

Interim report for
state-owned companies
January–December 2003



- Turnover for state-owned companies¹⁾ increased in 2003 by 5 per cent and totalled SEK 298.8 (283.6²⁾) billion. The main part of the increase can be assigned to Vattenfall, which increased its turnover by SEK 10.9 billion.
- Profit improved greatly. Net profit for the year totalled SEK 21.8 (10.7) billion.
- The companies continued to reduce their investments. In all, investments decreased by 55 per cent to SEK 26.2 billion.
- The value of the state's listed portfolio increased by 21 per cent.
- The Riksdag decided in June to grant SJ a capital contribution of up to SEK 1,855 million (SEK 1,555 million was paid in in December 2003) and Teracom a shareholders' contribution of SEK 500 million. The government decided on 12 November to propose additional dividends of SEK 1,300 million from certain state-owned companies.

STATE-OWNED COMPANIES, TOTAL

SEK m	Oct–Dec 2003	Pro forma ²⁾		Change, %	Oct–Dec 2002	Jan–Dec 2003	Pro forma ²⁾		Change, %	Jan–Dec 2002
		Oct–Dec 2002	Change, %				Jan–Dec 2002	Change, %		
Net sales	80,182	77,239	4	93,995	298,808	283,590	5	337,487		
Operating profit	8,572	7,555	13	5,776	33,496	23,100	45	16,455		
Profit before tax	6,621	5,862	13	3,882	26,574	15,699	69	8,454		
Profit after tax	6,850	4,967	38	5,433	21,846	10,695	104	8,555		
Gross investment	8,490	7,206	18	7,206	26,243	58,601	-55	67,642		
Cash flow from operating activities	491	15,231	-97	15,231	25,045	63,861	-61	75,005		

SEK m	31 Dec 2003	31 Dec 2002	Change, %
Shareholders' equity	205,256	195,230	5
Total assets	873,591	876,575	0
Average no. of employees	144,784	146,515	-1
Average no. of employees incl. associated companies	205,238	199,302	3

%	Jan–Dec 2003	Jan–Dec 2002
Return on capital employed	10.9	4.6
Equity-assets ratio	19.6	18.7

The level of economic activity in Sweden continued to be slack in 2003. 55 per cent of the Swedish listed companies reported a profit in 2003. Among the state-owned companies, 76 per cent reported a profit. 34 state-owned companies reported improved or unchanged earnings and 17 companies reported a deterioration in their results.

After a downturn in the first quarter, the Stockholm stock exchange, Stockholms-

börsen, moved upwards. Affärsvärlden's general index increased by 30 per cent during the year. The value of the state's listed portfolio increased by 21 per cent and totalled SEK 112 billion at the turn of the year.

The improved full-year earnings for state-owned companies²⁾ are primarily accounted for by an improvement in the state's share of earnings in TeliaSonera of

SEK 7.9 billion and that Vattenfall increased its profit after tax by SEK 1.6 billion. However, TeliaSonera reported a number of non-recurring items in 2002, which should be taken into consideration in a comparison with 2003.

During the fourth quarter, turnover increased by 4 per cent and totalled SEK 80.2 billion. Earnings for the period totalled SEK 6.9 (5.0) billion.

¹⁾ See accounting principles, page 8.

²⁾ TeliaSonera has been treated as an associated company for the whole of 2002 in the Pro Forma. Pro forma has been used for comparison with 2003.

Companies operating under market conditions

State-owned companies include companies operating under market conditions and companies which have special societal interests to fulfil. The distinction between the two categories is not always self-evident. Companies operating under market conditions are characterised by one or both of the following criteria:

- They operate in a fully-competitive market.
- The owner, the state, makes market requirements for earnings and return based on the risk profile. Evaluation and monitoring are based on these, in some cases, specially stated requirements by the owner.

EARNINGS AND TURNOVER

Turnover for companies operating under market conditions increased by 6 per cent in 2003 compared with the previous year and totalled SEK 202,585 (190,027¹⁾ million. The major part of this increase can be accounted for by Vattenfall, which increased its turnover by SEK 10,910 million. Approximately 60 per cent of the turnover relates to Germany and Poland, while approximately 40 per cent relates to the Nordic countries. Posten and LKAB also reported large increases in turnover.

In the fourth quarter, turnover increased by 3 per cent compared with the

corresponding period last year. Turnover totalled SEK 53,601 (52,125) million.

Profit after tax amounted to SEK 17,054 (6,048) million. The large increase is mainly accounted for by improvement in the state's share of earnings in TeliaSonera by SEK 7,888 million and by Vattenfall improving its profit after tax by SEK 1,557 million. However, TeliaSonera reported a number of non-recurring items in 2002, which should be taken into consideration in comparisons with 2003. 19 of the companies operating under market conditions reported a profit and the major part of the companies improved their earnings. Of a

total of 28 companies, 18 reported improved earnings corresponding to SEK 12,862 million, while 10 companies reported a poorer result corresponding to SEK –1,332 million. Profit before tax for the fourth quarter totalled SEK 5,250 (4,965) million, which is an increase of 6 per cent compared with the corresponding period last year.

