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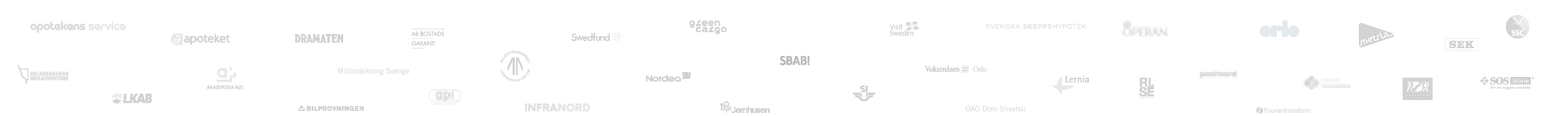
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Annual Report State-owned companies 2013

# Annual report State-owned companies



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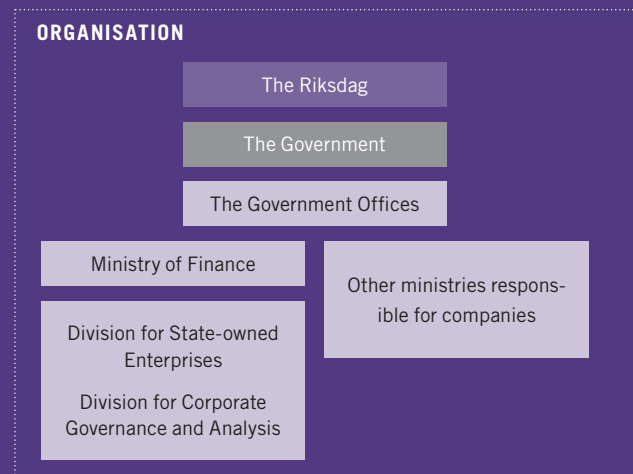
**BRIEF OVERVIEW OF THE STATE-OWNED COMPANIES • BRIEF OVERVIEW OF THE STATE-OWNED COMPANIES • BRIEF OVERVIEW OF THE STATE-OWNED COMPANIES**

## How the state-owned companies are governed

The Government has been commissioned by the Riksdag to actively manage the state's assets. The Government Offices and the various ministries assist the Government in its work and manage 50 companies: 41 wholly owned and 9 partly owned.

Corporate governance is exercised primarily through the board nomination process at Annual General Meetings, in accordance with the State's Ownership Policy, including its guidelines, and by means of efficient capital structure. Evaluations and performance reviews of the companies are conducted using analyses and various reports from the companies. In addition to the economic value creation, other targets are monitored and reviewed.

The Ministry of Finance has a specialised investment management organisation divided between two divisions. These are responsible for the development and coordination of corporate governance at the Government Offices and for the active ownership of 34 companies. The responsibility for the remaining, of the total 50 companies, lies with other ministries.



## Number of board members

**347**

The companies that are wholly or partly owned by the state have a total of 347 board members, including chairpersons. There are 282 board members in the companies wholly owned by the state.

## Number of employees

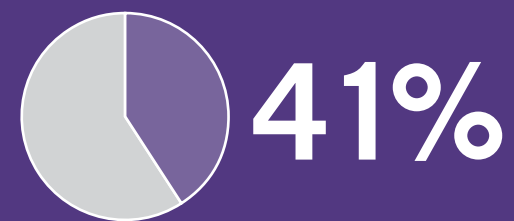
**170,000**

In total, approximately 170,000 people are employed by the state-owned companies, including the associated companies. The companies that are wholly owned by the state have about 130,000 employees.

## Gender balance

Board members

Chairman of the Board



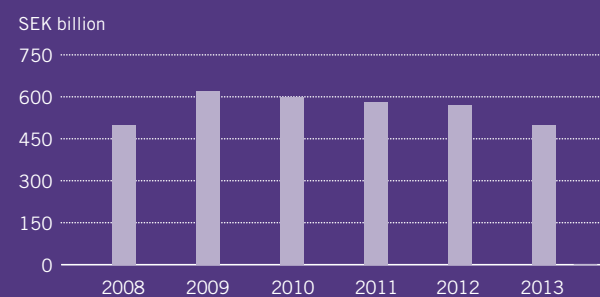
The state-owned companies are role models in having a high proportion of women on their boards and now also chairing the boards. Half of the board members (50 per cent), including chairpersons, in companies partly owned by the state are women. Among the listed companies, the proportion of female board members is 24 per cent according to SIS Ågarservice. The Government's target is for there to be at least 40 per cent of each gender on each board. No fewer than 41 per cent of the chairpersons in the companies wholly owned by the state are women – that same proportion as in the preceding year and compared with 23 per cent in 2006. Among the listed companies, the proportion of women chairpersons is only 5 per cent according to SIS Ågarservice.

## Estimated value

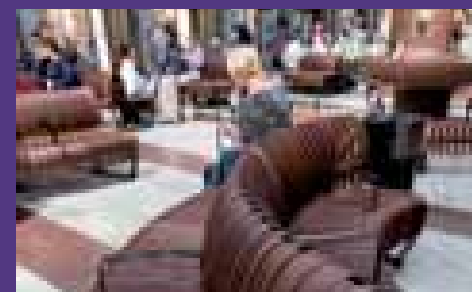
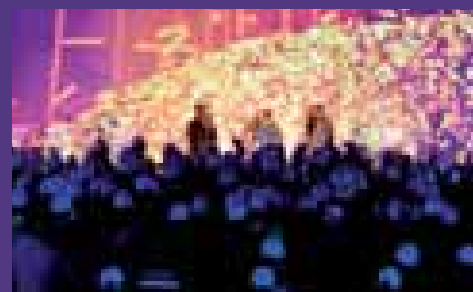
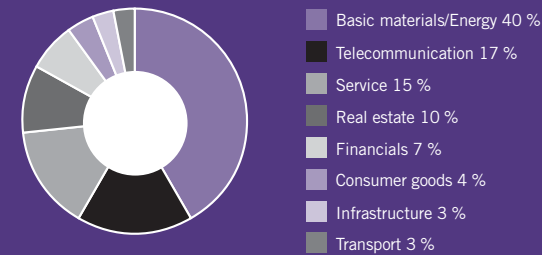
SEK **500** billion

The state-owned companies represent considerable values. The combined value of the state-owned company portfolio – which is owned jointly by the people of Sweden – is calculated at SEK 500 billion. Read more on pages 44–47.

### VALUATION OF PORTFOLIO OF STATE-OWNED COMPANIES



### BREAKDOWN BY SECTOR



The Annual Report has been produced by the Ministry of Finance in cooperation with Grayling. Photo: cover Carlos Zaya (car mechanic), Tommy Hvitfeldt (timber), p. 5, 15, 19, 28, 34 and 36 Jörgen Ulvsgård, p. 102 (lunar landing) Nasa, p. 104 (mobile phone) iStockphoto, p. 105 (car) Mostphotos. Other photos were provided by the companies included in the Annual Report, unless stated otherwise adjacent to the photo. Repro and print: EO Grafiska 2014.

FSC-logo



## BRIEF OVERVIEW OF THE STATE-OWNED COMPANIES

### Net turnover

Wholly-owned companies and subsidiaries

SEK **357** billion

Including associated companies

SEK **405** billion

In 2013, net turnover for the state-owned companies and their subsidiaries rose by 0.2 per cent to SEK 357 billion. When the associated companies are also included, net turnover in 2013 was SEK 405 billion, an increase of 0.1 per cent.

