakronan, Nordea Bank, OMX, SBAB, TeliaSonera and V&S Vin & Sprit. In the case of Nordea, OMX and TeliaSonera, authorisation had previously been given to reduce state ownership.

#### PROPOSED DIVIDEND FOR THE TEN LARGEST COMPANIES AND THE LISTED COMPANIES

| SEK million <sup>1)</sup> | Ownership share, % | 2007          | 2006          |
|---------------------------|--------------------|---------------|---------------|
| Vattenfall                | 100                | 8,000         | 7,500         |
| TeliaSonera <sup>2)</sup> | 37                 | 6,700         | 12,815        |
| SAS                       | 21.4               | 0             | 0             |
| Nordea                    | 19.9               | 2,855         | 2,284         |
| OMX <sup>3)</sup>         | 6.6                | 0             | 52            |
| Apoteket                  | 100                | 145           | 150           |
| Posten                    | 100                | 625           | 400           |
| Svenska Spel              | 100                | 5,247         | 4,807         |
| Systembolaget             | 100                | 295           | 210           |
| LKAB                      | 100                | 2,000         | 2,000         |
| Vin & Sprit               | 100                | 800           | 710           |
| SJ                        | 100                | 169           | 150           |
| <b>Total</b>              |                    | <b>26,836</b> | <b>31,078</b> |
| Other companies           |                    | 3,816         | 6,054         |
| <b>Total dividends</b>    |                    | <b>37,132</b> | <b>30,652</b> |

- 1) Concerns dividend for 2007. A decision will be taken at the respective annual general meeting of the company.
- 2) On 3 May 2007, the state sold 360 million shares in TeliaSonera, and the ownership share thereby decreased from 45.3% to 37.3%.
- 3) With the Government's decision to accept Borse Dubai's public offer and acceptance of the offer, the state no longer owns shares in OMX.

#### SUMMARY – THE LARGEST COMPANIES

| Company <sup>1)</sup>             | Net turnover, SEK million |                 | Operating profit, SEK million |                 | Net profit, SEK million |                 | Return on equity, % |                 |
|-----------------------------------|---------------------------|-----------------|-------------------------------|-----------------|-------------------------|-----------------|---------------------|-----------------|
|                                   | Whole year 2007           | Whole year 2006 | Whole year 2007               | Whole year 2006 | Whole year 2007         | Whole year 2006 | Whole year 2007     | Whole year 2006 |
| Vattenfall                        | 143,639                   | 135,802         | 28,583                        | 27,821          | 20,686                  | 19,858          | 17.5                | 18.9            |
| TeliaSonera (37.3%) <sup>2)</sup> | 96,344                    | 91,060          | 26,155                        | 25,489          | 20,298                  | 19,283          | 18.6                | 17.2            |
| SAS (21.4%)                       | 54,112                    | 51,670          | 1,305                         | 1,005           | 636                     | 4,740           | i.u.                | i.u.            |
| Apoteket                          | 39,493                    | 37,269          | 588                           | 600             | 433                     | 447             | 13.7                | 15.8            |
| Posten                            | 29,902                    | 27,823          | 1,995                         | 1,442           | 1,564                   | 1,013           | 24.3                | 36.9            |
| Svenska Spel                      | 21,593                    | 20,157          | 5,128                         | 4,765           | 5,247                   | 4,807           | 104.3               | 102.5           |
| Systembolaget                     | 20,211                    | 19,039          | 310                           | 559             | 295                     | 419             | 13.9                | 20.6            |
| LKAB                              | 16,385                    | 14,615          | 6,148                         | 6,256           | 4,679                   | 4,526           | 22.6                | 27.1            |
| Vin & Sprit                       | 10,313                    | 10,345          | 2,305                         | 2,275           | 1,469                   | 1,577           | 19.4                | 22.4            |
| SJ                                | 8,257                     | 6,938           | 833                           | 615             | 507                     | 368             | 11.5                | 10.3            |

1) The table shows the ten largest companies measured in net turnover

2) The ownership share of TeliaSonera was 45.3% in 2006

## Important events during the fourth quarter of 2007 until 28 February 2008 for the largest companies

- **Posten** entered into an agreement with DSV Road Holding (DSV) in February to acquire DSV's ownership share of 50 per cent in Tollpost Globe. This transaction means that Posten will become sole owner of Tollpost Globe, which will strengthen Posten's position on the Nordic logistics market. The purchase price amounts to around NOK 1,070 million. This transaction requires approval by the concerned competition authorities.
- At **Apoteket's** stand in the sponsor's tent during the Tjejvasan and Vasaloppet runs, both runners and spectators could measure their blood pressure, amount of fat and BMI. Health coaches, pharmacists, physiotherapists and a district nurse were on location at the tent.
- Over 1 million customers have registered to receive their prescriptions electronically at **Apoteket**. The advantages of saving their prescriptions at Apoteket are that the customer no longer has to take care of the yellow prescription form and moreover can order medicines by telephone and on the Internet for direct delivery to their home letterbox.
- **LKAB's** board decided in February to create a new main level for the iron ore mine at Malmberget. The investment amount is calculated at some billions of kronor, including the investment components in, for instance, roads which have already been decided upon. This investment is made possible, in among other ways, due to LKAB's strong economic position, the continued high level of demand for iron ore and because LKAB has a market for its products.
- **Vattenfall's** climate communication "Empty Words" has been awarded the prize for the best international campaign in 2006/07 in Sweden's largest advertising competition the "100-Wattaren". In addition to the general objective of informing and activating more people in possible solutions for the climate threat, the goal of Vattenfall's communication was to strengthen the knowledge of international shapers of public opinion about Vattenfall and their confidence in the company's global commitment to the climate issue.
- **Vattenfall** Europe was declared to be the best German electricity vendor in 2008. Service and prices are convincing in an independent comparison. The German Institute for Service Quality (DISQ) has made an independent test of the ten largest energy producers and twelve competing new electricity vendors with respect to their services and prices. The result: The best German electricity vendor for 2008 is Vattenfall Europe.
- **V&S Group** is investing an additional SEK 92 million in process equipment to increase production of fine spirits at the distillery at Nöbbelöv. Capacity will then be increased by 25 per cent.
- **SJ** launched a new way of buying train journeys on 9 February 2008. In the new model, travellers customise the journey according to their own needs on the basis of different options. The travellers determine the ticket price themselves by choosing optional extras. The journey is customised according to the comfort and price that best suits the customer. Possible options are seat reservations, possibility of changing the booking, possibility of repayment, Internet on board or the Plusmeny menu in X 2000 1st class.
- **SJ** obtained a prestigious first prize in the telephone competition, "Swedish Mastership in Telephony and Customer Service", in the Business to Business category. In all, SJ has a sales staff of 300 at the Contact Centre at Tranås and Ånge. SJ took part in the competition for the third time. SJ Contact Centre was appointed as winner with the motivation: "This year's winner maintains a high class with efficient and expert agents."
- **SJ** has seen increased travel on night trains. More people wish to travel at night and make use of the journey time to rest and arrive early in the morning. SJ is therefore investing almost SEK 50 million to improve the standard. In February, SJ opened its new night train check-in on the platform at Åre, providing travellers with more convenient service before they board their southbound train.
- **Systembolaget** entered into an agreement in December on sale of Systembolaget's store properties. The purchaser is the Norwegian property fund Nordisk Areal I AS. The purchase price is SEK 947.5 million which corresponds to a yield of around 7 per cent. The portfolio consists of 102 store properties throughout Sweden with a total area of around 117,400 square metres. 53 per cent of the space is let to Systembolaget, while other areas are let to other government and private actors.

