

Interim report for state-owned companies January–June 2006

- ▷ Q1
- ▷ **Q2**
- ▷ Q3
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The Swedish state is Sweden's largest company owner. A total of approximately 190,000 people are employed in state-owned companies. Very large values are involved and some of Sweden's largest companies are included in this sphere. 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 for the owners and, in appropriate cases, to ensure that societal interests are fulfilled. Interim reports are an instrument to increase the transparency of state-owned companies.

Interim report for state-owned companies January–June 2006

The period January–June 2006

- ▶ Net profit increased by 44 per cent to SEK 27.8 (19.3) billion.
- ▶ Profit before tax increased by 44 per cent to SEK 36.3 (25.2) billion.
- ▶ Turnover amounted to SEK 171.8 (153.6) billion.
- ▶ Gross investments decreased by 36 per cent to SEK 15.1 (23.5) billion.
- ▶ The value of the state's listed portfolio decreased by 2 per cent.

The second quarter of 2006

- ▶ Net profit increased by 45 per cent to SEK 12.5 (8.5) billion.
- ▶ Profit before tax increased by 45 per cent to SEK 15.5 (10.6) billion.
- ▶ Turnover increased by 14 per cent to SEK 85.7 (75.2) billion.
- ▶ Gross investments decreased by 58 per cent to SEK 7.7 (18.3) billion.

Net profit for state-owned companies improved by 44 per cent to SEK 27.8 (19.3) billion during the first half of 2006. Turnover increased from SEK 153.6 billion to SEK 171.8 billion compared with the corresponding period last year.

The improvement in earnings during the first half of 2006 is largely attributable to Vattenfall and TeliaSonera, which together

improved earnings by SEK 8,844 million. Vasakronan, SVEDAB and Posten also reported sharp improvements in earnings compared with the corresponding period last year. Altogether 31 (28) companies reported improved or unchanged earnings and 38 (39) companies reported a profit.

During the second quarter, net profit improved by 44 per cent to SEK 12.5 (8.5)

billion. Turnover increased by 14 per cent, from SEK 75.2 million to SEK 85.7 billion.

Affärsvärlden's general index increased by 2 per cent during the first half of the year. The value of the state's listed portfolio decreased by 2 per cent and amounted on 30 June to SEK 131.2 billion. From the turn of the year to 8 September, the value has increased by 7 per cent to SEK 143.2 billion.

STATE-OWNED COMPANIES, TOTAL

SEK million	Apr–June 2006	Apr–June 2005	Change %	Jan–June 2006	Jan–June 2005	Change %	Whole year 2005
Net turnover	85,657	75,197	14	171,830	153,602	12	311,297
Changes in value	1,569	390	302	1,997	193	935	9,133
Operating profit	16,260	12,377	31	37,615	28,102	34	66,959
Profit before tax	15,473	10,641	45	36,265	25,154	44	63,116
Earnings from wound-up activities	1,016	70	1,351	1,132	119	851	251
Net profit	12,457	8,562	45	27,757	19,277	44	52,036
– Attributable to shareholders in parent company	12,225	8,428	45	27,036	18,752	44	50,709
– Attributable to minority interests	232	134	73	721	525	37	1,326
Gross investments	7,714	18,287	–58	15,112	23,459	–36	39,567
Cash flow from operating activities	9,684	–7,508	229	26,122	–13,286	297	–1,422

SEK million	Jan–June 2006	Jan–June 2005	Whole year 2005
Equity attributable to shareholders in parent company	272,812	244,772	272,577
Equity attributable to minority interests	11,386	11,439	11,830
Total equity	284,198	256,211	284,407
Total assets	1,085,293	1,022,736	1,060,313
Average no. of employees	126,702	128,617	126,826
Average no. of employees, including associated companies	186,844	189,984	187,520

%	2005
Return on equity	19.6
Equity/assets ratio	22.1

TURNOVER



- Companies operating under market conditions, 75%
- Companies with special societal interests, 25%

PROFIT BEFORE TAX



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

first half of 2005. During this period, Posten increased its gross investments from SEK 331 million to SEK 2,341 million, this increase being mainly explained by the acquisition of Strålfors which was completed during the period. Vattenfall's gross investments during the first half of 2006 amounted to SEK 5,669 (15,336) million. During the second quarter of 2005, Vattenfall reported, among other things, the acquisition of shares in the Danish Elsam A/S, which is the main explanation for the decrease. LKAB is also reporting lower investments from SEK 2,951 million to SEK 1,908 million during the first half of the year. During the second quarter of 2005, investments were made in a new pellets plant in Kiruna, which mainly explains the reduction.