### Dividends and profit

Dividend

SEK **17.7** billion

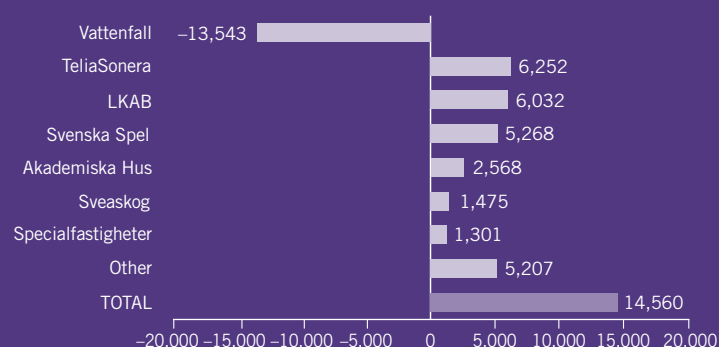
Profit

SEK **14.6** billion

The state-owned companies make a significant contribution to the state treasury. For the 2013 fiscal year, the state's dividends decreased by 33.5 per cent to SEK 17.7 billion. Read more on pages 44–46.

Combined net profit for 2013 was SEK 14.6 billion, a decrease of almost 70 per cent.

**NET PROFIT FOR JAN–DEC 2013 (SEK MILLION), COMPANIES WITH MOST SIGNIFICANT IMPACT ON EARNINGS.**



The state is a significant company owner in Sweden. The state-owned company portfolio includes 50 wholly and partly owned companies, of which two are listed. The state has a major responsibility in being an active and professional owner. The Government's overall objectives are for the companies to generate value and, where applicable, to ensure that specifically adopted public policy assignments are performed well.

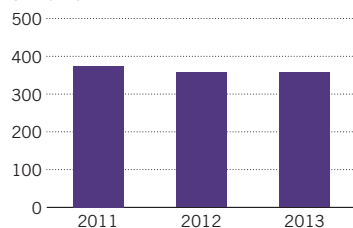
# Financial overview

## STATE-OWNED COMPANIES, TOTAL

SEK billion	2013	2012	Change, %
Net turnover	357.4	356.6	0.2
Net turnover, including associated companies	404.9	405.4	-0.1
Profit before changes in value	25.2	58.5	-56.9
Changes in value	2.1	0.5	300.3
Operating profit (EBIT)	27.4	59.1	-53.7
Profit before tax	17.8	50.2	-64.6
Net profit	14.6	48.4	-69.9
Gross investments	52.8	59.2	-10.8
Cash flow from operating activities (excluding SEK and SBAB)	65.0	55.5	17.1
Total equity	359.7	365.5	-1.6
Total assets	1,491.9	1,534.2	-2.8
Number of employees, excluding associated companies (thousands)	129.3	131.4	-1.6
Number of employees, including associated companies (thousands)	169.6	174.0	-2.5
Dividend	17.7	26.7	-33.5
Estimated value	500	570	-12.3
Return on equity (%)	4.1	13.7	
Equity/assets ratio (%)	24.1	23.8	

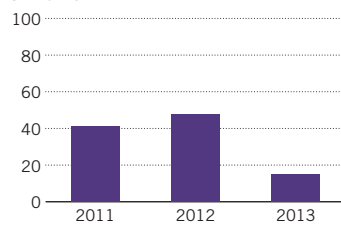
### NET TURNOVER

SEK billion



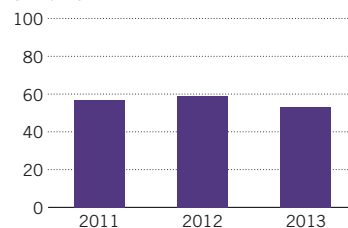
### PROFIT BEFORE TAX

SEK billion



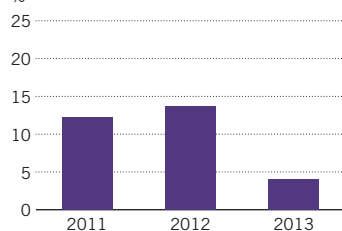
### GROSS INVESTMENTS

SEK billion



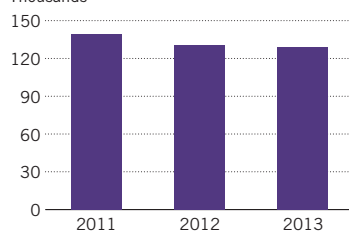
### RETURN ON EQUITY

%



### NUMBER OF EMPLOYEES

Thousands



### MARKET VALUE

SEK billion



# Sustainable business will create long-term value

For the state, 2013 was a significant year as a company owner. Virtually all state-owned companies adopted strategic sustainability targets. In addition, the state divested all of its remaining shares in Nordea, generating proceeds equivalent to SEK 41 billion.

The Government's overall objective with the management of the state-owned companies is to ensure long-term value growth and to ensure that specifically adopted public policy assignments are performed well. Companies owned by the state must have an ethical compass and must cope with being scrutinised. It is my foremost conviction that their long-term value is directly related to how well the companies address their sustainability challenges. For this reason, the Government has, in recent years, increased its focus on sustainable business, and raised this issue to become a business strategy issue for which the company boards are responsible. In the future, sustainable business will be a prerequisite for the companies and part of the foundation of their operations – i.e. their business strategy.

By assigning the company boards in 2012 to establish targets and strategies for the most essential overarching sustainability issues in their operations, the Government has contributed to a higher awareness of risks and opportunities in the area of sustainability in all of the state-owned companies. As a result they have now gained improved control over their futures. Today, virtually all of the companies have established strategic and measurable sustainability targets, which are based on the business operations or public policy assignment of each company. As

“Above all, I am convinced that there is a direct relationship between the companies' long-term value and how well they manage their sustainability challenges.”

owners, we know that the companies are now focused on sustainability and that the issue is included in all business discussions.

Within the Ministry of Finance, working methodologies to pursue active ownership continue to evolve. Establishing and monitoring clear targets is one of the most important tools of active ownership, and in recent years processes have become more and more structured. At the 2014 Annual General Meetings, seven companies were given new financial targets, including Akademiska Hus, SJ, Sveaskog and Swedavia. In total, 16 of the companies under the management of the Ministry of Finance have received new financial targets since the review was initiated in 2012. Furthermore, a new method is being developed for setting what are termed “performance indicators”. The purpose is to evaluate, in relevant cases, how well an assignment is being performed in companies with public policy assignments specifically adopted by the Riksdag. Together with the strategic sustainability targets, the financial targets and performance indicators form an important basis for our regular progress meetings with the companies' chairmen and executive management teams, and result in a more systematic monitoring of the challenges facing the companies. Targets measure the companies' performance and, if necessary, the owner can take measures in order to promote the long term value of the companies. In addition, the targets contribute to more effective corporate governance by allowing the companies to more easily understand the owner's expectations.

Turnover in the state-owned company portfolio remained stable in 2013, while the companies' combined profit decreased from SEK 48 billion to SEK 15 billion. The decline in profit was primarily a consequence of the nonrecurring impairment loss that Vattenfall recognised in areas including its Dutch and German operations. However, underlying operating profit from the portfolio remains strong. The value of the state-owned company portfolio, calculated at the end of 2013, decreased to SEK 500 billion, compared with SEK 570 billion in the preceding

## The divestment of Nordea generated income of SEK 41 billion.

year. The change is a consequence of divestments, including the divestment of shares in Nordea, as well as increases and decreases in the value of individual company holdings.

The state is expected to continue to be a major owner of companies. However, the Government believes in principle that the state should not own companies operating in commercial markets with well functioning competition. The sale of the state's remaining ownership in Nordea Bank in 2013 was a significant event. The divestment generated income of SEK 41 billion. The state also divested its holding in Vectura Consulting for SEK 0.9 billion. Since 2007, the state has divested shares in companies operating in markets with well functioning competition, to a value corresponding to SEK 160 billion.

The credit facility issued to SAS in 2012 by the Swedish state together with the Norwegian and Danish states and a number of banks and investors to strengthen the airline group's liquidity was phased out in early 2014. SAS had by then improved its profitability and strengthened its financial position via the capital market.

I am proud of our investment management and take a confident view of the future of our companies. Today, our governance is based on solid processes and monitoring systems. The boards of the state-owned companies are competent, not least because we recruit from a complete cross-section of the Swedish population and have therefore achieved gender equality, with 50 per cent of board members being women; something that no other major investor in Sweden has managed to accomplish.