### EARNINGS FOR THE TEN LARGEST COMPANIES

**Vattenfall's** turnover increased by 6 per cent to SEK 143,639 (135,802) million.

Operating profit increased by 3 per cent to SEK 28,583 (27,821) million. Profit before tax decreased by 6 per cent to SEK 23,933 (25,525) million. Net profit increased by 4 per cent to SEK 20,686 (19,858) million. This improvement in earnings compared with last year is largely attributable to the German electricity production and is explained by high availability at coal power stations and better prices on the German energy exchange EEX. In the Nordic countries, forward cover has contributed to counteracting the effects of lower spot prices. At the same time, costs amounting to SEK 645 million due to the

storm Per at the beginning of the year, restructuring expenses in the Distribution division and write-down of a thermal power plant in Finland have had a negative impact on the result. Earnings in Poland have improved slightly mainly due to exchange rate effects.

Net financial income deteriorated to SEK -4,650 (-2,296) million. Earnings for Vattenfall varied sharply during the year. The largest part of the annual profit is normally produced during the first and fourth quarters when demand for electricity is greatest.

During the fourth quarter, turnover amounted to SEK 38,329 (39 428) million. Profit before tax was SEK 4,700 (5,079) million.

**TeliaSonera's** net turnover increased by almost 6 per cent to

SEK 96,344 (91,060) million. This increase in turnover is mainly attributable to increased sales in mobile operations reinforced by the earlier acquisition of Debitel in Denmark and the positive development of Yoigo in Spain. Operations in Sweden and the three Baltic countries have contributed to increased sales. Sale of broadband services showed an increase driven, among other things, by the increase in subscriptions and the acquisition of NextGenTel in Norway in 2006. Operations in Eurasia continued to report strong growth with an increase in net sales of 21.5 per cent.

Profit before tax amounted to SEK 25,251 (25,226) million. The compilation of results for the accumulated result includes the state's share of TeliaSonera's net profit at SEK 7,571 (7,192) million. The EBITDA margin amounted to 32.2 (35.4) per cent.

During the fourth quarter, net turnover increased by 7.5 per cent to SEK 24,921 (23,187) million. Profit before tax was SEK 5,769 (6,100) million.

**SAS's** turnover increased by 4.7 per cent to SEK 54,112 (51,670) million. Profit before tax was SEK 1,052 (177) million. The result has been affected negatively by SEK 700 million due to problems with the aircraft type Dash 8 Q400 which was taken out of service and replaced by leased capacity. This leased capacity exceeded requirements and has therefore led to a deterioration in the cabin factor and contributed to weaker yields. The ECA agreement, which is a collaboration between SAS, Lufthansa and British Midland has resulted in a charge on income of SEK 600 million mainly due to a weaker development of earnings in British Midland. Earnings have also been affected negatively by around SEK 200 million due to earlier strikes. The Swedish state's share of SAS's net profit was SEK 1,014 (136) million. The number of passengers increased during the year by 2.9 per cent to 31.2 million. Traffic development (RPK, Revenue Passenger Kilometres) increased by 1.9 per cent and the Group's currency-adjusted yield improved by 1.8 per cent compared with last year. The Group's costs for aviation fuel amounted to SEK 8,104 (7,953) million compared with last year. Adjusted for the positive currency effect due to a weaker US dollar, fuel costs increased by SEK 881 million due to a higher price and increased volume. In addition, operating costs increased due to an increased number of passengers, increased capacity and higher costs for technical maintenance. The Group has previously launched a cost savings programme consisting of savings of SEK 2.8 billion, which is expected to have its main effect on earnings in 2008 and 2009. At the end of the fourth quarter, 25 per cent of the cost-savings programme had been implemented.

During the fourth quarter turnover increased to SEK 13,221 (13,190) million and profit before tax was SEK -24 (456) million.

**Apoteket's** net turnover amounted to SEK 39,493 (37,269) million. Income from sales of pharmaceutical products, mainly prescribed medicines, increased by 4.2 per cent to SEK 26,356 million from SEK 25,290 million. The contract-based sales, i.e. sales to county council, municipal and private health care increased by 11.3 per cent from SEK 6,026 million to SEK 6,705 million. Sale of self-care products increased by 11.9 per cent to SEK 5,875 (5,251) million. Profit before tax was SEK 602 (621) million.

During the fourth quarter, net turnover was SEK 10,196 (9,607) million. Profit before tax was SEK 41 (165) million.

**Posten's** turnover increased by 7 per cent to SEK 29,902 (27,823) million. The increase in turnover is explained by

Posten's marketing efforts in combination with the continued high level of economic activity and inclusion of Strålfors in the group since June 2006. Profit before tax increased by 38 per cent to SEK 2,184 (1,578) million during the report period, Net profit increased by 54 per cent to SEK 1,564 (1,013) million. The improvement in earnings is mainly explained by increased sales income, rationalisations and lower restructuring costs. Posten's new operational structure, which was introduced on 1 January 2007, will entail an annual reduction of the level of costs from 1 January 2008, primarily in administration, of around SEK 300 million, and the major part had a full impact already during 2007. Sick leave decreased from 7.8 per cent to 6.5 per cent, entailing cost savings of around SEK 100 million on an annual basis. Posten reported lower investments compared with the same period last year. This reduction is explained by the acquisition of Strålfors being included in reported investments last year.