During the second quarter, gross investments decreased by 59 per cent to SEK 6,747 (16,613) million. Vattenfall and Posten accounted for SEK 5.3 billion of the total gross investment in the group companies operating under market conditions during the second quarter.

CASH FLOW

The cash flow from operating activities amounted to SEK 22,763 (–17,446) million. Excluding companies in the financial sector, the cash flow amounted to SEK 8,200 (20,511) million. Vattenfall's cash flow from operating activities totalled SEK 17,805 (12,709) million. Excluding companies in the financial sector, Vattenfall, V&S Vin & Sprit, Teracom and Sveaskog reported sharply improved cash flows from operating activities.

During the second quarter, the cash flow from operating activities amounted to SEK 9,570 (–8,229) million.

EARNINGS FOR THE LARGEST COMPANIES

Vattenfall's turnover increased by 22 per cent to SEK 78,502 (64,328) million. Profit before tax increased by 38 per cent to SEK 17,485 (12,625) million. The improvement in earnings for the report period is mainly explained by improvements in the German electricity production and heating plant operation. Net financial items improved by SEK 335 million to SEK –1,038 (–1,373) million.

During the second quarter, the turnover amounted to SEK 38,070 (29,292) million. Profit before tax was SEK 5,275 (4,123) million.

Vattenfall's earnings varied sharply during the year. The greatest part of the year's profit is normally earned during the first and fourth quarter when demand for electricity is greatest.

Posten's turnover increased during the first half of the year by 6 per cent to SEK 13,126 (12,352) million. The increase in turnover derives primarily from increased volumes in the direct advertising and logistics business, and is explained by a combination a buoyant state of the economy and intensive marketing. SEK 272 million of the increase comes from the acquisition of Strålfors which has been part of the group since 22 May this year.

Profit before tax increased to SEK 1,133 (449) million during the period. The improvement in earnings is explained by higher income and increased capacity utilisation due to rationalisation which increased output by 5 per cent. The acquisition of Strålfors has had a marginal impact on the result.

During the second quarter turnover amounted to SEK 6,567 (6,261) million. Profit before tax increased compared with the second quarter last year by 58 per cent to SEK 323 (204) million.

V&S Vin & Sprit's turnover increased by 13 per cent from SEK 4,408 million to SEK 4,995 million. The increase in turnover is primarily explained by organic growth, acquisition of Cruzan Rum and strengthening of the US dollar. The total sales volume amounted to 11.9 (11.8) million 9-litre boxes. Operating profit improved by 32 per cent from SEK 820 million to SEK 1,085 million. Half of the improvement in earnings consists of capital gain from the sale of the trademark Danzka Vodka. In addition, the improvement in earnings is explained by an improved product mix and cost effectiveness and an improved dollar exchange rate. Profit before tax was SEK 626 (601) million.

During the second quarter, turnover amounted to SEK 2,675 (2,461) million. Profit before tax decreased compared with the second quarter last year to SEK 375 (391)

million, although compared with the first quarter this year, it increased by 49 per cent, from SEK 251 million to 375 million.

LKAB's net turnover increased by 7 per cent to SEK 7,428 (6,966) million. This increase is explained by the price increases in 2005 for iron ore, which did not have their full impact in the first quarter of 2005, since some of the deliveries had been contracted for at 2004's prices. However, the increase is counteracted, in terms of earnings, by higher costs in the Mining Division for energy, material and external services. LKAB's total iron ore deliveries amounted to 11.7 (11.4) Mt, of which pellets accounted for 7.9 (7.6) Mt. Profit before tax decreased to SEK 3,130 (3,319) million. The deterioration in earnings is primarily due to decreased net financial income from SEK 297 million to SEK 83 million, which is partly explained by a poorer return on share portfolios and a strengthening of the Swedish krona.

During the second quarter, turnover increased to SEK 3,597 (3,544) million. Profit before tax was SEK 1,346 (1,692) million.

Sveaskog's turnover amounted to SEK 3,191 (3,217) million. This decrease is due to lower delivery volumes, which has, however, been compensated for slightly by higher prices. During the period, the operating profit has improved sharply from SEK 40 million to SEK 686 million. This improvement is mainly explained by capital gains from sales of forest properties and IAS adjustment in value of the forest capital and that the negative effects of the storm Gudrun affected earnings negatively in 2005. Profit before tax increased to SEK 541 million from SEK –132 million. Sales of forest properties produced contribution to earnings of SEK 187 (94) million. The share of net profits in the Setra Group improved to SEK 33 (–27) million as a result of an improved market situation and measures to improve earnings.