Stockholm, June 2014



*Peter Norman*  
MINISTER FOR FINANCIAL MARKETS,  
RESPONSIBLE FOR THE STATE-OWNED COMPANIES



## Events in brief

### The state phases out its ownership of Nordea

In 1992, the state assumed complete ownership of Nordbanken, having injected capital to cover the bank's substantial losses. The share was relisted in 1995 and between 1997 and 2001, Nordea was formed through the merger of Nordea, Merita Bank, Unibank and Christiania Bank og Kreditkasse. In 2009, the state participated in Nordea's new share issue. In 2011, the state decreased its holding from 19.8 per cent to 13.5 per cent, generating proceeds of SEK 19 billion. In June 2013, the state further reduced its holding from 13.4 per cent to 7 per cent, generating proceeds of SEK 19.5 billion. In September 2013, the state divested its remaining holding in Nordea for SEK 21.6 billion.



### Teracom Group has divested PlusTV of Finland

During 2013, the Teracom Group divested the Finnish pay-television company PlusTV to DNA Ltd. following the approval of the transaction by the Finnish competition authorities.

### 180,000 new TeliaSonera subscriptions in Scandinavia

TeliaSonera launched new mobile offers to consumers in Sweden, Norway and Denmark, with fixed fees for unlimited calls and text messages combined with surf packages adapted to the level of usage. The new Swedish offer accounted for more than 20 per cent of new sales and a similar offer is now also available for small businesses. In total, TeliaSonera has added 180,000 new subscribers in Scandinavia with these new price plans.

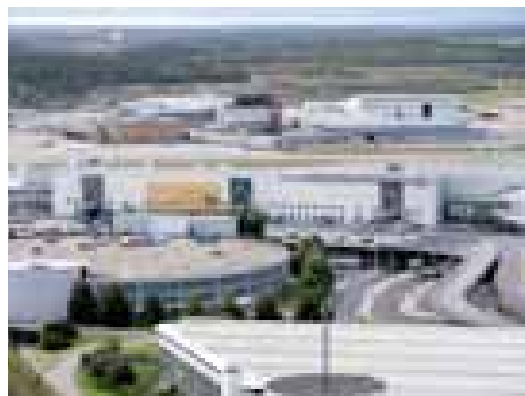
### LKAB inaugurated new main level at the Kiruna Mine

In May 2013 the new main level of the Kiruna Mine, 1,365 meters underground, was inaugurated by the Minister for Enterprise, Annie Lööf. One of Sweden's largest industrial investments was thus ready to commence production, with this gradually increasing to full production as of 2017. The life of the mine is now secured for the next 20–25 years.



### Swedavia inaugurated remodelled terminal at Arlanda airport

The updated Terminal 2 at Stockholm Arlanda Airport was inaugurated in April 2013. The terminal has expanded by more than 2,000 square metres and now offers fast, smooth flows and a wide variety of shopping, food and beverages.



### New warning system developed by SOS Alarm

SOS Alarm has been commissioned by the state to build and implement a new public warning system. A new technical system is being developed to convey emergency broadcast announcements via SMS and/or voice messages over the mobile or fixed-line telephone systems. The first part of the service, a centralised emergency broadcast function, entered operation in March 2014.



## SAS issues preference shares and terminates the state's loan commitment

When, in 2012, SAS presented a new business plan to strengthen the company's competitiveness, the Swedish state, together with the Norwegian and Danish states and a number of private players, issued a loan commitment, known as an RCF, to SAS for a total SEK 3.5 billion, which was later renegotiated to SEK 2.0 billion. The aim was to secure the company's access to liquidity. Since then, SAS's financial position has improved and, in February 2014, the company strengthened its financial position by issuing preference shares equivalent to SEK 3.5 billion to investors and the general public. Having raised this capital, SAS terminated the loan commitment.



## Companies adopt sustainability targets

During 2013, several state-owned companies, including LKAB, SEK and Sveaskog, adopted new overarching sustainability targets, as well as strategies for achieving these. The purpose of the targets is for the companies to identify risks and opportunities associated with sustainability, to report them in a transparent way and to manage them in their business operations.



## Home delivery of Systembolaget's non-stock items

In 2013, Systembolaget's trial with home deliveries was extended to include the pre-order range. On delivery, the age of the buyer is verified in the same manner as for in-store sales to ensure compliance with sales regulations and to counteract purchases on behalf of minors. Alcohol researchers have begun to assess the trial and to date there is no indication of an increase in total alcohol sales.



## Svenska Spel works to prevent gambling addiction and match-rigging

Svenska Spel has resolved to fund a professorship for research on gambling addiction. The company has also entered a partnership with the Swedish Sports Confederation (RF) to strengthen efforts to prevent manipulation of sports results and match-rigging.

## Electrically powered green cars in Samhall's fleet

Samhall is the first company in Sweden to start driving electrically powered green cars. Ten vehicles have been acquired and the plan is to invest in 30 new electrically powered cars annually over the next few years. Samhall is working actively to reduce emissions from its vehicle fleet and to protect the environment.

## Almi launches specially adapted mentoring programmes for young people

In September 2013, Almi announced that it was launching, on the Government's behalf, a unique mentoring programme designed specifically for young people who are prepared to grow as entrepreneurs. In addition to gaining a mentor and a business network, 120 young entrepreneurs from across Sweden also receive an educational grant of SEK 10,000 and the opportunity to participate in board training. The Young Entrepreneurs mentoring programme started at the end of 2013.

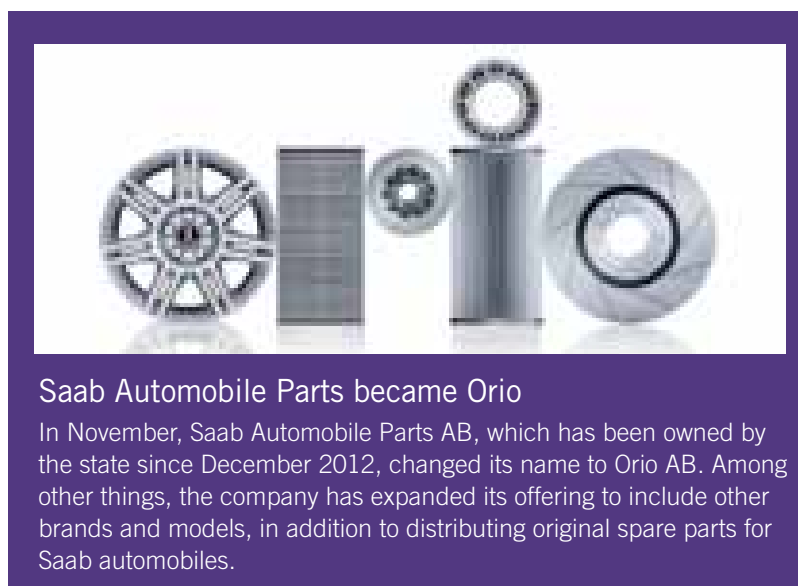
## Impairment and reorganisation at Vattenfall

In mid-2013, Vattenfall recognised impairment of nearly SEK 30 billion, mainly as a consequence of the Nuon acquisition. The principal reason was weaker conditions in Europe for generating electricity using gas. Vattenfall has also been reorganised into two parts: Nordic and Continental/UK. According to the company, the purpose is to allow the two regions to focus on their own key issues and to open up opportunities for risk sharing in the continental operations.



## Record month for LKAB

November 2013 was a record month for LKAB. During that month 2.5 million tonnes of iron ore products were delivered to the ports of Narvik and Luleå.



## Saab Automobile Parts became Orio

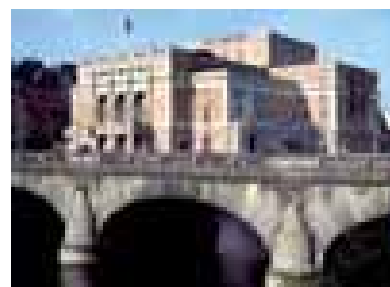
In November, Saab Automobile Parts AB, which has been owned by the state since December 2012, changed its name to Orio AB. Among other things, the company has expanded its offering to include other brands and models, in addition to distributing original spare parts for Saab automobiles.