During the fourth quarter, turnover amounted to SEK 8,019 (7,940) million. Profit before tax increased to SEK 81 (-119) million compared with the fourth quarter last year.

**Svenska Spel's** gross gaming income increased by 7 per cent to SEK 21,499 (20,071) million. Net gaming income, i.e. gross gaming income reduced by the winners' share, increased by 8 per cent to SEK 9,598 (8,905) million. Operating profit increased by 8 per cent to SEK 5,128 (4 763) million. Earnings increased by 9 per cent compared with last year to SEK 5,247 (4 807) million.

Division Direkt, which mainly consists of the Internet & telephone and Casino business areas accounted for the largest increase. This increase is mainly explained by the continued growth of Poker which was launched in March 2006, but also sport games and number games also report strong growth.

During the fourth quarter, gross gaming income amounted to SEK 5,907 (5,558) million and earnings amounted to SEK 1,185 (1,400) million.

**Systembolaget's** turnover increased by 6.2 per cent to SEK 20,211 (19,039) million. Sales volume, measured in litres of beverages, increased during the year by 5.4 per cent to 404.8 (384.0) million litres. Converted into pure alcohol, this increase was 5.4 per cent. Operating profit decreased to SEK 310 (559) million. This reduction is partly explained by lower margins due to the price reduction carried out in August 2006, higher sales and administration costs and lower capital gains from property sales of SEK 15 (1,419) million. Profit before tax decreased to SEK 366 (602) million.

Age control measures the proportion of occasions when identity has been requested of customers aged under 25 as a percentage of the number of control purchases carried out by persons aged from 20 to 25. During the first nine months of the year, age control amounted to 85 (88) per cent. This reduction is explained by the introduction of a new measurement method with harder quality requirements for implementation of control purchases, which has led to a deterioration in comparability with previous values.

During the fourth quarter, turnover amounted to SEK 5,604 (5,169) million. Profit before tax was SEK 86 (35) million.

**LKAB's** net turnover increased by 12 per cent to SEK 16,385 (14,615) million. LKAB's total output of iron ore products amounted to 24.7 (23.3) Mt. Total deliveries amounted to 25.1 (23.3) Mt, of which pellets accounted for 17.9 (15.) Mt. Operating



## State-owned companies can be divided into two groups:

- **Companies operating under market conditions.** They operate in fully competitive markets with free entry. The owner, the state, makes market requirements for earnings and return based on the respective company's risk profile, and assessment of the companies takes place on the basis of these requirements. In certain cases, explicit owner requirements are also made.
- **Companies with special societal interests.** They operate in markets with special provisos. Some of these companies operate wholly or partly without competition, while others are fully competitive. Special targets are set for these companies and the required return may accordingly deviate from what is normal in competitive activities. Assessment and follow-up are based partly on qualitative parameters derived from socio-economic or sector policy objectives and efficiency/performance requirements. The demands for cost effectiveness etc. can be at a high level even though other objectives are very important. The degree of societal interest and control by the owner differ greatly between companies in this group.
- More information about the follow-up and assessment of state-owned companies can be found in the Annual Report for State-owned Companies for 2006.

profit decreased by 2 per cent to SEK 6,148 (6,256) million. This reduction is explained by increased infrastructural costs in Malmfälten of SEK 337 (0) million. Profit before tax increased to SEK 6,344 (6,382) million. This improvement is explained by improved net financial items, mainly due to improved net foreign exchange and interest income.

During the fourth quarter, turnover increased to SEK 3,995 (3,695) million. Profit before tax was SEK 1,104 (1,564) million.

**V&S Vin & Sprit's** turnover amounted to SEK 10,313 (10,345) million. The change in exchange rates, mainly the lower dollar exchange rate, has affected turnover negatively by SEK 280 million. For comparable units (adjusted for currency effects), turnover increased by 7 per cent. The aggregate volume of sales increased by 5 per cent to 26.9 (25.7) million 9-litre boxes.

Operating profit increased by 2 per cent from SEK 2,275 million to SEK 2,305 million. For comparable units, adjusted for divestments and currency effects, earnings increased by 19 per cent. The weaker USA dollar compared with last year has affected operating profit negatively by SEK -155 million. Net profit was SEK 2,214 (1,994) million. Investments have decreased from SEK 2,097 million to SEK 403 million and mainly relate to capacity investments at Åhus and investment in the remaining 50 per cent in V&S Norway. The lower level of investment compared with the same period last year, is explained by the acquisition of Cruzan Rum being included among the reported investments last year.

During the fourth quarter, turnover amounted to SEK 2,964 (2,974) million. Profit before tax increased compared with the fourth quarter last year from SEK 569 million to SEK 729 million.

**SJ's** net turnover amounted to SEK 8,257 (6,938) million. The increased income is mainly due to continued increased travel. This increase in travel is mainly taking place over longer distances. The variable pricing with the "Just Nu" (Right Now) tickets has also had a positive effect on sales. Train is taking market shares from air travel, in particular on the routes Stockholm–Göteborg, Stockholm–Karlstad and Stockholm–Sundsvall. Profit before tax was SEK 714 (499) million. The improvement in earnings is explained by increased income which has been counteracted by higher costs, including operating and maintenance costs. The investment in service and quality on board trains has increased the costs of personnel.

During the fourth quarter, net turnover amounted to SEK 2,204 (2,037) million. Profit before tax was SEK 180 (99) million.

### EARNINGS FOR OTHER LARGE COMPANIES

**Sveaskog's** turnover was SEK 7,263 (6,030) million. This increase is due mainly to increased prices. The market for bio-fuel is increasing to expand, sales increased by 25 per cent to 2 TWh. Operating profit has improved sharply during the year from SEK 1,624 million to SEK 2,123 million. Profit before tax increased from SEK 1,338 million to SEK 1,860 million. Sales of forest properties made a contribution to earnings of SEK 571 (580) million. Net profit decreased from SEK 2,138 million to SEK 1,419 million. This decrease in net profit is explained by earnings from discontinued activities amounting to SEK 1,152 million being included in net profit for 2006

At an extraordinary shareholders meeting in December, Sveaskog paid an additional dividend to the state of almost SEK 2 billion or SEK 16.80 per share. During 2006, Sveaskog distributed a total of SEK 1.9 billion. This included an additional dividend after sale of the industrial business AssiDomän Cartonboard in Frövi to Korsnäs. After divestment of Cartonboard and a review of Sveaskog's capital structure, it was noted that a substantial additional dividend could be paid in 2007 as well.