Vattenfall's turnover increased by 11 per cent in 2003 and totalled SEK 111,935 (101,025) million. This increase is explained partly by higher electricity earnings in the Nordic countries and about 60 per cent of it by higher electricity earnings in Germany, and

COMPANIES OPERATING UNDER MARKET CONDITIONS

SEK m	Oct–Dec 2003	Pro forma ¹⁾		Change, %	Oct–Dec 2002	Jan–Dec 2003	Pro forma ¹⁾		Change, %	Jan–Dec 2002
		Oct–Dec 2002	Jan–Dec 2002				Jan–Dec 2002	Jan–Dec 2002		
Net sales	53,601	52,125		3	68,881	202,585	190,027	7		243,924
Operating profit	6,865	6,393		7	4,614	27,772	17,373	59		10,782
Profit before tax	5,250	4,965		6	2,985	21,900	11,028	99		3,783
Profit after tax	5,207	3,997		30	4,463	17,054	6,048	82		3,908
Gross investment	5,889	4,360		35	4,360	19,612	50,535	–61		59,575
Cash flow from operating activities	–2,331	12,720		–118	12,720	17,416	55,832	–69		66,999
SEK m	31 Dec 2003	31 Dec 2002		Change, %						
Shareholders' equity	179,911	170,650		5						
Total assets	782,187	788,361		0						
Average no. of employees	95,671	95,672		0						
Average no. of employees incl. associated companies	156,121	148,455		5						
%					Jan–Dec 2003	Jan–Dec 2002				
Return on shareholders' equity					9.7	2.4				
Equity/assets ratio					18.6	17.5				

¹⁾ TeliaSonera has been treated as an associated company for the whole of 2002 in the Pro forma. Pro forma has been used for comparison with 2003.

the consolidation of the Polish company GZE as from January 2003 and the inclusion of the German company Bewag for the whole of 2003 in comparison with 11 months in 2002. Vattenfall's profit before tax for 2003 increased by 24 per cent to SEK 12,360 (9,987) million. The improvement in operating profit is wholly explained by the improvement in earnings in Germany and in Poland. Net financial items improved by SEK 440 million. Return on shareholders' equity totalled 20.2 per cent and 13.6 per cent for the past five-year period. The board's recommended dividend totalled SEK 2,400 (1,675, of which 190 was additional distribution) million.

Posten's (Sweden Post) turnover totalled SEK 24,519 (23,632) million in 2003. Profit before tax amounted to SEK –253 (69) million, of which provisions for restructuring totalled SEK –544 (801) million. Posten reported an operating profit of SEK 78 million, an improvement by SEK 781 million, which is primarily explained by increased income and cost-saving measures. Return on shareholders' equity was negative (neg). The board is not recommending a dividend.

V&S Vin & Sprit's turnover increased by 2 per cent in 2003 and totalled SEK 9,294 million. The fall in the value of the US dollar during 2003 had a negative impact on earnings of SEK 800 million. The volume of sales increased by 21 per cent during the year, of which 18 percentage points were due to acquisitions and 3 percentage points to organic growth. Profit before tax decreased from SEK 1,869 million to SEK 1,610 million, which is a reduction by 16 per cent. The US dollar had a negative effect on earnings of SEK 500 million. Return on shareholders' equity was 22.8 per cent. The board's recommended dividend totalled SEK 350 (620, of which 120 was for additional distribution) million.

Sveaskog's turnover totalled SEK 8,420 million, which is on a level with last year. Turnover in Forestry operations increased primarily as a result of higher volume. Turnover was affected by the sawmill operations being transferred to the Setra Group, which is part-owned by Sveaskog, even though previous intra-group timber deliveries from the forestry operations are now reported as external turnover. The first half of 2003 was good for the Swedish sawmill industry due to continued high demand and low supply from certain competitor countries. During the second half of the year, some slackening occur-

ed, in particular for spruce products. Sveaskog's profit before tax increased by SEK 281 million to SEK 1,047 million in 2003. Property sales accounted for SEK 207 million of the increase. Return on shareholders' equity was 7 per cent. The stronger krona, increased production and build-up of stocks and some slackening of demand on some export markets dampened expectations for 2004. The board's recommended dividend totalled SEK 355 (896 of which 600 was additional distribution) million.

SBAB's net interest increased by 7 per cent in 2003 compared with the previous year and totalled SEK 1,253 million. The foremost explanations for the improved net interest are a continued high level of new lending in the private market, restructuring of the loan portfolio and good earnings in the deposit business. Profit before tax increased by 17 per cent and totalled SEK 721 (618) million. Return on shareholders' equity totalled 11.0 (10.1) per cent. The board's recommended dividend amounted to SEK 143 (137) million.