## 450 researchers have laid the technical foundations for ESS

Some 450 researchers and engineers from 46 research institutes in 17 countries have gathered force to develop the technical design for the future European Spallation Source (ESS) research facility in Lund. The design is now complete and numerous preparations have been made prior to the start of construction in 2014.

## A new opera at Operan

The Royal Opera House in Stockholm is to be renovated and remodelled to meet the demands imposed on a modern national theatre, making it more open and accessible to audiences. In close cooperation with Operan, the National Property Board of Sweden has been commissioned to develop a plan for the renovation and remodelling.



## Change of ownership

### Vectura acquired by technology consultancy

The state sold its wholly-owned company Vectura Consulting AB to engineering consultancy Sweco for just under SEK 1 billion. The transaction was completed in July 2013 and operations, including 1,200 employees were integrated into Sweco at the end of 2013.

### eHealth Agency replaces Apoteket Service

The new eHealth Agency was formed at year-end of 2013. The Agency has assumed the responsibilities and operations previously managed by the state-owned Apotekens Service Aktiebolag, which has therefore been phased out.

### Bostadsgaranti to be phased out

In May 2014, an Extraordinary General Meeting of AB Bostadsgaranti resolved to divest the subsidiary Försäkringsaktiebolaget Bostadsgaranti. The divestment is part of the ongoing phase-out of Bostadsgaranti as a whole. The company's remaining operations are expected to be wound up by 2016.



### Inlandsinnovation in all forestry counties

In mid-June 2013, the state, as owner, adopted an extended investment mandate for Inlandsinnovation. From previously covering a population of about 400,000, the company's market area has thus been extended to encompass some 1,700,000 inhabitants in the counties of Norrbotten, Västerbotten, Jämtland, Västernorrland, Gävleborg, Dalarna and Värmland. Inlandsinnovation can now operate throughout the seven forestry counties.



### SJ invests for the future

SJ is investing around SEK 3.5 billion in a thorough upgrade and redesign of its SJ 2000 trains. This is one of the largest investments in SJ's 150-year history. The initiative is in preparation for competition on profitable train routes, which is due to commence in August 2014.



### Vattenfall builds new wind farms

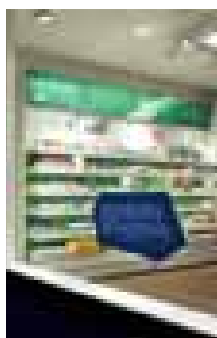
During 2013, Vattenfall initiated a number of new projects to build and extend wind farms in Sweden, Denmark, the UK and the Netherlands. One of these was the building of a new wind farm in Hjuleberg, which will be the largest onshore wind farm in southern Sweden and will be brought into operation in mid-2014.

### Storm Hilde brought down 400,000 cubic metres of forest on Sveaskog landholdings

In November, storm Hilde swept across Scandinavia, felling large areas of forest. Some 400,000 forest cubic metres (m<sup>3</sup>fo) was brought down on Sveaskog landholdings. Lycksele was the municipality hit hardest. The Swedish Forest Agency estimates that Hilde blew down a total 3.5 million m<sup>3</sup>fo. The damaged timber must be out of the woods this summer at the latest to avoid infestation by pests such as European spruce bark beetle and common pine shoot beetle.

### 13 new pharmacies in Apoteksgruppen

The number of pharmacies within Apoteksgruppen is growing steadily through existing owners opening new pharmacies. The 150 pharmacies that existed when Apoteksgruppen was formed in 2009 have increased to a total of 163 pharmacies. This means that 15 per cent of all pharmacies established in Sweden during 2013 were opened by Apoteksgruppen.



### Robot paints road lines for Svevia

Svevia can now provide a safer workplace for its road workers who had previously always painted white road markings, such as lines, arrows and pedestrian crossings manually. Svevia contributed funds for the development of an entirely new concept. Road workers control the process from the cab of a lorry equipped with a robotic arm. The robot performs the entire task, while road workers avoid having to move about in traffic.





Installation of foundations at Ormonde, one of Vattenfall's wind farms, in the sea off the northwest coast of England. *Photo: Vattenfall*

# Active ownership

The state-owned company portfolio, consisting of 50<sup>1)</sup> wholly and partly owned companies, is valued at SEK 500 billion and employs about 170,000 people. Combined, the companies comprise a significant share of the Swedish business sector. It is the state's ambition to be an active and responsible owner.

At the Ministry of Finance, the Government Offices' organisation specialises in corporate governance and investment management. It is responsible for developing and managing most state-owned companies. Active ownership is conducted in accordance with state's corporate governance documents, which have been compiled in the State's Ownership Policy.

## THE GOVERNMENT'S COMMISSION AND PRINCIPLES

The Government is tasked, by the Riksdag, to actively manage the state's assets. The Government Offices with the ministries assist the Government in its administration and investment management.

The Government Offices currently manage 50 companies<sup>1)</sup>, of which 41 are wholly owned and 9 are partly owned. In December 2013, the estimated value of this portfolio was approximately SEK 500 billion. Combined, the state-owned companies and their subsidiaries employ about 130,000 people, and if associated companies<sup>2)</sup> are included, the companies employ 170,000 people.

Among the state-owned companies, there are numerous strong brands. In many cases, the companies play an important role in Swedish society, many having originally provided social services as non-corporatised entities. In order to operate efficiently and to improve the conditions for competition neutrality in markets that are also targeted by new, private participants, these operations have subsequently been corporatised. The majority of state-owned companies now operate in fully competitive markets where the overarching objective of state-ownership for the companies' operations is to generate long-term value.

### INVESTMENT MANAGEMENT ORGANISATION

#### Governing regulations:

- The State's Ownership Policy** includes
- Swedish Code of Corporate Governance
  - Board nomination process
  - Financial targets process
  - Sustainable business
  - Guidelines for remuneration
  - Guidelines for external reporting

The Riksdag

The Government

The Government Offices

Ministry of Finance  
Division for local  
authorities and  
state-owned enterprises

Other ministries  
responsible for  
companies

Division for State-owned  
Enterprises

Division for Corporate  
Governance and Analysis

#### Active ownership through:

- Board recruitment and nominations
- Ongoing contact and dialogue
- Monitoring and evaluation

**Reports:** Annual and interim reports

1) Since the 2012 Annual Report, the number of companies has decreased from 54 since the state has divested its holdings in Nordea Bank and Vectura Consulting, while Apotekens Service has been de-corporatised and Ersättningsmark is in liquidation. The 50 companies include Svenska skeppshypotekskassan, which, however, is not a limited liability company but a special form of association under public law.

2) The associated companies are those in which the state owns 20–50 per cent, and include Bostadsgaranti, Dom Shvetsii, SAS, SOS Alarm, TeliaSonera and VisitSweden.

As a matter of principle, the Government takes the view that the state should not own companies operating in commercial markets with functioning competition, unless the company has a specifically adopted public policy assignment that would be difficult to fulfil in any other way. Therefore the Government's ambition is to reduce state ownership. Consequently, part of being a value-generating, active owner involves continuously assessing the companies and examining the rationale for continued state ownership.

Due to many of the companies' operations and public policy assignments, the state's role as a major company owner is likely to continue. The Government takes the view that companies should be managed actively and professionally, with long-term value generation as an overriding objective, and, where applicable, ensuring that specifically adopted public policy assignments are performed well. This requires the companies to adopt a long-term approach, be efficient and profitable, while being given the capacity to develop. State-owned companies should serve as role models in the area of sustainable business and, in other respects, conduct themselves in a manner that generates public confidence. This is the overall focus of the Government Offices' ongoing active ownership and corporate governance.