During the fourth quarter, net turnover amounted to SEK 1,976 (1,653) million. Profit before tax was SEK 549 (597) million.

**Green Cargo's** net turnover amounted to SEK 6,111 (5,857) million. Operating profit improved from SEK 283 million to SEK 295 million. Profit before tax amounted to SEK 246 (245) million. Net profit was SEK 174 (165) million. The improvement in operating profit is explained by improved income combined with improved efficiency which has kept costs down. The punctuality of goods traffic to the customer was further improved during the year to 95 (94) per cent.

During the fourth quarter, turnover amounted to SEK 1,619 (1,495) million. Profit before tax was SEK 65 (38) million.

**Svensk Exportkredit's (SEK)** net interest income was SEK 833.1 (793.0) million. The long-term borrowing was SEK 108.0 billion during 2007, which is an increase of SEK 46.7 billion.

The average volume of debt-financed assets increased by 16 per cent to SEK 234 (201) billion. The average margin on these



## Important events in other companies during the fourth quarter of 2007 and until 28 February 2008

- **Akademiska Hus** has made an energy declaration for its first building. Akademiska Hus has set up a tough energy efficiency target – by 2025, energy requirements are to have decreased by 30 per cent compared with 2000. After intensive preparatory work, Akademiska Hus has now carried out its first energy declaration. A declaration will be made for almost 1,000 buildings before the end of the year. These energy declarations are a good basis for continued work on efficiency. They improve the environment and create cost-effective solutions for customers since the energy cost constitutes the major part of total operating expenses.
- The Swedish Rescue Services Agency is expanding at **Vasallen** in Kristinehamn. Since April 2006, the International Division of the Rescue Services Agency has been housed in temporary premises at the Presterud area in Kristinehamn. At the end of December, they entered into a six-year contract, according to which they will move into newly-adapted office and warehouse premises of over 9,000 sq.m. at the end of December.
- **Vasallen** is selling the Exercishuset building to Visby Indoor Bandy Club. At the end of November, a contract was signed with Arena Visby AB on sale of Exercishuset or the indoor bandy centre as it is now called. The sales price is SEK 2 million. Completion will take place when the land parcelling process has been completed.
- The number of “mischief calls” to the emergency number 112 is continuing to decrease. According to the annual follow-up for 2007 made by **SOS Alarm**, it is gratifying to note that mischief calls to 112 are continuing to decline. Just over 5 years ago, mischief calls accounted for around 10 per cent of all incoming calls but since then the proportion has decreased every year and is now around 5 per cent.
- **Sveaskog** is making the demands on entrepreneurs used more stringent for this year’s forestry season. It was already the case that all entrepreneurs and any sub-contractor employed by them, must belong to a Swedish employers’ association or have an application agreement with the Forest and Wood Trade Union, and thus undertake to comply with Swedish laws and collective agreements. Sveaskog’s check list also includes requirements on company healthcare, working environment, environment requirements, and training, etc.
- **Sveaskog** is initiating Sweden’s largest elk inventory. SEK 4 million per year is being invested in systematic air inventories and to create a unique elk database on over 50,000 elks. The intention is to create a new balanced elk management to the benefit of elks, hunters and forestry
- **Green Cargo** has been handling Team Sportia’s logistics operations since the beginning of the year. Distribution is focused on environmentally secure transport. Consignments are collected at Green Cargo’s existing premises at Händelö in Norrköping. There are good prospects for developing the logistics flow and adapting it to an optimal process in relation to Team Sportia’s stores. The warehouse is suitable for the current assignment with investments in handling techniques and warehousing methods.
- **Green Cargo** created a joint production for Scandinavia together with Deutsche Bahn’s freight train company Railion in December. The collaboration company will be called Railion Scandinavia A/S and be headquartered in Denmark. The goal is to simplify freight transport between Scandinavia and Central Europe and to make it more efficient by offering convenient cross-border transport with a joint modern fleet of locomotives.
- **Green Cargo** makes possible increased flexibility and reduces the burden on the environment for the Port of Uddevalla’s container shipments between the ports of Göteborg and Uddevalla. To start with, Green Cargo is offering regular shipments by container trucks five days a week. The new train solution will produce emissions of around 32 kg carbon dioxide per year, in contrast with around 358 tonnes which would be produced by a lorry alternative.
- **The Swedish Space Corporation** had the opening ceremony of its representation office in Beijing at the end of February to maintain contact with existing Chinese customers and to develop and make use of new opportunities in the rapidly growing space industry in China.
- According to an earlier Riksdag resolution, the Government has announced in the Budget Bill for 2008 that it intends to make available a capital contribution of SEK 300 million to **Swedfund** during 2008. The Riksdag has also approved the Government’s proposal to provide Svedfund with SEK 10 million for special investments in environmental technology and energy, collaboration with Swedish entrepreneurs with an immigrant background and investments in post-conflict areas.
- **Bilprovningen’s** inspection results show that it is still the case that almost every other heavy lorry and more than every other trailer fails its test and have to be re-inspected. The results for the heavy lorries show a direct correlation between high failure rate, high distance driven and high age.
- **SP** is merging its concrete business with CBI and establishing the new CBI Betonginstitut [concrete institute] which will be a new part of the SP group.

assets decreased by 7 per cent to 0.28 (0.30) per cent per year. The lower average margins are explained by lower margins in the liquidity portfolio and the credit portfolio. Of the total new customer-financing solutions of SEK 56.8 billion (63.9), export credits and other corporate lending increased particularly and amounted to SEK 33.8 billion (27.7).

During 2007, SEK has changed over to reporting its result in compliance with IFRS and its capital adequacy according to Basel II. Profit before tax was SEK 506.9 (501.3) million.

During the fourth quarter, net interest income amounted to SEK 232.4 (201.0) million and profit before tax was SEK 135 (120) million.

**Akademiska Hus's** rental income amounted to SEK 4,635 (4,544) million. The vacancy ratio amounted to 3.1 (3.5) per cent. Profit before tax was SEK 1,673 (4,229) million. The yield on properties calculated on a full-year basis amounts to 6.0 (6.0) per cent. The market value of Akademiska Hus's management properties amounted at the end of the period to SEK 48,389 (48,454) million. The deterioration in earnings compared with last year consists mainly of changes in value of management properties.

During the fourth quarter, rental income amounted to SEK 1,207 (1,175) million and profit before tax to SEK -100 (2,305) million.