During the second quarter, net turnover amounted to SEK 1,647 (1,737) million. Profit before tax was SEK 311 (104) million.

Green Cargo's net turnover amounted to SEK 2,932 (3,004) million. Profit before tax improved by SEK 70 million to SEK 126 (56) million. The improvement in earnings

is mainly explained by lower operating expenses and improved net financial income.

During the second quarter, turnover increased to SEK 1,468 (1,534) million. Profit before tax was SEK 71 (34) million. In May and June, Green Cargo achieved its most important quality target for rail traffic, 95 per cent punctuality for customers.

SJ's net turnover amounted to SEK 3,086 (2,755) million for the first two quarters. The increased income is primarily due to a continued increase in travel, increased sales on board trains and new traffic agreements: The Tjust-Stångådal services and the taking over of commuter train services in Stockholm through Stockholmsståg, a jointly owned company with Tågkompaniet. Profit

before tax amounted in the corresponding period to SEK 244 (155) million. The improvement in earnings is explained by increased income, which has been counteracted by higher costs, including increased operating and staff costs.

During the second quarter, net turnover amounted to SEK 1,575 (1,425) million. Profit before tax was SEK 134 (103) million.

Akademiska Hus's rental income amounted to SEK 2,262 (2,228) million. The vacancy ratio was 4.1 (2.9) per cent. Profit before tax was SEK 985 (689) million. The yield on properties calculated on a full-year basis amounts to 6.7 (7.0) per cent. The market value of the company's investment properties was SEK 45,574 (45,616) million. The

improvement in earnings is mainly explained by lower maintenance costs, improved net financial income and a continued positive development in value of the properties.

During the second quarter, rental income amounted to SEK 1,122 (1,111) million and profit before tax to SEK 802 (421) million.

Vasakronan's rental income amounted to SEK 1,337 (1,355) million. This reduction is explained by sales of properties. The vacancy ratio decreased to 7 (11) per cent of rental income due to large new lettings and sales of properties.

Profit after net financial items (before realised and unrealised change in value) increased to SEK 677 (567) million. Profit before tax including realised and unrealised

Significant events during the second quarter and until 8 September 2006

- ▶ **Green Cargo** has signed a number of new and extended customer agreements during the period, with Volvo Logistics, Jysk, Skanska and Skogsbolaget Södra among others.
- ▶ In May **Green Cargo's** Good Environmental Choice certificate was awarded to 16 companies, certifying that these companies comply with the Swedish Society for Nature Conservation's requirements for Good Environmental Choice – Goods Transport.
- ▶ **LKAB** has decided to invest in an additional 148 ore trucks for 30-tonne axle load. This investment will entail two new train sets with 68 trucks each, which are all expected to be in operation by the latter half of 2007.
- ▶ **Akademiska Hus** has carried out sales in the second quarter of the blocks Svea Artilleri in Stockholm, Seminariet in Uppsala and Pedagogen in Mölndal for a total price of SEK 615 million.
- ▶ **Lernia** Bemanning has been designated a fast-growth company on Ahrens & Partners growth list for the third consecutive year.
- ▶ **Lernia** was best for both growth and profitability in Näringsliv 24's examination of the interim reports of the staffing industry. This inspection was presented in the daily newspaper Svenska Dagbladet.
- ▶ **SAS** notified that they intend to list the hotel operation SAS Rezidor on the stock exchange in the next twelve months.
- ▶ **SAS** President and CEO Jørgen Lindgaard announced on 16 May 2006 that he is leaving SAS. The deputy CEO Gunnar Reitan took over as acting President and CEO from 1 August 2006.
- ▶ **Specialfastigheter** has signed a 20-year lease during the period with FOI, Armenien 1 in Umeå. The properties have undergone extensive renovation in recent years.
- ▶ **Teracom** has carried out the changeover to digital TV in Dalarna and Hälsingland.
- ▶ In connection with the world cup in football, **Teracom** carried out test transmissions in Stockholm/Mälardalen and Gotland with high-definition resolution TV HDTV.
- ▶ **Vattenfall** completed the transaction with Danish DONG on 1 July, when assets, liabilities, personnel etc. were transferred to Vattenfall.
- ▶ **Vattenfall** presented on 18 May a plan for increased investments in renewable electricity production in the Nordic countries. The ambition is to increase annual production of renewable energy to 10 TWh by 2016.
- ▶ Stockholmståg, in which **SJ** has a 68 per cent ownership stake, took over commuter services in Stockholm on 18 June, which is the largest and most demanding transport system in Sweden.
- ▶ On 3 July **V&S Vin & Sprit** invested USD 153 million to retain its 10 ownership share in Beam which they acquired when the agreement on the jointly-owned distribution organisation was entered into in 2001.
- ▶ **Posten** completed the acquisition of Strålfors on 22 May and Strålfors has been a branch of operations in Posten since then.
- ▶ **SBAB** has initiated collaboration with Hemverket.se to offer a secure and cost-effective solution to customers who wish to buy or sell their home without using an estate agent.