Green Cargo's turnover increased to SEK 6,167 (6,141) million in 2003. Efficiency improvements in operations led to an improvement in loss before tax of SEK 111 million to SEK –85 million (–196). Despite increased volumes and increased pension premiums of SEK 41 million, the volume of costs was substantially unchanged compared with 2002. Logistics operations have also contributed to the improvement in earnings, and all large subsidiaries and associated companies showed improved earnings in 2003 compared with 2002. Return on shareholders' equity was negative (neg.). The board is not recommending a dividend.

SJ's turnover increased to SEK 5,825 (5,711) million. Profit including items affecting comparability, non-recurring items for personnel reduction of SEK –89 million, totalled SEK –101 (–994) million, which was an improvement of SEK 893 million on last year. During the year, SJ has also incurred additional pension costs to SPV of SEK –50 million. Return on shareholders' equity was negative (neg). The board is not recommending a dividend.

Svensk Exportkredit's (SEK) net interest totalled SEK 757 (798) million and operating profit amounted to SEK 595 (664) million. The reduction in earnings was mainly due to interest expense for new subordinated loan capital and the effect of the

increased dividend, both related to the change in ownership during the year. An increase in administrative expenses also contributed negatively as well as depreciation of non-financial assets. During 2003, SEK achieved a total volume of new customer-related financing solutions totalling SEK 23.2 (17.9) billion, which is the second highest volume ever. New long-term credits totalled SEK 19.0 (13.4) billion. Export credits accounted for the great increase compared with 2002, with a total volume of SEK 6.1 (0.9) billion. Return on shareholders' equity totalled 18.9 (19.5) per cent before tax, and 13.6 (14.0) per cent after tax respectively. SEK has experienced an improved rating and lower borrowing costs after the change of ownership. The board is not recommending a dividend.

LKAB's turnover was SEK 7,466 (5,186) million. Over SEK 1,000 million of the increase in sales derives from acquired companies in the industrial mineral sector. Higher iron ore prices of approximately 10 per cent and increased delivery volume of approximately 2 million tonnes each contributed over SEK 500 million. Profit before tax was SEK 975 (396) million. The state of business in the steel industry has been buoyant in 2003. Growth was strongest in China, where raw steel production increased by more than 21 per cent. The world's total raw iron production increased by over 8 per cent and was record high 655 (608) million tonnes (Mt). A new record level was also noted for the iron ore trade. During 2003, the sea borne iron ore trade increased by 40 Mt, China accounting for the major part of the increase in imports. LKAB's deliveries totalled 21.6 (19.6) Mt, of which pellets accounted for 67 (67) per cent of the total deliveries. Return on shareholders' equity was 7.8 (3.5) per cent. The board's recommended dividend totalled SEK 281 (351, of which 120 was additional distribution) million.

TeliaSonera's turnover increased by 1 per cent to SEK 81,772 (80,979) million. Profit before tax increased greatly to SEK 12,346 (–46,791) million. Before non-recurring items, the operating profit increased to SEK 14,831 (5,992) million. TeliaSonera is included in the summary of earnings with the state's share of profit after tax of SEK 4,177 million. The free cash flow increased to SEK 17,499 (9,534) million. There has been a strong growth in mobile telephony

and Internet. The negative trend in fixed telephony for private customers in Sweden was reversed and there was a positive inflow of preferred-operator customers at the end of the year. The merger of Telia and Sonera has now been successfully carried out. The recommended dividend is increasing to SEK 1.00 per share, of which SEK 0.80 is ordinary dividend (0.40) and an additional dividend of SEK 0.20 due to the exceptionally strong cash flow. The state's share of the board's recommended dividend amounts to SEK 2,118 (847) million.

Akademiska Hus's management income totalled SEK 4,413 (4,240) million. Akademiska Hus's market share in university and higher education premises is 68 per cent. Profit before tax improved to SEK 710 (687) million. The improvement in income is mainly due to increased rental income and decreased depreciation. The increase in rental income has arisen due to upward index adjustment of existing contracts, commissioning of new buildings and redevelopments and two major acquisitions in Kalmar. The average remaining term of leases was 6.6 years at the turn of the year and the average lease period was 10 years. Return on shareholders' equity was 6.9 (6.9) per cent. The board's recommended dividend is SEK 250 (245) million.

Teracom's turnover increased by 3 per cent to SEK 1,876 (1,814) million. This increase above all concerned income from digital TV subscribers and from data and telecommunications. The group turned a loss before tax of SEK 271 million into a profit before tax of SEK 3.5 million. Return on shareholders' equity totalled 2.5 (neg.) per cent.

Vasakronan's rental income totalled SEK 2,961 (2,899) million. The rental increase in renegotiated and new leases was 4 (48) per cent. The downturn entailed lower rental levels and increased vacancies. The vacancy ratio increased to 10 (7) per cent of rental income. Profit before tax totalled SEK 37 (601) million. Excluding profit from property sales (SEK 587 million), writing-down of

properties and participations in associated companies (SEK –1,135 million), profit before tax totalled SEK 585 (617) million. The market value of the properties fell by 2 per cent in 2003. The board's recommended dividend amounts to SEK 9 (316, of which 100 was for additional distribution) million.