**Vasakronan's** rental income amounted to SEK 2,874 (2,681) million. Rents have increased on average by 6 (8) per cent. The vacancy rate continued to decrease to 4 (7) per cent of rental income due to reduced vacancies and rental increases on renegotiation of existing and new leases. Profit after net financial items (before realised and unrealised changes in value) increased to SEK 1,605 (1,333) million. Profit before tax including realised and unrealised change in value amounted to SEK 6,380 (4,643) million. The market value of Vasakronan's property portfolio amounted to SEK 45,236 (38,122) million. Realised increase in value amounted to SEK 5 (57) million. Unrealised change in value amounted to SEK 4,750 (3,253) million.

During the fourth quarter, rental income amounted to SEK 728 (685) million. Profit before tax including realised and unrealised change in value amounted to SEK 1,539 (1,864) million.

**Teracom's** turnover increased by 10 per cent to SEK 3,312 (3,004) million. This positive development is mainly due to continued increased sales in the Radio TV and pay-TV segment. During the year, the number of pay-TV subscriptions increased by 8 per cent to 709,000 subscriptions compared with 654,000 subscriptions the same period last year. Profit before tax amounted to SEK 669 (490) million.

During the fourth quarter, turnover amounted to SEK 859 (797) million. Profit before tax was SEK 186 (128) million.

**Lernia's** net turnover increased by 4 per cent to SEK 2,259 (2,179) million. The increased turnover is explained by a continued increase in demand for manning services in the corporate market. The manning operation increased by 26 per cent to SEK 1,140 (904) million. Profit before tax amounted to SEK 54 (135) million. The deterioration in earnings, despite the increase in turnover, is mainly explained by deterioration in profitability in the educational business, Lernia Utbildning, due to a slackening market for labour market training.

During the fourth quarter, turnover decreased by 4 per cent to SEK 606 (638) million. Profit before tax amounted to SEK 2 (19) million.

**SBAB's** net interest income decreased from SEK 1,217 million to SEK 1,177 million during the year. The residential mortgage market is characterised by very stiff competition and a trend towards lower margins. At the same time, net interest income has been positively affected by higher interest rates. Operating profit amounted to SEK 755 (1,435) million. The loan portfolio totalled SEK 168.0 (170.0) billion. New lending to the retail market decreased to SEK 21,825 (27,728) million. New lending in the corporate market increased from SEK 10,814 million to SEK 10,280 million. SBAB's market share for the residential mortgage market decreased to 8.1 (9.3) per cent and the market

#### THE STATE'S SHARE OF COMPANY DIVIDENDS<sup>1)</sup>

| Company                          | The state's share, % | 2006  | 2007 |
|----------------------------------|----------------------|-------|------|
| Venantius                        | 100                  | 2,100 | 300  |
| Vasakronan                       | 100                  | 698   | 791  |
| Akademiska Hus                   | 100                  | 1,400 | 967  |
| Sveaskog <sup>2)</sup>           | 100                  | 481   | 810  |
| Teracom                          | 100                  | 350   | 400  |
| Vasallen                         | 100                  | 471   | 67   |
| Specialfastigheter Sverige       | 100                  | 400   | 350  |
| Green Cargo                      | 100                  | 80    | 85   |
| Swedcarrier                      | 100                  | 0     | 100  |
| Lernia                           | 100                  | 50    | 25   |
| Bostadsgaranti                   | 50                   | 8     | 4    |
| Swedish Space Corporation        | 100                  | 3     | 6    |
| Kasernen Fastighets AB           | 100                  | 4     | 4    |
| SOS Alarm Sverige                | 50                   | 4     | 4    |
| Svensk Bilprovning               | 52                   | 3     | 3    |
| Swedish National Road Consulting | 100                  | 2     | 0    |

1) Refers to proposed dividend for 2007. The decision will be taken at the respective company's annual general meeting.

2) Sveaskog distributed an additional dividend of almost SEK 2 billion to the state at an extraordinary shareholders' meeting at the end of December.

share for the corporate market decreased slightly to 13.4 (14.1) per cent. Operating profit was SEK 258 (840) million. Due to the financial turbulence in the credit market during the second half of 2007, the operating profit has been negatively affected by unrealised changes in market values in the liquidity portfolio, including derivatives, of SEK 616 million.

During the fourth quarter, net interest income amounted to SEK 269 (294) million and the operating profit was SEK -27 (173) million.

**Specialfastigheter's** rental income increased from SEK 1,090 million to SEK 1,126 million. Rental income has increased despite the divestments made during 2006, which is explained by the additional rent for completed projects in the subsidiaries Kriminalvårdsfastigheter and Polisfastigheter. Profit before tax was SEK 758 (1,068) million. The deterioration in earnings is explained by the unrealised increases in value in management properties during the period.

During the fourth quarter, rental income amounted to SEK 285 (274) million and profit before tax to SEK 512 (712) million.

**Samhall's** turnover including compensation for additional costs amounted to SEK 7,430 (7,218) million, of which invoicing amounted to SEK 3,065 (2,907) million. Additional cost compensation for the period totalled SEK 4,148 (4,186) million. Profit before tax was SEK 90 (96) million, which is a reduction of 6 per cent. Earnings have been affected by capital gains relating to divestment of fixed assets of SEK 50 (58) million, temporary reductions of social security contributions of SEK 30 (132) million, costs for strengthening and developing Samhall's business strategy and brand and other adaptation measures totalling SEK 50 (143) million, of which SEK 40 (124) million was for personnel reduction costs.

The number of transitions for employees with disabilities to employment with another employer amounted to 1,017 (1,044) persons, corresponding to 5.3 (5.2) per cent. The target set by the Government is at least 5 per cent. The number of hours worked amounted to 24.4 (24.7) million. According to the Government's target, the number of hours worked for the whole year 2007 is to amount to at least 24 million. At the end of the year, the number of employees with disabilities was 19,394 (21,219). Recruitment from prioritised groups (the mentally ill,