change in value was SEK 2,260 (703) million. The market value of Vasakronan's property portfolio amounted to SEK 35,826 (33,249) million. Realised increase in value amounted to SEK 63 (3) million. Unrealised increase in value totalled SEK 1,520 (133) million, corresponding to 4.6 per cent of the market value as at 31 December 2005.

During the second quarter, rental income amounted to SEK 673 (683) million. Profit before tax including realised and unrealised change in value was SEK 1,537 (447) million.

Teracom's turnover increased by 14 per cent to SEK 1,457 (1,274) million. This positive development is primarily due to increased sales in the pay-TV segment.

During the first half of the year, the number of digital TV subscriptions increased by 33 per cent to 594,000 (445,000) compared with the corresponding period last year. Profit before tax was SEK 207 (149) million.

During the second quarter, turnover amounted to SEK 748 (669) million. Profit before tax was SEK 100 (86) million.

Lernia's net turnover increased by 16 per cent to SEK 1,041 (–899) million. The increase in turnover is explained by a continued strong increase in demand for staffing services from the corporate market. Staffing activities increased by 62 per cent to SEK 376 (232) million. Profit before tax was SEK 81 (72) million.

During the second quarter turnover increased by 21 per cent to SEK 564 (465) million. Profit before tax was SEK 40 (30) million.

SBAB's net interest income increased by 6 per cent to SEK 671 from SEK 635 million. The loan portfolio totalled SEK 173.8 billion. This increase is mainly explained by continued good retail market lending and improved new lending to the corporate market which increased by 65 per cent to SEK 3,122 (1,895) million. Operating profit totalled SEK 313 (325) million. The reduction in earnings is primarily explained by a deteriora-

tion in net commission income and higher expenses.

During the second quarter, net interest income increased to SEK 343 (315) million and operating profit amounted to SEK 159 (144) million.

Specialfastigheter's rental income decreased to SEK 543 (561) million. This reduction is primarily explained by a provision which has been made for reduced rents owing to Specialfastigheter's ongoing negotiations with the Swedish Prison and Probation Administration. Profit before tax was SEK 238 (128) million. The improvement in earnings is partly explained by improved net financial income of SEK 171 million and partly by property sales of SEK 57 million.

During the second quarter, rental income amounted to SEK 269 (279) million and profit before tax to SEK 87 (–18) million.

Svensk Exportkredit's (SEK) net interest income amounted to SEK 400.1 (369.2) million. Profit before tax was SEK 270 (238) million. The increase in net interest income is partly explained by an increase in the volume of the debt-financed assets, although at lower margins. Net interest income from the debt-financed assets increased from SEK 276.1 million to SEK 305.5 million.

The lower margin is explained by a higher proportion of outstanding volumes of lending granted to the financial and public sector at relatively low volumes. Lending granted to the corporate sector has increased during the period without having had any greater impact on average margins. New lending increased by 40 per cent compared with the corresponding period last year.

Arbetslivsresurs AR was created on 1 January 2006 by a merger of Samhall Resurs AB and Arbetslivstjänster within AMV. The company is primarily active in working-life focused rehabilitation and adjustment. Net turnover totalled SEK 124.1 million. Profit before tax was SEK –10.7 million. The result includes approximately SEK 10.2 million attributable to costs in connection with the merger.

TeliaSonera's net turnover increased by 5 per cent and amounted to SEK 44,716 (42,556) million during the first half of the year. The period is characterised by continued general good development of the activity, successful implementation of synergies in acquisitions and the effects of ongoing rationalisation. Customer growth has continued to be strong primarily in mobile communication in the majority-owned activities in the Nordic countries, the Baltic states and Eurasia. Demand for broadband continues to be strong.

The state's share of TeliaSonera's profit after tax is included in the summary of accumulated earnings at SEK 5,256 (2,711) million. The EBITDA margin improved to 35 (33) per cent.