SAS's turnover decreased by 11 per cent in 2003 and totalled SEK 57,754 (64,944) million. Loss before tax totalled SEK –1,470 (–450) million. The state's share of the loss amounted to SEK –303 (–28) million. The negative result can mainly be related to the first quarter. SAS reported a profit before tax for the second and third quarter. The board is not proposing a dividend.

GROSS INVESTMENTS

Gross investments for companies operating under market conditions halved in 2002 compared with 2001. In 2003, the companies have continued to reduce their investments. Gross investments decreased by 61 per cent compared with 2002 and totalled SEK 19,612 (50,535) million. Vattenfall reduced its investments in 2003 by SEK 28,576 million. Company investments, in particular in Germany last year are an important explanation of the difference. Posten, Vin & Sprit, Sveaskog and Green Cargo also reduced their investments greatly in 2003. LKAB reported a considerably higher level of investment in 2003 compared with 2002 which is due to company acquisitions. Akademiska hus and Vasakronan are among the companies that increased their investments. In the fourth quarter, the companies reported reduced investments of 35 per cent compared with the corresponding period last year.

CASH FLOW

The cash flow from operating activities deteriorated by SEK 38,416 million and totalled SEK 17,416 (55,832) million. The main part of the deterioration can be assigned to SEK, which accounted for SEK 33,055 million and SBAB for SEK 6,739 million. In the fourth

quarter, a negative cash flow from operating activities of SEK 2,331 million was reported.

IMPORTANT EVENTS IN THE FOURTH QUARTER AND UP UNTIL 19 MARCH 2004

SJ received a capital contribution of SEK 1,555 million paid into the company in 2003, as decided by the Riksdag. SJ's board decided in December to invest a half billion kronor in refurbishment of 36 X2000 train sets.

SEK has issued two large bond loans during the period. A global bond loan of a billion USD in December 2003 with a term of three years. And a bond loan of a billion euros in February 2004 on the international capital market with a term of three years.

TeliaSonera has opened its first 3G network in Sweden. The newly-opened 3G network collaborates from the start with TeliaSonera Sweden's GSM network.

Sveaskog's sawmill business Assi Domän Timber Holding AB was merged by an issue in kind with the sawmill company Mellanskog Industri AB to form the Setra Group AB. The company is 50 per cent owned by Sveaskog.

Vattenfall's ownership in the Polish sales and distribution company GZE increased from 32 to 53.7 per cent. GZE was consolidated in Vattenfall from 1 January 2003.

VS Vin & Sprit completed the acquisition of 85 per cent of the shares in Poland's fourth largest alcoholic beverages company Polmos Zielona Gora for a purchase price of just under SEK 300 million.

Rymdbolaget (the Swedish Space Corporation) reduced its ownership share of Nordiska Satelit AB from 50 per cent to 25 per cent by the other owner taking over a part of Rymdbolaget's holding.

Vasallen signed an agreement of intent at the end of January 2004 which entails that Peab is to acquire all shares in Vasallen's subsidiary F18 in Vasallen AB. The transaction entails 250,000 square metres of land for housing production and 30,000 square metres of existing buildings in Tullinge south of Stockholm.

Companies operating under market conditions

The group companies operating under market conditions includes:

Akademiska Hus AB, Civitas Holding AB (Vasakronan AB), AO Dom Shvetsii, GreenCargo AB, Imego AB, Kasernen Fastighets AB, Lernia AB, LKAB, Posten AB, Swedish Space Corporation, SAS AB, SBAB, SJ AB, Swedish Ships Mortgage Bank, Specialfastigheter Sverige AB, Förvaltningsaktiebolaget Stattum, Sveaskog Holding AB, AB Swedcarrier, Swedesurvey AB, AB Svensk Exportkredit, Sweroad AB, TeliaSonera AB, Vasallen AB, Vattenfall AB, Venantius AB and V&S Vin & Sprit AB.

Companies with special societal interests

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

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

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

EARNINGS AND TURNOVER

Turnover for companies with special societal interests increased by 3 per cent in 2003 compared with last year and totalled SEK 96,223 (93,562) million. The largest increase was from Svenska Spel and

Apoteket, which together increased turnover by SEK 2,588 million. Samhall's turnover decreased by SEK 491 million. During the fourth quarter, the turnover increased by 6 per cent compared with the corresponding period last year. Turnover totalled SEK 26,581 (25,114) million.

Net profit for the year for companies with special societal interests totalled SEK 4,793 (4,647) million. Svenska Spel and Apoteket accounted for a large part of the increase with a combined increase in earnings of SEK 816 million. Of a total of 23 companies, 16 reported an improvement in earnings corresponding to SEK 945 million, while 7 companies reported a poorer result corresponding to SEK 754 million. Profit before tax for the fourth quarter totalled SEK 1,643 (970) million, an increase by 69 per cent compared with the corresponding period last year.