## Decisions and initiatives from the Government and Riksdag

- On 30 November, the Government received the report “Review of the vehicle inspection market in Sweden”. The report presents analysis and recommendations for the prerequisites for competition and a new regulation of the vehicle inspection market. The Government intends to submit a Bill to the Riksdag in the autumn.
- The Pharmacy Market Commission submitted its main report on 8 January 2008 “A new regulation of the Pharmacy Market” (SOU 2008:4). The report contains proposals that are intended to make it possible for other actors apart from Apoteket AB to engage in retail trade with prescribed and off-prescription pharmaceutical products. The report also includes recommendations on, inter alia, pricing of pharmaceutical products, distance trading with pharmaceutical products and how to ensure that certain services and functions performed by Apoteket AB continue to be available in the future.
- The Government’s investigator Christina Rogestam proposes that certain consultancy and contracting activities performed by the **Swedish Rail Administration** and the **Swedish Road Administration** be incorporated as from 1 January 2009 (and in one case from 1 January 2010). According to the investigator they comply with all the criteria set up by the Government for when incorporation is appropriate. The investigator Christina Rogestam also considers that competition on the markets in question will be improved, which in turn can be expected to lead to improved socio-economic efficiency.
- The Airport Commission submitted its report on 3 October 2007. The investigator proposes that Luftfartsverket be reorganised into two independent limited companies as from 1 January 2009 – one company for operating airports and one company for air traffic services.
- The Swedish National Road and Transport Research Institute (VTI)/Swedish Institute for Transport and Communications Analysis (SIKA) Commission produced its final report on 15 June 2007. The commission proposes that VTI be incorporated from 1 January 2008. The Government has not yet submitted any proposal for incorporation.
- The Riksdag decided in June 2007 to grant **Samhall** additional funds of SEK 104 million for the current year in a supplementary budget. This has enabled employment to be offered to the equivalent of 450 persons with functional disabilities during autumn 2007.
- In conjunction with the Riksdag adopting the Government’s spring Fiscal Policy Bill in June (Government Bill 2006/07:100, bet. 2006/07:FiU21, rskr. 2006/07:222), the Government was authorised to divest the whole or parts of its shareholding in **Arbetslivsresurs**, and to extend the previous authorisation to provide SEK 50 million to handle various types of risks in connection with the establishment and the start phase of the company. The remaining SEK 30 million was made available to the company at the end of June.
- In June, the Government received the National Post and Telecom Agency’s report with proposals on regulation of a functional separation of telecommunications operators with a dominant position in the access network (copper network). This work is intended to create clear and transparent rules of play for all actors in the market. Everyone shall be treated equally when they wish to have access to the copper network.
- **Svenska Spel** was granted a two-year extension of the licences that expired at year-end 2006/2007.
- On 20 June, the Government gave a special investigator the task of proposing a long-term sustainable Swedish gaming regulatory framework. The new regulations will reinforce the social protection aspects and counteract gambling addiction, fraud and criminality. The commission is expected to complete its work by 15 December 2008.
- On 14 June, the Riksdag decided that **Posten’s** commission to provide payment mediation through Svenska Kassaservice would cease on 1 January 2009.

those with intellectual impairments and persons with multiple disabilities) was 51 (44) per cent.

During the fourth quarter, turnover amounted to SEK 1,912 (1,949) million. Profit before tax was SEK 23 (–5) million.

**Svensk Bilprovning’s** net turnover amounted to SEK 1,526 (1,528) million. Profit before tax was SEK 61 (68) million. The total production volume decreased by 0.4 per cent to 5,550,536 (5,573,819) inspections. The efficiency rate stating how large a proportion of the total hours worked was used for production and which is one of the explanation factors for productivity, increased by 0.8 per cent to 76.5 (75.9) per cent.

During the fourth quarter, turnover amounted to SEK 398 (407) million. Profit before tax was SEK –17 (15) million.

**SOS Alarm’s** turnover amounted to SEK 727 (694) million, which is an increase of 5 per cent. This increase is explained by the increase in volume and index adjustment. Profit before tax was SEK 13 (6) million. This improvement in earnings is mainly explained by adjustment and development costs for a

new technical platform, the new 112 emergency service and costs for staff leaving and group pensions, among other things, being charged to last year’s result.

During the fourth quarter, turnover amounted to SEK 188 (181) million. Profit before tax was SEK –0.4 (–15.9) million.

**SP Sveriges Tekniska Forskningsinstitut AB’s** turnover amounted to SEK 760 (749) million. Profit before tax was SEK 14 (67) million. This deterioration in earnings is attributable to both the parent company and the subsidiary SIK. In the case of the parent company, this is explained by start-up costs for new competence centres and EU projects and costs for the change of name and the new graphic profile and for SIK it is explained by the generally weak demand combined with lack of co-financing. A programme of measures has been initiated in SIK to reduce costs and increase income.

During the fourth quarter, turnover amounted to SEK 235 (241) million. Profit before tax was SEK 28 (71) million

## The state's listed portfolio

On 3 May 2007, the state sold the equivalent of 8 per cent of its shares in TeliaSonera. After the sale, the state's ownership share in TeliaSonera decreased from 45.3 to 37.3 per cent. 359,236,578 shares were sold to some 200 institutional investors, 70 per cent of which were foreign institutions. The price was set at SEK 50 per share.

The market value of the state's listed portfolio decreased during the year by 7 per cent from SEK 173.9 billion at the end of 2006 to SEK 162.0 billion at the end of 2007. The decrease in value is mainly explained by the state's sale of shares in TeliaSonera. Excluding the state's shareholding in TeliaSonera, the market value of the state's listed portfolio, compared with the market value at the end of 2007, has increased by 2 per cent from SEK 59.5 billion to SEK 60.7 billion.

Adjusted for the sale of shares in TeliaSonera, the market

value has risen 5.4 per cent from SEK 153.7 billion to SEK 162.0 billion. OMX Stockholmsbörsen's all share-index fell during the same period by 7.0 per cent.

From 31 December 2007 to 15 February 2008, the market value of the state's listed portfolio has decreased by 19 per cent, from SEK 162.0 billion to SEK 131.0 billion. OMX Stockholmsbörsen's all share-index fell during the same period by 14.0 per cent.

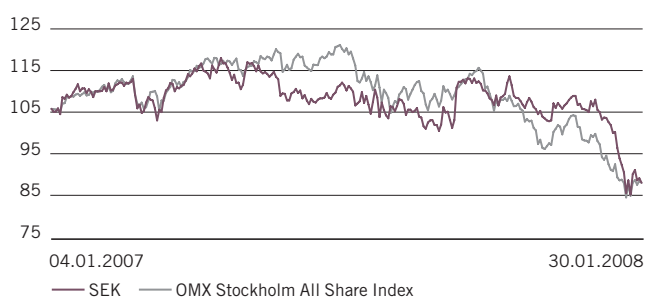
After the end of the period covered by the report, the Government decided on 31 January 2008 to accept Borse Dubai's all-cash offer to all shareholders in OMX to acquire shares in OMX at SEK 265 per share. Acceptance of this offer was given to the tenderer Borse Dubai on 12 February. Accordingly, the state received SEK 2,118 million for its 7,993,466 shares in OMX on 22 February.