#### INVESTMENT MANAGEMENT ORGANISATION

The Ministry of Finance, which is responsible for the management of most of the state-owned companies, has an organisation specialised in corporate governance and investment management. This organisation is responsible for the development and administration of 34 of a total of 50 state-owned companies that are administrated by the Government Offices, and is divided into two units working in close cooperation. The Division for State-owned Enterprises employs investment managers who work on the company boards, coordinate the owner's contacts with the companies and lead the organisation's ongoing work with the shareholdings. The division also includes a function responsible for communications and investor relations, including financial information and dialogues with stakeholders. The Division for Corporate Governance and Analysis is responsible for investment analysis, sustainable business, business law, board recruitment and corporate governance documents, such as the State's Ownership Policy, as well as setting and monitoring financial targets and public policy performance indicators.

For a small number of state-owned companies, state ownership is carried out elsewhere: the Ministry of Justice, the Ministry of Culture, the Ministry of the Environment, the Ministry of Enterprise, Energy and Communications, the Ministry of Health and Social Affairs, the Ministry of Education and Research, and the Ministry for Foreign Affairs. The Government's principles for active ownership and corporate governance also apply to these companies.

#### INVESTMENT TEAMS FOR SHAREHOLDINGS

Efforts to develop and manage the company holdings is conducted mainly in separate investment teams for each shareholding, consisting of experts from the two divisions. The investment teams deal with all ongoing matters of ownership concerning the state-owned companies. The investment teams are coordinated and led by an investment manager. The teams

also include analysts, legal counsels, board recruiters, communicators and specialists in sustainable business, each of whom can head individual investment team projects. The composition of competences ensure that the teams possess good insight into the business environments of the companies and their markets, as well as an understanding of the challenges and risks facing the companies (*Read more about the investment teams for shareholdings on p. 15*).

#### POLITICAL LEADERSHIP

Corporate issues of a strategic nature for the owner are discussed regularly with the political leadership of the ministry. The political leadership also holds quarterly progress meetings with the chairmen and executive management teams of the larger state-owned companies and semi-annual meetings with a number of the somewhat smaller companies, so-called owner meetings, with the purpose of reviewing the companies' operations and performance in relation to financial targets, performance indicators and sustainability work.

#### THE STATE'S MODEL OF CORPORATE GOVERNANCE

The state's corporate governance document **the ownership policy** (the State's Ownership Policy and guidelines for state-owned companies) specifies the framework for active ownership and clarifies the relationship between the owner, board and management. In the ownership policy, the Government details its ownership mandate and its position on key principles regarding corporate governance and investment management. In terms of company law, the state-owned companies are controlled in the same way as private limited companies, with the Companies Act as their general framework with the Annual General Meeting as the company's highest governing body.

The ownership policy is applied fully in shareholdings in which the state is the majority shareholder. In shareholdings where the state is a joint owner, the investment management

#### INVESTMENT TEAMS FOR SHAREHOLDINGS



The investment teams for shareholdings deal with all ongoing matters of ownership involving the state-owned companies.

organisation engages in a dialogue with the other owners to ensure that the State's Ownership Policy is applied. The organisation's legal counsels are responsible for investment management complying with the ownership policy. They also play a central role as advisors on business law in the investment teams (*read the complete ownership policy on p. 124*).

**Board nominations** are an important part of the corporate governance of the state-owned companies. The Ministry of Finance's investment management organisation includes recruitment specialists who are responsible, within the investment teams, for the process of evaluating the existing boards, performing gap analyses based on the companies' operations and challenges, and for the process of recruiting chairmen and board members (*read more about board nominations on p. 16*).

The role of investment manager includes project management for some companies in which the investment manager is normally also a board member. **The investment managers' board duties** add vital expertise to the boards, and contribute knowledge of the companies to the investment teams. Active ownership of the listed companies is also based on investment teams for shareholdings. In these shareholdings, the state is represented in the nomination committees but not on the board.

**The requirement for transparency** in state-owned companies is intended to maintain confidence in the companies among the public and in trade and industry. State-owned companies are subject to the same external financial reporting requirements as listed companies (*read the complete guidelines for external reporting on p. 128*). Confidence-building communications represent an important aspect of the investment teams for shareholdings' work, and are supported by expertise in communications. This annual report provides a comprehensive account of how state-owned companies are managed. In its annual communication to the Riksdag, the Government provides an account of the past year's management of state-owned companies. Additionally, two interim reports on the financial performance of the state-owned companies are published annually.

**COMPANIES – SHAREHOLDER RESPONSIBILITY**

**Ministry of Finance**

- Akademiska Hus
- Apoteket
- Apoteksgruppen
- Bilprovningen
- Bostadsgaranti
- Fouriertransform
- Green Cargo
- Göta kanalbolag
- Infranord
- Jernhusen
- Lernia
- LKAB
- Metria
- Orio
- PostNord
- RISE
- Samhall
- SAS
- SBAB
- SEK (Svensk Exportkredit)
- SJ
- SOS Alarm
- Specialfastigheter
- SSC (Svenska rymdaktiebolaget)
- Sveaskog
- Svenska Skeppshypotek
- Svenska Spel
- Svevia
- Swedavia
- Swedfund
- TeliaSonera
- Teracom Boxer Group
- Vasallen
- Vattenfall

**Ministry of Justice**

- Miljömärkning Sverige

**Ministry of Culture**

- Dramaten
- Operan
- Voksenåsen

**Ministry of the Environment**

- Miljöstyvningsrådet

**Ministry of Enterprise, Energy and Communications**

- Almi Företagspartner
- Arlandabanan Infrastructure
- Inlandsinnovation
- Svedab
- VisitSweden

**Ministry of Health and Social Affairs**

- APL (Apotek Produktion & Laboratorier)
- Statens Bostadsomvandling
- Swedesurvey
- Systembolaget

**Ministry of Education and Research**

- ESS (European Spallation Source)

**Ministry for Foreign Affairs**

- Dom Shvetsii

**FRAMEWORK FOR STATE-OWNED COMPANIES**

	State-owned companies	Listed companies	State agency
<b>Legal framework</b>	Companies Act The State's Ownership Policy	Companies Act, Listing agreement	Administrative Procedure Act Government regulation Regulation with instructions
<b>Operations and assignments</b>	Operations section in the Articles of Association Owner instruction	Operations section in the Articles of Association	Regulation with instructions Appropriation Government decision on specific assignment
<b>Highest decision-making body</b>	Annual General Meeting	Annual General Meeting	Board of Directors, head of agency or board

The comparison with a state agency serves to illustrate the considerable difference between companies and agencies in terms of company law.

**Monitoring** different targets plays an increasingly central role in the dialogue between the companies and the Government Offices in their capacity as owner. Targets enable the performance of the companies to be measured and, where targets are not met, the owner may request a plan from the companies for the implementation of measures. The targets may be strictly commercial or based on specifically adopted public policy assignments, although they may also represent long-term strategic sustainability targets.

– **Financial targets** are not set as unilateral demands but through a dialogue between the owners and the company, to enhance the quality of the targets and ensure that they are realistic. The overall purpose of the targets is to optimise value creation in the state-owned companies and for operations to be conducted efficiently. The setting and monitoring of financial targets represents an important work process in the investment teams for shareholdings, implemented in accordance with an established process and built on an analysis of the company's challenges, market and operations. The process is led by an investment analyst. Between 2013 and 2015, all financial targets of the companies managed by the Ministry of Finance are being reviewed. To encourage an exchange of experiences between the state-owned companies on, for example, financial targets and reporting, the Ministry of Finance has initiated a network of CFOs. This network met twice in 2013 (*read more about financial targets on p. 24*).