SAS's turnover increased by 12 per cent to SEK 32,383 (29,033) million. The loss before tax was SEK –744 (–700) million. Earnings were negatively affected by conflicts with a total assessed effect of SEK 350 million, and partly by a seasonally weak first quarter. The state's share of SAS's earnings was SEK –159 (–101) million. The number of passengers increased during the first half of the year by 8.7 per cent to SEK 18.8 (17.3) million. The group's costs for aviation fuel amounted to SEK 4,933 (3,483) million compared with the corresponding period last year. Adjusted for the negative currency impact due to a stronger US-dollar, the fuel cost increased by SEK 1,145 million. During the period, the market price was 25 per cent higher on average compared with the first half of 2005. Traffic development (RPK, paid passenger kilometres) increased by 7.2 per cent compared with the same period last year. This should be compared with the total traffic development in AEA (The Association of European Airlines) increased by 5.9 per cent, which shows that SAS's market share has increased.

During the second quarter, turnover increased from SEK 16,017 (17,917) million and profit before tax was SEK 643 (590) million.

CASH FLOW

The cash flow from operating activities decreased by 19 per cent to SEK 3,358 (4,160) million. During the second quarter, the cash flow improved to SEK 720 million from SEK 114 million.

EARNINGS FOR THE LARGEST COMPANIES

Apoteket's net turnover amounted to SEK 18,698 (17,693) million. Income from sales of pharmaceutical products on prescription increased by 3.2 per cent to SEK 11,016 million. Other prescription sales increased by approximately 1 per cent to SEK 1,727 million. Sales of self-care products

increased by 13.7 per cent to SEK 2,622 (2,307) million. Profit before tax amounted to SEK 182 (–30) million. The improvement in earnings is mainly attributable to productivity improvements in prescription sales, Apoteket's predominant business activity, which is now in financial balance, and good growth in sales of self-care products and services.

During the second quarter, net turnover totalled SEK 9,451 (9,114) million. Profit before tax was SEK 149 (35) million.

Systembolaget's turnover amounted to SEK 8,949 (8,424) million, which is an increase of

6 per cent. During the first half of the year, SEK 181.7 (168.9) million litres of beverages were sold, which is an increase of almost 8 per cent. Profit before tax was SEK 291 (219) million. The increase in earnings is mainly due to increased sale of wine and strong beer and efficiency improvements both in stores and central functions.

During the second quarter turnover was SEK 4,936 (4,494) million. Profit before tax amounted to SEK 169 (179) million.

Svenska Spel's gaming income totalled SEK 9,691 (9,760) million. Earnings amounted to SEK 2,141 (2,304) million, which is a

Significant events during the second quarter and until 8 September 2006

- ▶ **Apoteket's** stop-smoking coaches have, since the start in November 2004, received calls from over 11,900 persons who have called Apoteket for advice and support to give up smoking. The pressure was greatest before and during the ban on smoking in restaurants last year, when Apoteket's stop-smoking coaches received 100–120 calls per day.
- ▶ **Apoteket** now receives over 55 per cent of the prescriptions from primary and in-patient care electronically from those issuing them. E-prescriptions now account for more than half of the total number of prescriptions for the first time. Sweden is world-leading in e-prescriptions.
- ▶ **Bilprovningen** achieved a top result in a customer survey when 93 per cent of its customers were satisfied with their visit to the car testing centre. This was shown by Bilprovningen's customer satisfaction survey that was carried out during the spring. The figures are the highest measured ever and moreover the majority of the customers, 91 per cent, regard it as meaningful to have annual vehicle inspections.
- ▶ **Göta kanalbolag** was declared Company of the Year in Motala on 13 June for its work on developing Göta canal as a tourist attraction.
- ▶ **Operan** has received the whole of Ralph I. Rilton's life work in the form of art, thanks to the 99-year-old artist reading an article in a daily newspaper on Operan's limited resources, for, among other things, attracting new opera singers. According to the artist's wishes, the income is to be used to establish a fund for opera singers.
- ▶ **SOS Alarm** has introduced a text message number for the deaf and those with impaired hearing. From 15 August 2006, Sweden's approximately 130,000 people who are deaf or who have impaired hearing can have a text message number to SOS Alarm with which it is much easier to reach SOS Alarm in an emergency. The number can be obtained by registering at SOS Alarm.
- ▶ **SP Sveriges Provnings- och Forskningsinstitut** is one of Sweden's most attractive workplaces for technologists according to FöretagsBarometern where SP has taken a great step upward to 22nd place.
- ▶ **Swedfund** is investing USD 10 million in EMP Africa Fund II. The fund will invest throughout Africa and is concentrating on establishing companies with good growth potential. The fund is backed by EMP Global which previously success-
- fully managed **ALG African Infrastructure Fund** which Swedfund is also a partner in.
- ▶ **Swedfund** has received, according to a government decision in May, a capital contribution of SEK 80 million to finance environmental investments in developing countries. The funds are to be used with a special focus on, among other things, water and sanitation, chemical safety, sustainable use of natural resources and environmental management.
- ▶ **Systembolaget** sells an increasing amount of ecological beverages. Sales of ecological beverages increased by 56 per cent in 2005 compared with 2004. During 2006, development has continued in the same direction. However, ecological beverages are still only a small part of total sales, only 0.54 per cent of the beverages sold between January and June this year were ecological.
- ▶ **VisitSweden** markets Sweden successfully. The number of foreign visitors for the period January–June increased by over 4 per cent compared with last year. Stockholm, Västra Götaland, Skåne, Värmland, Norrbotten, Dalarna and Jämtland are the regions with the largest increases.