Apoteket's turnover totalled SEK 33,120 (32,088) million and profit before tax totalled SEK 181 (12) million. Profit was affected positively by a capital gain of SEK 147 million after sale of the shares in the Finnish pharmaceutical distribution Tamro Apb. Profit in ordinary activities totalled SEK 50 million. The rate of increase of income is considerably lower than in recent years due to the generic product substitution reform. The effects of this reform where Apoteket changes to the cheapest equivalent pharmaceutical product has led to a weak increase in earnings for Apoteket. Apoteket has been able to counter the loss of income on prescription orders by a positive development in the field of self-care and in the sale of services, at the same time that Apoteket has carried out measures to reduce costs. The board is recommending a dividend of SEK 117 (100) million.

COMPANIES WITH SPECIAL SOCIETAL INTERESTS

SEK m	Oct-Dec 2003	Oct-Dec 2002	Change, %	Jan-Dec 2003	Jan-Dec 2002	Change, %
Net sales	26,581	25,114	6	96,223	93,562	3
Operating profit	1,707	1,162	47	5,724	5,673	1
Profit before tax	1,371	897	53	4,674	4,671	0
Profit after tax	1,643	970	69	4,793	4,647	3
Gross investment	2,601	2,846	-9	6,812	8,066	-16
Cash flow from operating activities	2,822	2,511	12	7,629	8,029	-5

SEK m	31 Dec 2003	31 Dec 2002	Change, %
Shareholders' equity	25,346	24,580	3
Total assets	91,403	88,214	4
Average no. of employees	49,113	50,843	-3
Average no. of employees incl. associated companies	49,117	50,847	-3

%	Jan-Dec 2003	Jan-Dec 2002
Return on shareholders' equity	19.2	19.1
Equity/assets ratio	28.3	28.4

Systembolaget's turnover increased marginally in 2003 to SEK 19,207 (19,132) million. Profit before tax amounted to SEK 201 (202) million. In 2003, 362.3 million litres of alcoholic beverages were sold. This is an increase by 4.2 (9.5) per cent compared with 2002 and the company's largest sale in litres ever. Measured in pure alcohol, sales increased by 2.6 (8.3) per cent to 37.4 million litres, which is a clear fall off in demand compared with the period 2000–2002. The return on shareholders' equity was 10 per cent.

Svenska Spel's gaming revenue increased by 8.6 per cent and the turnover was SEK 19,796 (18,240) million in 2003. Profit before tax increased by over 11 per cent or SEK 477 million and totalled SEK 4,680 (4,210) million. Casino Cosmopol showed a profit of SEK 168 (–145) million, which was an improvement in earnings of SEK 313 million. During the year, Casino Cosmopol has established the fourth and last planned casino. In 2003, a total of 803,512 visits were registered. In accordance with the new profit sharing system, SEK 1,010 million goes to the activities of the popular and sports organisations for children and young people. An additional SEK 165 million is distributed to Sveriges Bingohallar of which part goes to the local sports associations. The state's share is SEK 4,509 (4,210) million.

Samhall's turnover decreased by 9 per cent in 2003 and totalled SEK 8,066 (8,557) million. The tough international competition and the continued weak state of the economy had a negative effect on turnover. The decrease can be assigned to industrial activities while invoicing in services activities increased. Considerable efforts have therefore been devoted to restructuring from industrial to service activities. Special "mobility projects" with measures for personnel development have been initiated to support employees affected by this adjustment. The group's loss before tax was SEK –334 (–2) million. This amount includes

phasing-out and adjustment expenses of SEK –175 million. The board is not recommending a dividend.

The Civil Aviation Administration's (LFV) turnover totalled SEK 5,402 (5,384) million, of which airport and air traffic management charges accounted for SEK 3,554 million. Of these, SEK 423 million relate to income from airline companies for passenger and baggage checks. LFV's loss before tax was SEK –48 (151) million. Profit has been affected by the largest reduction in traffic in modern times. The number of airline passengers has continued to decrease for the third year running and since 2000, the number of passengers has decreased by over 4 million, or approximately 15 per cent. A weakening market and increased costs for protection of air traffic has had a negative effect on the aviation industry. In 2003, the number of passengers at LFV's airports decreased to 26 million, which is 7 per cent less than in 2002. The number of landings decreased by 5 per cent to 222,000. The board is not recommending a dividend.

Svenska Kraftnät's turnover increased by SEK 141 million to SEK 3,982 million. Net profit for the year fell by SEK 253 million to SEK 288 million, mainly due to grid income decreasing by SEK 115 million. Costs for energy losses and balance power increased as a result of higher electricity prices compared with last year. Return on adjusted shareholders' equity was 3.5 (6.6) per cent. The board are recommending a dividend of SEK 309 (356) million.

The National Maritime Administration's profit after tax equivalent totalled SEK 27(18) million in 2003. The volume of goods increased by 4 per cent in 2003. The foremost reason for this is the increase in export volumes. This led to increased fairway charges in 2003. However, the trend is towards the use of increasingly large ships, which leads to a reduction in port calls and pilotage. The return on shareholders' equity was 3.5 per cent, which is on a level with

the owner's requirements. The board is recommending a dividend of SEK 7 (6) million.