– **Sustainable business** is a prerequisite for the companies' long-term survival. The sustainability targets set by the company boards should be few in number, strategic and measurable. They will be evaluated by the owner commencing in 2014. To increase transparency, the state-owned companies are obliged to report their activities in accordance with the Global Reporting Initiative, GRI. In the investment teams, specialists in the area of sustainable business work together with the other team members and monitor the companies' strategic sustainability targets. In 2013, the Ministry of Finance initiated a project to develop and integrate the evaluation process of companies' strategic sustainability targets with the organisation's review of financial targets in order to improve the overall evaluation of the companies (*read more about sustainable business on p. 30*).

– Some state-owned companies are commissioned by the Riksdag with specifically adopted public policy assignments, which are formulated in their Articles of Association and which may be further specified in an owner instruction. During 2013, a survey was made of the public policy assignments in the state-owned company portfolio. To assess how well the companies perform their public policy assignments, a process is evolving to establish and monitor **performance indicators** associated with the companies' specific public policy assignments. For some operations conducted within the framework of a specifically adopted public policy assignment and partly financed through appropriations in the state budget, specific targets have already been determined (*read more about performance indicators on p. 37*).

### MANAGEMENT COSTS

In 2013, the Ministry of Finance's costs for managing state-owned companies amounted to SEK 56.2 (62.7) million, corresponding to 0.01 per cent of the assets under management. Of this, SEK 20.2 (29.8) million relates to externally purchased services and reports as well as fees for financial, economic and legal advice, and for the production of the Annual Report and the Government Offices' interim reports for state-owned companies. Costs for the Ministry of Finance's investment management organisation consist primarily of salaries but also of other current expenses, such as travel and office supplies. Costs for ownership management within other ministries are not included, as they mainly consist of salaries that are also attributable to other tasks within each ministry.

### DECREASED OWNERSHIP

During 2013, the Government divested the state's remaining holding in Nordea Bank and all of the shares in Vectura Consulting. The total proceeds amounted to SEK 42 billion. The Government currently has the Riksdag's mandate to divest or liquidate the holdings in Bilprovingen, Bostadsgaranti, Lernia, Orio (formerly Saab Automobile Parts), SAS and Svensk Exportkredit (SEK).

### MANDATES TO CHANGE STATE OWNERSHIP

Company	Current shareholding, %	Authorisation to change shareholding to, %	Decision
Bilprovingen	100	0	Bill 2009/10:54, Report 2009/10:NU10, Riksdag Communication. 2009/10:162
Bostadsgaranti	50	0	Bill 2012/13:1, Report 2012/13:NU1, Riksdag communication. 2012/13:103
Lernia	100	0	Bill 2012/13:1, Report 2012/13:NU1, Riksdag communication. 2012/13:103
Orio	100	0	Bill 2012/13:99, Report 2012/13:FIU21, Riksdag communication. 2012/13:287
SAS	21.4	0	Bill 2009/10:121, Report 2009/10:FIU35, Riksdag communication. 2009/10:220
SEK	100	34	Bill 1995/96:141, Report 1995/96:NU26, Riksdag communication. 1995/96:302, Bill 2002/03:142, Report 2002/03:NU14, Riksdag communication. 2002/03:244



## TERACOM BOXER GROUP

## Investment management – a team effort

The Ministry of Finance's work to develop and manage the Teracom Boxer Group is conducted by an investment team consisting of an investment manager, an analyst, a lawyer, a board recruiter and a sustainability expert.

Investment manager Johan Hallberg, who is also member of the board of Teracom, leads the work of the investment team.

"The team analyses Teracom's operations, market and competitors. Based on that information, we can then consider how to safeguard the value creation in the state's shareholding through active management. We discuss various aspects of active ownership, including the forward-looking strategy and the rapidly changing market, board changes, dividend levels and target fulfilment, and put these issues in relation to the company's challenges," says Johan Hallberg.

Working meetings are scheduled in preparation for Teracom's board meetings, financial reports, Annual General Meeting and the regular progress meetings with the company's chairman and management, the so-called owner meetings, which are arranged by the Ministry of Finance. If necessary, the team meets at short notice.

"Not all team members participate at every meeting, although a couple of times a year we do gather everyone for a general update

on the company and preferably an instructional visit too. Work in preparation for board meetings, for example, involves the investment manager and investment analyst, while preparations for board recruitments are led by the recruiter. When necessary, we can also scale up the investment teams and temporarily bring in additional resources, such as an extra analyst and communications expertise," says Johan Hallberg.

In addition to other necessary discussions, the Ministry of Finance's political leadership holds biannual owner meetings with Teracom's Chairman and CEO. These meetings, which have gained an increasing focus on reviewing the owner's various targets for the company, are prepared by the investment team. Owner meetings always commence with sustainability issues. In addition to the review of the strategic sustainability targets, the discussion is based on the analysis of Teracom's risks and opportunities in the area of sustainability made by the team's sustainability expert.

"In recent years, the tasks and workflow in the investment teams at the Ministry of Finance have gained a clearer structure. Knowledge and experiences are shared between the teams. The investment teams possess an accumulated knowledge of Teracom, which improves our readiness and capacity on matters of ownership. As an elected board member of Teracom, the investment manager also benefits from the team's own market analyses, which may challenge the company's own analysis and conclusions in the ongoing work of the board," says Johan Hallberg.



*The investment team for the Teracom shareholding, consisting of Johan Hallberg, Investment Manager, Magnus Johansson, Board Recruiter, Malin Fries, Legal Counsel, Erik Tranaeus, Investment Analyst and Helena Hagberg, Sustainable Business. Photo: Jörgen Ulvsgård*

## The boards

The Board of Directors carries the overall responsibility for the performance of a limited company. Consequently, board nominations form an important part of the corporate governance of the state-owned companies. To ensure that the boards possess the necessary skills, the investment management organisation has a structured process for board nominations.

### BOARD RESPONSIBILITIES

Under the Companies Act, the Board of Directors is responsible for the organisation and management of the company's affairs. Among other things, this means that the board determines the company's overall strategy, makes important strategic decisions, appoints the CEO and issues instructions for his/her management of the company. These substantial powers impose rigorous demands on a well-functioning board, adapted to the company's specific operations and challenges, as well as the state's ambitions as owner.

### COMPOSITION

Each board nomination is based on the expertise required for the specific board. The composition shall ensure that the board is able to manage the company's business with integrity and efficiency, and that the board embodies industry-specific skills and other expertise relevant to the company. In addition to relevant skills, board members in state-owned companies shall also have a high degree of integrity and the capacity to act in the best interests of the company. Sustainability and ethics are important issues for the state as an owner and boards must be able to work strategically in the area of sustainable business.

An efficient board should not be too large, the number of members should normally be six to eight people. The Government intends to have only regular members and no deputies.

Board composition should be such that diversity and mixed skills are achieved. Diversity and breadth may relate to age, ethnicity and gender, but also professional experience, academic background and profession. Bringing in a new board member with a different background than the other members shall serve to ensure relevant breadth in the combined expertise in the boardroom and to enhance the dynamic of the board. However, this should not be achieved at the cost of making the board too large. To achieve gender balance, the state-owned companies target having at least 40 per cent of board members of either gender.

### BOARD NOMINATION PROCESS

The Ministry of Finance's investment management organisation includes recruitment specialists who work exclusively with recruitment and coordinating board nominations for the state-owned companies. To capitalise on the expertise of both women and men, as well as individuals with different backgrounds and experience, the selection of members involves a broad recruitment base. A uniform and structured approach throughout the nomination process ensures quality.

A working group, consisting of representatives from the investment teams, begins the board nomination process by analysing current expertise requirements given the company's business, current situation and future challenges, as well as its present board composition and board evaluations. Any recruitment needs are determined, job descriptions are produced and the recruitment process begins. Nomination proposals are approved through a decision by the minister responsible for the

### Board work and responsibilities

Under the Swedish Companies Act, the Board of Directors is responsible for the organisation and management of a company's affairs. This includes the board determining the company's overarching strategy and making more important strategic decisions.

The board also appoints the CEO and issues instructions for the CEO's management of the company. The board determines who represents the company (authorised signatories) and calls shareholders to Annual General Meetings.