reduction of SEK 163 million, corresponding to 7 per cent. Gaming income decreased by SEK 69 million. This is a consequence of the trend towards fast games with a lower margin. Svenska Spel is exempt from tax and the whole earnings go to the state and to the children's and youth activities of the popular and sports movement.

During the second quarter, gaming income amounted to SEK 4,843 (4,690) million and earnings totalled SEK 1,033 (1,112) million.

Samhall's turnover including additional cost compensation amounted to SEK 3,698 (3,929) million. The additional cost compensation for the period was SEK 2,152 (2,239) million. Profit before tax was SEK 58 (46) million, which is an increase of 26 per cent. Earnings have been positively affected by capital gains on sale of fixed assets. The number of transfers of disabled employees, to employment with another employer, amounted to 544 (594) persons, which, in a rolling 12-month value, corresponds to 5.2 (5.3) per cent. The set target is 5 per cent. The number of hours worked totalled 12.5 (13.6) million. According to agreement, the number of hours worked for the full year 2006 shall be at least 24.4 million. Recruitment from prioritised groups was 32 (30) per cent. According to the agreement, recruitment from prioritised groups during the whole year of 2006 amounts to at least as large a proportion as in 2005, i.e. 43 per cent.

During the second quarter, turnover amounted to SEK 1,893 (2,041) million. Profit before tax was SEK 17 (40) million.

Svensk bilprovning's turnover amounted to SEK 783 (771) million. Profit before tax was SEK 25 (58) million. The deterioration in earnings is mainly explained by the strong increase in demand during the second quarter which, among other things, led to higher costs for longer opening hours and higher costs for measures to accept customer bookings. Furthermore, costs for a previously divested company have been charged

to the period. The volume of inspections and subsequent inspections increased by 3 per cent to 1,398,081 from 1,357,437.

During the second quarter, turnover amounted to SEK 418 (417) million. Profit before tax was SEK 19 (46) million.

SVEDAB's turnover amounted to SEK 367 (332) million, which is an increase of approximately 10 per cent. During the first half of the year, income from road transport increased by 15 per cent to SEK 230 million. The number of travellers over the bridge increased by 14 per cent to nine million – 62 per cent of these travelled by car or bus/coach and 38 per cent by train. Profit before tax was to SEK 425 (–544) million. The large improvement in earnings is primarily explained by liabilities and assets being revalued in accordance with IAS 39, but also by increased road traffic charges in combination with an unchanged level of operating costs.

During the second quarter, turnover amounted to SEK 198 (176) million. Profit before tax was SEK 170 (–418) million.

SOS Alarm's turnover amounted to SEK 341 (318) million, which is an increase of approximately 7 per cent. This increase is primarily due to a new agreement for the 112 service entered into with the state during the second quarter and a good increase in sales of other alarm services. Profit before tax amounted to SEK 16.7 (–9.9) million. The improved result is mainly explained by the new agreement with the state but also by the programme for profitability improvements in the alarm centre activities.

During the second quarter turnover amounted to SEK 179 (158) million. Profit before tax was SEK 13.3 (–14.8) million.

SP Sveriges Provnings- och Forskningsinstitut AB's turnover amounted to SEK 361 (320) million, which is an increase of 13 per cent. SEK 31 million of the increase in turnover derives from the subsidiary YKI which was acquired on 31 December 2005. Profit before tax was SEK –0.6 (1.0)

million. The deterioration in earnings is mainly explained by integration costs from acquired companies.

During the second quarter turnover amounted to SEK 200 (181) million. Profit before tax was SEK 9.5 (13.6) million.

State ownership of listed companies

At the end of the second quarter, the market value of the state's portfolio had decreased by 2 per cent since the turn of the year, from SEK 133.9 billion to SEK 131.2 billion. During the same period Affärsvärlden's general index increased by 2 per cent.