Svensk Bilprovning increased its turnover by 10 per cent in 2003, compared with the previous year to a total of SEK 1,535 million. Almost 4 percentage points of the increase can be assigned to increased volume and the remainder to increased prices. Bilprovningen increased prices by an average of over 20 per cent in June 2002. Profit before tax increased by SEK 97 million to SEK 163 million, which is explained by an increase in turnover of SEK 136 million, an increase in operational expenses of SEK 45 million and improvement in net financial income of SEK 6 million. The state's share of the board's recommended dividend is SEK 2 (0) million.

GROSS INVESTMENTS

Gross investments for companies with special societal interests continued to decrease in 2003. Gross investments decreased by 15 per cent compared with 2002 and totalled SEK 6,812 (8,066) million. Statens väg- och baninvest and the Civil Aviation Administration accounted together for a large part of the reduction of SEK 1,283 million. The companies reported reduced investments for the fourth quarter by 9 per cent compared with the corresponding period last year.

CASH FLOW

The cash flow from companies with special societal interests was largely unchanged in 2003. The cash flow from operating activities was SEK 7,629 (8,029) million. The largest changes were Systembolaget with a reduction of SEK 1,336 million and Svenska Spel with an increase of SEK 858 million. The change in Systembolaget is primarily explained by the changed payment dates for a very large number of beverage deliveries, which has led to a large drop in accounts payable. The cash flow from operating activities in the fourth quarter was SEK 2,822 million.

Companies with special societal interests

The group companies with special interests includes:

A-banan projekt AB, Almi Företagspartner AB, Apoteket AB, AB Bostadsgaranti, Bothia Garanti AB, AB Göta Kanalbolag, Ireco Holding AB, Kungliga Dramatiska Teatern AB, Kungliga Operan AB, the Civil Aviation Administration, Norrland Center AB, Samhall AB, the National Maritime Administration, SOS Alarm Sverige AB, SP Sveriges Provning- och Forskningsinstitut AB, Statens väg- och baninvest AB, Svedab, Swedfund International AB, Svensk Bilprovning, Svenska Kraftnät, Svenska Miljöstyrningsrådet AB, AB Svenska Spel, Sveriges Rese- och Turistråd AB, Systembolaget AB, and Voksenåsen AS.

State ownership of listed companies

Stockholmsbörsen, performed weakly at the start of the year and Affärsvärlden's general index fell by 8 per cent during the first quarter. Thereafter, the stock exchange recovered and the general index increased by 30 per cent in 2003.

The market value of the state share portfolio increased by 21 per cent in 2003, which is a weaker performance than the stock exchange in general. This can be explained by the share price of TeliaSonera, which makes up approximately 71 per cent of the portfolio, performing more weakly

than the index and increasing in value by 15 per cent in 2003.

The value of other shares increased more than the general index. OM HEX's share price, which decreased in value by 70 per cent in 2002, increased in value by 115 per cent in 2003. The SAS share increased in value by 38 per cent in 2003. Nordea's share price has increased by 40 per cent since the turn of the year 2002/2003.

The market value of the state's shareholding increased by 14 per cent in the fourth quarter and totalled SEK 112 billion

on 30 December 2003, which made the Swedish state the largest owner on the Stockholm stock exchange, Stockholmsbörsen.

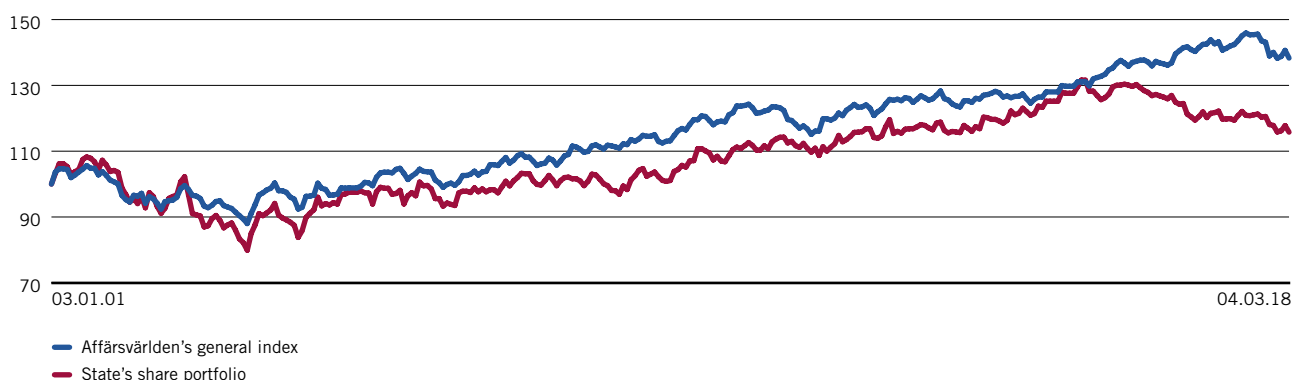
Stockholmsbörsen has continued to increase after the end of the period covered by the report and has increased by 10 per cent in value as at 19 March 2004. During the corresponding period, the value of the state's shareholding decreased by 10 per cent, which is primarily explained by TeliaSonera whose share price has fallen by 12 per cent in the corresponding period.