Each year, the board establishes the main focus of its work for the coming fiscal year. The rules of procedure regulate matters including the number of board meetings, the

matters to be addressed at these meetings, the division of work within the board, the specific tasks of the Chairman of the Board and how the work of any committees is to be conducted. The board shall also evaluate the CEO's reporting instructions each year.

The board's responsibilities include ensuring that taxes and social security contributions are paid on time, and that annual reports are prepared and submitted to the Companies Registration Office. The board bears considerable responsibility and members may be liable both to the company and to third parties, and can in certain cases be held personally liable for the company's obligations.

company. The Annual General Meeting determines the ultimate election of board members.

In 2013, each board in the state-owned company portfolio consisted of an average of 6.9 members, unchanged compared with the previous year. The size of the boards varies from three to nine members. There are a total of some 350 board members in the state-owned companies and each year, about 50–70 new board members are elected.

In the listed companies SAS and TeliaSonera, in which the state is one of the largest shareholders, the nomination committees include a representative from the Ministry of Finance's investment management organisation.

**CHAIRMAN OF THE BOARD – A SPECIAL ROLE**

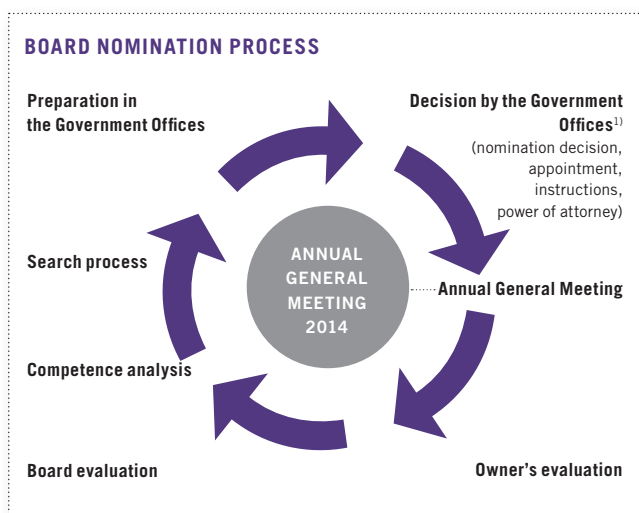
The chairman holds a special status on the board. He or she is responsible for the work of the board being well organised and efficient. Other special duties include aligning the views of the board with those of the owner when the company faces particularly important decisions. The chairman maintains contact with the CEO between board meetings and is responsible for the ongoing dialogue with the owner.

**BOARD PERFORMANCE IS EVALUATED**

Board performance is evaluated annually and the chairman is responsible for ensuring that the evaluation is conducted. In companies wholly or partly owned by the state, the chairman reports the evaluation results to the relevant ministry. In the listed companies, the nomination committee is informed.

As part of the corporate governance and board nomination processes, the Government Offices also conduct their own ongoing evaluations of the boards of the state-owned companies.

Each year, the owner appoints auditors to independently review the management by the board and the CEO, as well as the company's annual report and accounts.



1) Decision by Minister as authorised by the Government.

**REMUNERATIONS**

Board members receive remuneration for their effort and for the responsibility entailed by that the board assignment. Board fees are set by the Annual General Meeting. As a rule, officials of the Government Offices who are board members in state-owned companies are not remunerated by the cocompany for their work on boards or committees. Situations are to be avoided whereby board members or their deputies are engaged as consultants to the company and thereby receive consultancy fees in addition to their board fees.

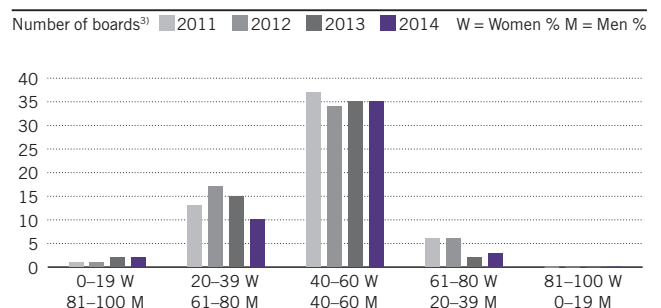
**MORE FEMALE BOARD MEMBERS THAN IN LISTED COMPANIES**

As of May 1, 2014, 47 per cent of board members elected by the Annual General Meetings were women and 53 per cent were men in the state-owned companies. In the companies that are wholly-owned by the state, the proportion of women was 50 per cent, compared with 26<sup>2)</sup> per cent in listed companies. Of the total 50 state-owned companies, 35 met the gender balance target, i.e. the proportion of either sex was at least 40 per cent. In 15 companies (19 in the previous year), the target was not achieved. In 12 of these companies, men were over-represented, i.e. more than 60 per cent of board members were men and less than 40 per cent were women. In three companies, women were over-represented. See the diagram "Number of gender-balanced boards" below.

The proportion of women chairmen in the state-owned company portfolio (wholly and partly owned companies) has risen from 33 per cent in 2010 to 38 per cent in 2014, compared to 5 per cent among listed companies. Among the companies wholly owned by the state, the proportion of women chairmen is 41 per cent.

2) According to SIS Ågarservice.

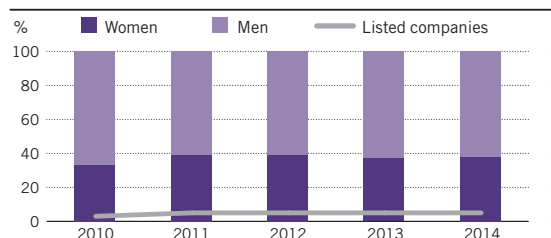
**NUMBER OF GENDER-BALANCED BOARDS**



The diagram shows the number of companies and the gender distribution of the boards. In 35 of the 50 companies, the gender balance is 40–60 per cent women or men respectively.

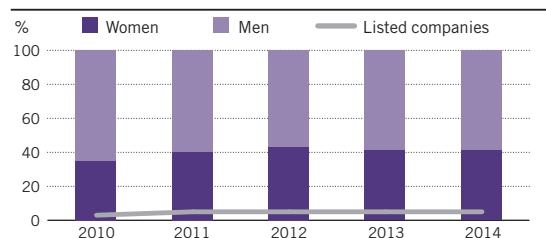
3) Based on the number of board appointments by the Annual General Meeting.

**GENDER DISTRIBUTION, WHOLLY AND PARTLY OWNED COMPANIES – CHAIRMEN**



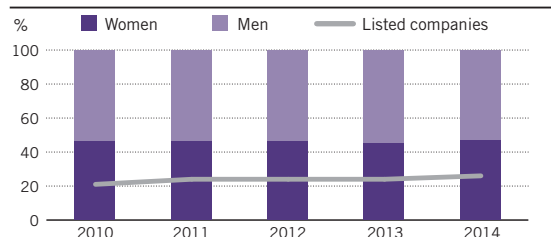
The bars show gender distribution in per cent among chairmen in the wholly and partly owned companies. The curve shows the corresponding trend among listed companies.

**GENDER DISTRIBUTION, WHOLLY OWNED COMPANIES – CHAIRMEN**



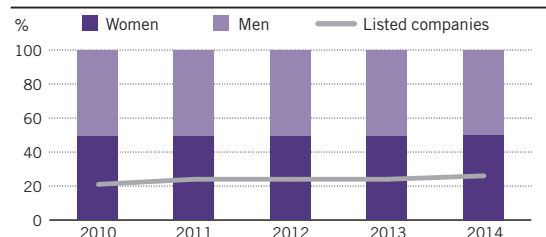
The bars show gender distribution in per cent among chairmen in the wholly owned companies. The curve shows the corresponding trend among listed companies.

**GENDER DISTRIBUTION, WHOLLY AND PARTLY OWNED COMPANIES – CHAIRMEN AND MEMBERS**



The bars show gender distribution in per cent for all members in the wholly and partly owned companies. The curve shows the corresponding trend among listed companies.