### MARKET VALUE OF THE STATE'S LISTED PORTFOLIO, SEK million

| Company        | Ownership share, % | No. of shares | Market value on 15.02.2008 | % since 31.12.2007 | Market value on 31.12.2007 | % since 31.12.2006 | Market value on 31.12.2006 |
|----------------|--------------------|---------------|----------------------------|--------------------|----------------------------|--------------------|----------------------------|
| Nordea Bank AB | 19.9               | 515,601,104   | 45,940                     | -18                | 55,685                     | 2                  | 54,396                     |
| OMX AB         | 6.6                | 7,993,466     | 2,106                      | 1                  | 2,090                      | 108                | 1,007                      |
| SAS AB         | 21.4               | 35,250,000    | 1,780                      | -39                | 2,926                      | -29                | 4,107                      |
| TeliaSonera AB | 37.3               | 1,674,310,553 | 81,204                     | -20                | 101,296                    | -11                | 114,387                    |
| <b>Total</b>   |                    |               | <b>131,031</b>             | <b>-19</b>         | <b>161,997</b>             | <b>-7</b>          | <b>173,897</b>             |

1) In May, the Swedish sold over 359 million shares in TeliaSonera for around SEK 18 billion.

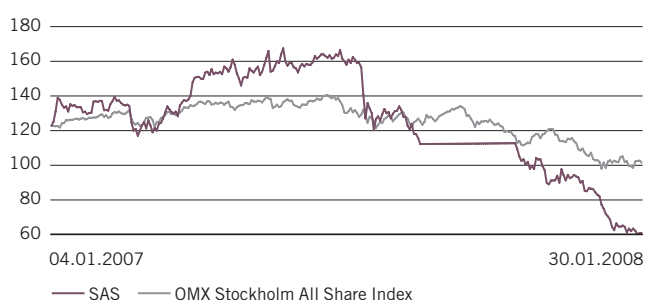
#### SEK, share price development in SEK



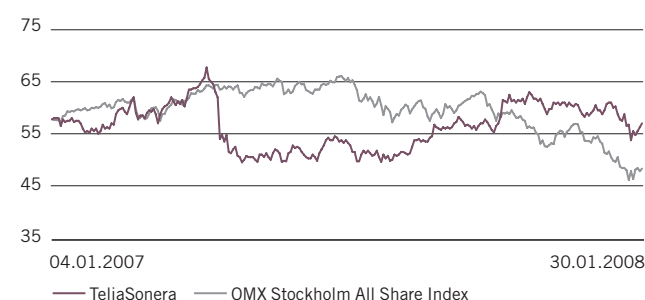
#### OMX, share price development in SEK



#### SAS, share price development in SEK



#### TELIASONERA, share price development in SEK





# Changes in executive managements and boards

## CHANGES IN EXECUTIVE MANagements AND BOARDS FROM 20 MAY

### CHIEF EXECUTIVE OFFICERS

| Company            | Taking up appointment  | Leaving               |
|--------------------|--|-----------------------|
| Akademiska Hus     | Thomas Norell took up appointment as ordinary CEO on 2 July 2007 |                       |
| Green Cargo AB     | Sören Belin took up appointment on 1 July 2007                   | Jan Sundling          |
| Göta Kanalbolaget  | Anders Donlau takes up appointment in June 2008                  | Claes-Göran Österlund |
| IRECO Holding      | Peter Holmstedt took up appointment on 1 September 2007          | Håkan Widmark         |
| Innovationsbron AB | Peter Strömbäck took up appointment on 1 September 2007          | Peter Holmstedt       |
| Lernia             | Johan Lagerhäll acting CEO                                       | Ingemar Ålserud       |
| LKAB               | Ola Johnsson took up appointment on 1 March 2008                 | Martin Ivert          |
| SP                 | Maria Khorsand took up appointment on 1 October 2007             | Claes Bankvall        |
| TeliaSonera        | Lars Nyberg took up appointment on 3 September 2007              | Anders Igel           |

### BOARD MEMBERS

| Company            | Taking up appointment | Leaving |
|--------------------|-----------------------|---------|
| Vasakronan AB      | Håkan Erixon          |         |
| V&S Vin & Sprit AB | Patrik Jönsson        |         |

# Accounting principles

50 of 55 state-owned companies are included in the report. Companies where the state holding is less than 20 per cent, companies in the process of being wound up or which are defined as 10/24 companies\* are not included in the report (OMX AB, Nordea Bank AB, SIS Miljömärkning AB, Zenit Shipping AB). Furthermore, A/O Dom Shvetsii is not included. The holding company Civitas Holding AB has not been included, although its subsidiary Vasakronan AB has been included. Associated companies, with an ownership share exceeding 20 per cent, have been included according to the share of the result.

For property companies, rental income has been treated as turnover. For financial companies, turnover has been defined as the total of net interest income, commission and other net income. For activities with appropriations or other funds from the state, this is included as 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. Certain companies have reported in compliance with IFRS. These companies have also to some extent adjusted last year's figures.

## TRANSITION TO IFRS

According to the Government's guidelines on financial reporting in state-owned companies, the financial reporting of state-owned companies should take place on the basis of demands

made on listed companies. From 2005, all listed companies in the European Union (EU) must prepare their consolidated accounts in compliance with the International Financial Reporting Standards (IFRS) as adopted by the EU. In accordance with the IFRS's transitional rules, IFRS shall be applied from 1 January 2005 with a retroactive recalculation from the beginning of 2004. The general rule is that recalculation of the financial reporting for the time period after the date of the transition is to be treated as if the IFRS had been applied historically.

Among the biggest changes in the transition to IFRS reporting is reporting of investment properties, where the change in market value is to be adjusted every year. Other major changes are the reporting of financial instruments and deferred tax. To increase compliance with IFRS, the consolidated report has been supplemented with separate lines for change in value from wound-up activities.

There are exemptions from the general rule, which have been applied in certain cases by some companies included in the interim report. In the annual report for the respective company in 2005, reconciliation has been made between the affected companies' balance sheets and income statements according to the company's previous accounting principles. To see the impact of IFRS on a particular company, the Government Offices refer to the respective company's annual report.

\*) Definition 10/24 companies. Commercially active unlisted company in which:  
a) the number of employee amounts to at most ten during the past two financial years and  
b) the net value of the assets according to the adopted balance sheet for the last financial year is at most SEK 24 million

## Definitions

**Equity/assets ratio** – Shareholders' equity including minority share in relation to total assets.

**Return on equity** – Net profit attributable to shareholders in parent company in relation to average shareholders' equity attributable to the parent company.