THE MARKET VALUE OF THE STATE PORTFOLIO 2000–2004, SEK m¹⁾

COMPANY	Ownership share											
	19 Mar 04, %	19 Mar 04	30 Dec 03	30 Sep 03	30 Jun 03	31 Mar 03	30 Dec 02	30 Sep 02	28 Jun 02	28 Mar 02	28 Dec 01	29 Dec 00
Nordea AB	19.0	27,372	29,269	23,903	20,922	20,271	20,813	19,946	27,101	31,979	30,082	38,754
OM HEX AB	6.9	835	715	615	456	298	333	256	552	1,011	1,103	1,862
SAS AB	21.4	2,150	2,397	2,221	1,551	1,269	1,741	1,851	2,238	2,697	2,397	3,173
TeliaSonera AB	45.3	70,115	79,647	71,174	70,327	51,474	69,480	49,778	54,226	77,950	98,920	102,736
Total		100,472	112,028	97,913	93,255	73,313	92,367	71,831	84,117	113,637	132,502	146,525
Total excl TeliaSonera		30,357	32,381	26,739	22,928	21,839	22,887	22,053	29,891	35,687	33,582	43,789

¹⁾ Civitas Holdings holding in Celtica has been sold and the comparison figures have accordingly been recalculated.

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



The holding in TeliaSonera accounted for approximately 71 per cent of the state's share portfolio on 30 December 2003. In 2003, the share performed less well than Affärsvärlden's general index.

Changes in executive managements and boards

CHANGES IN EXECUTIVE MANagements AND BOARDS

Samhall	The board appointed Birgitta Böhlin as new managing director of Samhall in December 2003.
Akademiska Hus	Joakim Ollén took up his appointment as managing director and in November 2003.
SBAB	The board appointed Eva Cederbalk as managing director on 18 December 2003. She will take up her appointment on 24 March 2004.

Accounting principles

The report includes 51 of 54 state-owned companies, excluding companies in process of being wound up and companies where the state holding is less than 20 per cent (OM HEX AB, Nordea AB, Sydkraft, SAKAB and SIS Miljömärkning AB). Associated companies, with an ownership share exceeding 20 per cent have been included in the result according to the share. As from the second quarter of 2003, Svenska Skogsplantor is included in Sveaskog's consolidated accounts. As of this report Teracom AB has been transferred to the group companies operating under market conditions.

A/O Dom Shvetsii, AB Bostadsgaranti and Voksenåsen AS have not been included in the report.

For property companies, rental income has been treated as turnover. For financial companies, turnover has been defined as the total of net interest income, commissions and other net income.

For activities with appropriations, this is included in the turnover. This applies, for instance, to Samhall's compensation for additional costs and the appropriations for Kungliga Opera (Royal Opera) and Kungliga

Dramatiska Teatern AB (Royal Dramatic Theatre). 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 change has had a significant effect, the comparative figures in the consolidated accounts have also been adjusted.

Telia was consolidated as a subsidiary in the period January to November 2002 inclusive. As of December 2002, TeliaSonera has been treated as an associated company. In pro forma 2002, TeliaSonera has been treated as an associated company.

Definitions

Profit/loss before tax

Stated exclusively of minority share.

Gross investment

Refers to the amount that constitutes acquisition value of fixed assets acquired during the year or period. The amount accordingly refers both to tangible and intangible assets and financial fixed assets.

Equity/assets ratio

Shareholders' equity including minority share as a percentage of total assets.

Return on shareholders' equity

Profit after tax in relation to average shareholders' equity.

Financial information

- The annual report for 2003 will be published in May 2004.
- The interim report for January–March 2004 will be published on 28 May 2004.
- The interim report for January–June 2004 will be published on 13 September 2004.
- The interim report for January–September 2004 will be published on 24 November 2004.