The development of the value of the state's listed portfolio has been mixed since the turn of the year. The value of the holding in TeliaSonera has decreased by 4 per cent at the same time as the

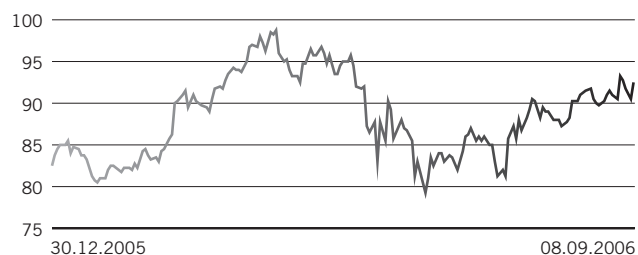
value of Nordea Bank has increased by 4 per cent. These two holdings together account for approximately 97 per cent of the state's listed portfolio.

From the turn of the year until 8 September, the state's listed portfolio increased by 7 per cent at the same time as the general index has also increased by 7 per cent.

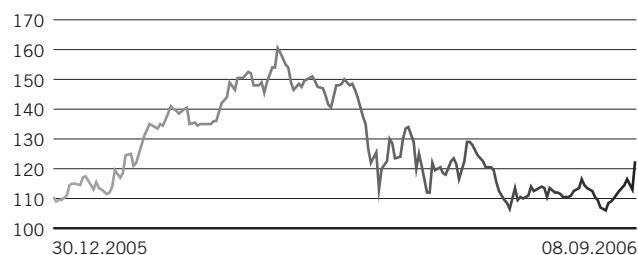
THE MARKET VALUE OF THE STATE'S LISTED PORTFOLIO, SEK million

Company	Ownership, %	No. of shares	Market value on 11.09.2006	% since 1 Jan	Market value on 30.06.2006	% since 1 Jan	Market value on 31.12.2005
Nordea Bank AB	19.9	515,601,104	47,693	12	44,342	4	42,537
OMX AB	6.75	7,993,466	979	11	1,031	17	883
SAS AB	21.4	35,250,000	3,190	-13	2,670	-28	3,684
TeliaSonera AB	45.3	2,033,547,131	91,306	5	83,172	-4	86,832
Total			143,169	7	131,215	-2	133,936
Total excluding TeliaSonera			51,862	10	48,043	2	47,104

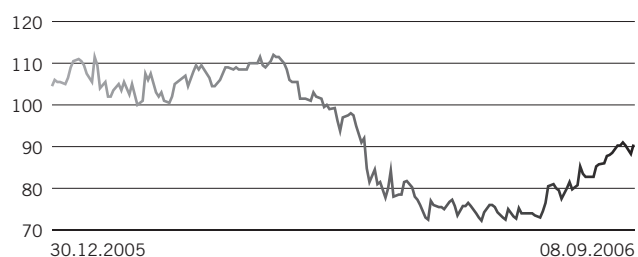
NORDEA



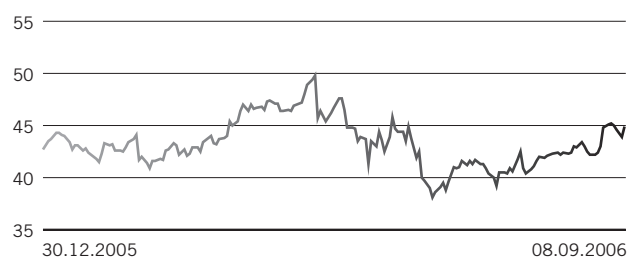
OMX



SAS



TELIASONERA



Changes in executive managements and boards

CHANGES IN EXECUTIVE MANagements AND BOARDS FROM 20 MAY TO 8 SEPTEMBER 2006

MANAGING DIRECTORS

Company	Taking up office	Resigning
Arbetslivsresurs AR AB	Jonas Arvidsson (took up office on 1 August)	Acting Klas Brinkhoff
SAS AB	Acting Gunnar Reitan	Jörgen Lindegaard

CHAIRMAN OF THE BOARD

Company	Resigning
Apoteket AB	Jan Bergqvist (died on 1 September)

BOARD MEMBERS

Company	Taking up office	Resigning
SIS Miljömärkning AB	Yvonne Ingman, Leif Löf	Walter Sköldefors
Swedish Ships Mortgage Bank	Patrik Jönsson, Karin Barth (deputy)	Christer Berggren, Ulla Lax-Nordström (deputy)

Accounting principles

The report includes 47 of 55 state-owned companies excluding companies where the state holding is less than 20 per cent, companies in process of being wound up or which are defined as 10/24 companies* (OMX AB, Nordea Bank AB, Innovationsbron AB, SIS Miljömärkning AB, Zenit Shipping AB, AB Svenska Miljöstyrningsrådet and Norrland Center). Furthermore, A/O Dom Shvetsii and the holding company Civitas Holding AB, have not been included, although Civitas Holding AB's subsidiary Vasakronan AB has been. Associated companies, with an ownership share exceeding 20 per cent, have been included according to share of ownership for earnings.