## Financial information

- **Year-end report for January–December 2007** is being published on 12 March 2008
- **The Annual Report for 2007** will be published in June 2008
- **Interim report 1 2008** will be published on 30 May 2008
- **Interim report 2 2008** will be published on 12 September 2008
- **Interim report 3 2008** will be published on 28 November 2008
- **Interim report 4 2008 and the Year-end report for 2008** will be published in March 2009

# Report dates

| Company                           | A.G.M.     | Interim report<br>January–March | Interim report<br>January–June | Interim report<br>January–December |
|-----------------------------------|------------|---------------------------------|--------------------------------|------------------------------------|
| A-Banan projekt AB                | 15.04.2008 |                                 |                                |                                    |
| Akademiska Hus AB                 | 29.04.2008 | 29.04.2008                      | 20.08.2008                     | 04.11.2008                         |
| ALMI Företagspartner              | 29.04.2008 | 31.05.2008                      | 31.08.2008                     | 30.11.2008                         |
| Apoteket AB                       |            | 30.04.2008                      | 15.08.2008                     | 30.10.2008                         |
| Arbetslivsresurs AR AB            | 15.04.2008 | 16.04.2008                      | 15.08.2008                     | 28.10.2008                         |
| Bostadsgaranti AB                 | 16.04.2008 |                                 |                                |                                    |
| Botniabanan                       | 21.04.2008 |                                 |                                |                                    |
| A/O Dom Shvetsii                  |            |                                 |                                |                                    |
| Green Cargo AB                    | 23.04.2008 | 22.05.2008                      | 22.08.2008                     | 24.11.2008                         |
| Göta kanalbolag AB                | 18.04.2008 |                                 |                                | 10.10.2008                         |
| Imego AB                          | 23.05.2008 |                                 |                                |                                    |
| Innovationsbron AB                | 24.04.2008 |                                 |                                |                                    |
| IRECO Holding AB                  | 25.04.2008 |                                 |                                |                                    |
| Kasernen Fastighets AB            | 11.04.2008 |                                 |                                |                                    |
| Kungliga Dramatiska Teatern AB    | 21.04.2008 |                                 |                                |                                    |
| Kungliga Operan AB                | 23.04.2008 |                                 | 05.09.2008                     |                                    |
| Lernia AB                         | 01.04.2008 | 30.04.2008                      | 15.08.2008                     | 24.10.2008                         |
| LKAB                              | 22.04.2008 | 22.04.2008                      |                                | 27.10.2008                         |
| Nordea Bank AB                    |            |                                 |                                |                                    |
| Norrland Center AB                | 17.04.2008 |                                 |                                |                                    |
| Posten AB                         | 03.04.2008 | 29.04.2008                      | 22.08.2008                     | 24.10.2008                         |
| Samhall AB                        | 23.04.2008 | 23.04.2008                      | 18.07.2008                     | 24.10.2008                         |
| SAS AB                            | 09.04.2008 | 29.04.2008                      | 14.08.2008                     | 05.11.2008                         |
| SBAB                              | 15.04.2008 | 30.04.2008                      | 29.08.2008                     | 30.10.2008                         |
| SIS Miljömärkning AB              | 23.04.2008 |                                 |                                |                                    |
| SJ AB                             | 18.04.2008 | April 2008                      | Aug 2008                       | Oct 2008                           |
| SOS Alarm Sverige AB              | 16.04.2008 | 28.04.2008                      | 15.08.2008                     | 27.10.2008                         |
| SP Tekniska Forskningsinstitut AB | 16.04.2008 | 24.04.2008                      | 15.08.2008                     | 23.10.2008                         |
| Specialfastigheter Sverige AB     | 21.04.2008 | 28.04.2008                      | 11.07.2008                     | 23.10.2008                         |
| Statens Bostadsomvandling AB      | 24.04.2008 | 25.04.2008                      | 15.08.2008                     | 24.10.2008                         |
| Sveaskog AB                       | 16.04.2008 | 16.04.2008                      | 24.07.2008                     | 28.10.2008                         |
| SVEDAB                            | 28.04.2008 | 26.05.2008                      | 25.08.2008                     | 13.11.2008                         |
| Swedcarrier AB                    | 14.04.2008 | 30.04.2008                      | 28.07.2008                     | 31.10.2008                         |
| Swedesurvey AB                    | 25.04.2008 |                                 |                                |                                    |
| Swedfund International AB         | 17.04.2008 | 25.04.2008                      | 15.08.2008                     | 24.10.2008                         |
| AB Svensk Bilprovning             | 28.04.2008 | 28.04.2008                      | 29.08.2008                     | 31.10.2008                         |
| Svensk Exportkredit AB            | 23.04.2008 |                                 |                                |                                    |
| Svenska Miljöstyrringsrådet AB    | 15.03.2008 |                                 |                                |                                    |
| Swedish Space Corporation         | 28.04.2008 | 12.05.2008                      | 02.09.2008                     | 12.11.2008                         |
| Swedish Ships Mortgage Bank       |            |                                 |                                |                                    |
| AB Svenska Spel                   | 15.04.2008 | 21.04.2008                      | 21.07.2008                     | 23.10.2008                         |
| SweRoad AB                        | 16.04.2008 |                                 |                                |                                    |
| Systembolaget AB                  | 13.03.2008 | 29.04.2008                      | 15.08.2008                     | 28.10.2008                         |
| TeliaSonera AB                    | 31.03.2008 | 25.04.2008                      | 24.07.2008                     | 28.10.2008                         |
| Teracom AB                        | 24.04.2008 | 24.04.2008                      | 18.08.2008                     | 31.10.2008                         |
| V&S Vin & Sprit AB                | 12.05.2008 | 12.05.2008                      | 20.08.2008                     | 31.10.2008                         |
| Vasakronan AB                     | 22.04.2008 | 22.04.2008                      | 11.07.2008                     | 27.10.2008                         |
| Vasallen AB                       | 23.04.2008 | 24.04.2008                      | 27.08.2008                     | 30.10.2008                         |
| Vattenfall AB                     | 29.04.2008 | 29.04.2008                      | 30.07.2008                     | 30.10.2008                         |
| Venantius AB                      | 17.04.2008 |                                 |                                |                                    |
| VisitSweden AB                    | 13.03.2008 |                                 |                                |                                    |
| Voksenåsen AS                     | 25.04.2008 | 30.05.2008                      | 12.09.2008                     | 28.11.2008                         |

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