Report dates for state-owned companies

Company	Annual General Meeting	Interim report, January–March 2004	Interim report, January–June 2004	Interim report, January–September 2004	Summary report, January–December 2004
A-banan projekt AB	.04.05.27	i.u.	i.u.	i.u.	i.u.
Akademiska hus AB	.04.04.29	.04.05.06	.04.08.26	.04.11.05	.05.02.01
ALMI Företagspartner	.04.05.25	i.u.	i.u.	i.u.	i.u.
Apoteket AB	.04.04.14	.04.04.26	.04.08.01	.04.10.25	.05.02.21
Bostadsgarantin, AB	.04.04.10	i.u.	i.u.	i.u.	i.u.
Civitas Holding (Vasakronan)	.04.04.27	.04.04.27	.04.07.12	.04.10.26	jan 2005
Dom Shvetsii	.04.05.14	i.u.	i.u.	i.u.	i.u.
GreenCargo AB	.04.04.29	i.u.	i.u.	i.u.	i.u.
Göta Kanalbolag	.04.04.19	i.u.	i.u.	i.u.	i.u.
Imego AB	.04.03.16	i.u.	i.u.	i.u.	i.u.
Ireco Holding AB	.04.04.23	i.u.	i.u.	i.u.	i.u.
Kasernen Fastighets AB	.04.03.25	i.u.	i.u.	i.u.	i.u.
Kungliga Dramatiska Teatern AB	.04.04.21	.04.05.07	.04.09.05	.04.11.08	i.u.
Kungliga Operan AB	.04.05.18	.04.05.07	.04.09.05	.04.11.08	i.u.
Lernia AB	.04.04.15	.04.04.30	.04.08.30	.04.10.29	.05.01.28
LKAB	.04.04.28	.04.04.28	.04.08.20	.04.10.28	i.u.
Luftfartsverket	.04.02.16	.04.05.25	.04.08.25	.04.11.25	.05.02.25
Nordea AB	.04.03.31	.04.04.28	.04.08.18	.04.10.27	i.u.
Norrland Center AB	.04.05.26	i.u.	i.u.	i.u.	i.u.
OMHEX AB	.04.03.25	.04.04.20	.04.07.21	.04.10.29	i.u.
Posten AB	.04.04.28	.04.04.28	.04.04.28	i.u.	i.u.
Samhall AB	.04.04.19	.04.04.28	.04.08.27	.04.11.02	.05.02.24
SAS AB	.04.04.22	.04.05.05	.04.02.11	.04.11.02	.05.02.01
SBAB	.04.03.24	.04.05.06	.04.08.26	.04.11.04	i.u.
SJ AB	i.u.	.04.05.01	.04.08.01	i.u.	i.u.
National Maritime Administration	public enterprise	.04.04.27	.04.08.13	.04.10.29	i.u.
SOS Alarm Sverige AB	.04.03.25	.04.04.29	.04.08.27	.04.10.29	.05.01.28
SP Sveriges Provnings och Forskningsinstitut AB	.04.04.14	.04.04.23	.04.08.13	.04.10.29	.05.02.18
Specialfastigheter Sverige AB	.04.04.21	.04.04.23	.04.08.30	.04.10.25	i.u.
Statens väg- och baninvest AB	.04.06.01	.04.05.01	.04.08.01	.04.11.01	.05.02.01
Stattum, Fövaltningsaktiebolaget	i.u.	i.u.	i.u.	i.u.	i.u.
Sveaskog AB	.04.04.28	.04.04.28	.04.08.25	.04.10.25	i.u.
Svedab	.04.04.29	i.u.	.04.08.27	i.u.	i.u.
Swedcarrier AB	i.u.	i.u.	i.u.	i.u.	i.u.
Swedesurvey AB	i.u.	i.u.	i.u.	i.u.	i.u.
Swedfund International AB	.04.04.28	i.u.	i.u.	i.u.	i.u.
Svensk Bilprovning AB	.04.04.21	.04.04.30	.04.08.31	.04.10.29	.05.01.31
Svensk Exportkredit AB	.04.04.26	i.u.	i.u.	i.u.	i.u.
Svenska kraftnät, Affärsverket	public enterprise	i.u.	i.u.	i.u.	i.u.
Svenska miljöstylningsrådet	i.u.	i.u.	i.u.	i.u.	i.u.
Svenska rymdaktiebolaget	.04.05.04	.04.05.28	.04.09.13	.04.11.24	jan 2005
Svenska Skeppshypotekskassan	i.u.	i.u.	i.u.	i.u.	i.u.
Svenska Spel AB	.04.04.27	.04.04.23	.04.07.19	.04.10.25	.05.01.23
Sveriges Rese- och Turistråd AB	.04.03.30	i.u.	i.u.	i.u.	i.u.
Sweroad AB	.04.04.27	.04.04.30	.04.08.31	i.u.	i.u.
Systembolaget AB	.04.04.26	.04.05.30	.04.08.30	.04.11.30	.05.02.15
TeliaSonera AB	.04.04.17	.04.04.17	.04.07.28	.04.10.27	i.u.
Teracom AB	.04.04.20	.04.05.05	.04.08.30	.04.10.28	.05.02.28
V&S Vin & Sprit AB	.04.03.25	.04.04.29	.04.08.23	.04.10.29	i.u.
Vasallen AB	.04.04.22	.04.04.28	.04.08.31	.04.10.27	.05.02.01
Vattenfall AB	.04.04.22	.04.04.27	.04.07.29	.04.10.25	i.u.
Venantius AB	i.u.	.04.05.10	.04.09.10	.04.11.10	i.u.
Voksenåsen AS	i.u.	.04.05.07	.04.09.05	.04.11.08	i.u.

i.u. = information unavailable.

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



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