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 in turnover. This applies, for instance, to Samhall's compensation for additional costs and appropriations for Kungliga Operan and Kungliga Dramatiska Teatern AB. Svenska Spel is exempt from tax.

Some of the companies in the consolidated accounts have adjusted their histori-

cal comparative figures for various reasons. In the cases where the changes have had a significant effect, the comparative figures in the consolidated accounts have also been adjusted. Some of the companies have reported in compliance with IFRS. 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 the demands made on listed companies. From 2005, all listed companies in the European Union (EU) must prepare their consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. In accordance with IFRS's transitional rules, the rules will be applied from 1 January 2005 with 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 transition is to be treated as if IFRS had been applied historically.

Among the biggest changes in the transi-

tion to IFRS 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 rows for changes in value and income from wound-up operations.

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

*) Definition 10/24 companies. Commercially active unlisted companies in which:
a) the number of employees amounts to at most ten during the last 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 24m.

Definitions

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

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

Financial information

► **Interim Report January–September 2006** will be published on 27 November 2006

► **The Year-end Report for January–December 2006** will be published in March 2007

Report dates for state-owned companies

Company	Interim Report January–September 2006	Year-end Report 2007
Arbetslivsresurs AR AB	23.10.2006	07.02.2007
A-banan projekt AB		
Akademiska hus AB	31.10.2006	31.01.2007
ALMI Företagspartner	30.11.2006	10.02.2007
Apoteket AB	02.11.2006	31.01.2007
Bostadsgaranti, AB		
Dom Shvetsii, A/O		
GreenCargo AB	16.11.2006	16.12.2007
Göta kanalbolag AB		
Imego AB	31.10.2006	30.01.2007
Innovationsbron AB		
IRECO Holding AB		
Kasernen Fastighets AB		
Kungliga Dramatiska Teatern AB		
Kungliga Operan AB	27.10.2006	15.02.2007
Lernia AB	27.10.2006	30.01.2007
LKAB	25.11.2006	21.02.2007
Nordea AB	25.10.2006	
Norriand Center AB		
OMX AB	19.10.2006	
Posten AB	27.10.2006	21.02.2007
Samhall AB	23.10.2006	31.01.2007
SAS AB	08.11.2006	08.02.2007
SBAB	30.10.2006	31.01.2007
SIS Miljömärkning AB		
SJ AB	06.11.2006	30.01.2007
SOS Alarm Sverige AB	26.10.2006	31.01.2007
SP Sveriges Provnings- och Forskningsinstitut AB	26.10.2006	31.01.2007
Specialfastigheter Sverige AB	25.10.2006	31.01.2007
Statens Bostadsomvandling AB	27.11.2006	31.01.2007
Statens Väg- och Baninvest AB	30.11.2006	
Stattum, Fövaltningsaktiebolaget		
Sveaskog AB	31.10.2006	31.01.2007
SVEDAB	23.11.2006	31.01.2007
Swedcarrier AB	14.11.2006	31.01.2007
Swedesurvey AB	31.10.2006	
Swedfund International AB	27.10.2006	31.01.2007
Svensk Bilprovning AB	31.10.2006	
Svensk Exportkredit AB		31.01.2007
Svenska Miljöstyrningsrådet		
Swedish Space Corporation	10.11.2006	31.01.2007
Swedish Ships Mortgage Bank		Feb 2007
Svenska Spel AB	23.10.2006	15.02.2007
SweRoad AB	26.10.2006	
Systembolaget AB	27.10.2006	31.01.2007
TeliaSonera AB	31.10.2006	13.02.2007
Teracom AB	Nov 2006	Feb 2007
V&S Vin & Sprit AB	30.10.2006	31.01.2007
Vasakronan AB	26.10.2006	31.01.2007
Vasallen AB	30.10.2006	31.01.2007
Vattenfall AB	31.10.2006	08.02.2007
Venantius AB	30.10.2006	28.02.2007
VisitSweden AB		
Voksenåsen AS	27.10.2006	15.02.2007
Zenit Shipping AB		

This interim report and previous interim
and annual reports are available on:
www.regeringen.se
Item number: N6033



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