**GENDER DISTRIBUTION, WHOLLY OWNED COMPANIES – CHAIRMEN AND MEMBERS**



The bars show gender distribution in per cent for all members in the wholly owned companies. The curve shows the corresponding trend among listed companies.

**GENDER DISTRIBUTION – CEOs AND EXECUTIVE MANAGEMENT TEAMS<sup>1)</sup>**

	31 December 2013			31 December 2013		31 December 2012		31 December 2011	
	W. No.	M. No.	Total	W. %	M. %	W. %	M. %	W. %	M. %
CEO	17	32	49	35	65	29	71	29	71
Executive management team <sup>2)</sup>	131	215	346	38	62	38	62	38	62

In 2013, six of the companies had no management other than the CEO.

1) At the start of the year, there were 52 companies. The evaluation does not include Alandabanan Infrastructure, Dom Shvetsii or Ersättningsmark.

2) Executive management team, excluding the CEO.

**GENDER DISTRIBUTION – MEMBERS APPOINTED BY THE ANNUAL GENERAL MEETING**

	1 May 2014			1 May 2014		1 May 2013		1 May 2012		31 May 2011		31 May 2010	
	W. No.	M. No.	Total	W. %	M. %	W. %	M. %	W. %	M. %	W. %	M. %	W. %	M. %
<b>Wholly and partly owned companies</b>													
Chairmen	19	31	50	38	62	37	63	39	61	39	61	33	67
Members	143	154	297	48	52	47	53	48	52	46	54	49	51
<b>Total, chairmen and members appointed by the Annual General Meeting</b>	<b>162</b>	<b>185</b>	<b>347</b>	<b>47</b>	<b>53</b>	<b>45</b>	<b>55</b>	<b>46</b>	<b>54</b>	<b>46</b>	<b>54</b>	<b>46</b>	<b>54</b>
<b>Wholly-owned companies</b>													
Chairmen	17	24	41	41	59	41	59	43	57	40	60	35	65
Members	124	117	241	51	49	50	50	50	50	49	51	49	51
<b>Total, chairmen and members appointed by the Annual General Meeting</b>	<b>141</b>	<b>141</b>	<b>282</b>	<b>50</b>	<b>50</b>	<b>49</b>	<b>51</b>	<b>49</b>	<b>51</b>	<b>49</b>	<b>51</b>	<b>49</b>	<b>51</b>

The Government aims to achieve a gender balance on the boards of the state-owned companies. At 1 May 2014, the proportion of female board members in the state-owned company portfolio was 47 per cent, while the proportion of men was 53 per cent. In the companies that are wholly owned by the state, the proportion of board members who were women was 50 per cent, while the proportion of men was 50 per cent. The proportion of chairwomen in the companies that are wholly owned by the state was 41 per cent. The above account includes all state-owned companies.

Each year, some 50–70 new board members are elected to the boards of the state-owned companies. Magnus Johansson is one of two people responsible for board recruitment within the Ministry of Finance's investment management organisation. He was previously a recruitment consultant at Novare Executive Search and Heidrick & Struggles.



## Magnus Johansson on ...

### ... board composition:

Every year, we interview hundreds of people, some for immediate assignment and some with whom we would like to have contact in the future. This year, I have also met about 50 individuals with a pronounced sustainability profile.

However, all board appointments are made in accordance with an established process. During the autumn, the board is assessed and the recruiter has a discussion with the chairman, the CEO and board members. At the same time, in the investment team for a specific shareholding, we consider the company's operational and strategic challenges and what board changes the company needs. If the company is about to expand internationally, it is likely that the board will need experience in that area. A company that is performing poorly may need a chairman with experience of a "turn-around", while operations recently reorganised into a company format need staffing on the basis of an approaching journey into a corporate culture.

If we reach the conclusion that the board needs changing, a foundation is now in place for the new members' job descriptions, including professional experience, leadership skills (particularly important for chairmen), as well as personal qualities and capabilities that characterise the individual. The search process for candidates corresponds to classical headhunting. We locate some candidates among the large number of people we have interviewed earlier.

### ... diversity on boards:

The state is one of the world's few owners to have demonstrably achieved gender balance on company boards. This year, there are precisely as many men as women on the boards of the state-owned companies. The next challenge is to broaden the concept of diversity to maintain and develop the dynamic of the boards. The state needs boards with considerable breadth in terms of experience, and diversity

stimulates this. Constructive questioning and, for example, experience from different kinds of industries, growth and restructuring are good. Different types of professional and sector experience are likely to be important, as are different generations. Since the operations of state-owned companies are concentrated largely to the Swedish market, Swedish geographical diversity, as opposed to a focus on the major urban centres, is also important.

### ... recruitment from new networks:

Corporates cannot afford to be dominated by a limited group of people. While it may be easy to seek to attract well-known board names to state-owned companies, it is not certain that such people would make the best contribution. In the work of the investment management organisation, we apply the rule of thumb no one should sit on the boards of more than two state-owned companies, and we make only a few exceptions from this rule. We must therefore dare to perceive people's potential, even though there is an inherent sense of security in choosing those who have previously proven suitable in similar positions. In 2013, the state recruited several chairmen whose leadership qualities were judged to be very strong but who had not previously held chairmanships.

One reason why the state, unlike the nominating committees of many listed companies, has been able to achieve a gender balance on boards without sacrificing competence, is that we have often been the sole owner. We have been able to pursue a clear course without having to compromise.

The state has also realised the opportunities offered by fostering new board members. The risk in making the wrong recruitment to a board is less than in recruiting the wrong CEO. On a well-functioning board, an unproven member can learn the work of the board while contributing his or her expertise.

## AKADEMISKA HUS

## The review of Akademiska Hus

Since being corporatised 20 years ago, Akademiska Hus' market has changed. Following a thorough analysis, the company has been given a clearer commission and revised financial targets.

Akademiska Hus was spun off from the National Board of Public Buildings in 1993, when the state's sizeable property holdings at the country's universities and colleges were transferred to an independent limited company. On being corporatized, the company was tasked to contribute to Sweden's development as a centre of knowledge through the effective management and development of the university and college properties.

However, the conditions for fulfilling this commission have partly changed. Competition between seats of higher education is increasingly international and, as a consequence, the Swedish universities' focus on integrated and dynamic campus environments has also increased. This trend has contributed to Akademiska Hus becoming Sweden's most investment-heavy real estate company by a wide margin. In addition to the existing property holdings, valued at SEK 57 billion, the company has a project portfolio amounting to SEK 26 billion. This includes new buildings and remodelling on several Swedish campuses, including the very large scale expansion around the Karolinska Institute in Solna and the Albano area, but also a number of important property projects at other universities and colleges around the country.

The high level of investment imposes increasing demands on Akademiska Hus as a commercial partner, while interest and competition from other real estate companies has also partially increased. One pre-condition for Akademiska Hus being able to conduct business credibly on market terms is that rents are set transparently, demonstrating how risk is taken into account, and that the seats of higher education receive support with regard to efficiency and aspects determining cost levels in various property projects. Given Akademiska Hus' strong position as landlord at certain seats of higher education, with a total 63 per cent of the Swedish market, its responsibility in campus development, including for student housing, has become a matter of discussion.

Eva-Britt Gustafsson, Chairman of Akademiska Hus since 2007, says: "At a time when both we and our customers were experiencing major changes, we realised that our commission from the state was not expressed clearly enough. Further, occasionally a debate has arisen characterised by the universities' desire to own their properties. Quite simply, to continue developing Akademiska Hus, we needed a clearer mandate stipulating what the company should and should not do."

These were issues that would affect the company's development and, in the long term, its value. Consequently, in 2012, the Ministry of Finance's investment management organisation initiated a major review of Akademiska Hus and the market in which it operates. In addition to the overall question as to whether Akademiska Hus should continue to be a separate state-owned company, the basis on which operations should be conducted and how the company can best contribute to Sweden's development as a centre of knowledge was also examined.



Chairman Eva-Britt Gustafsson is making sure that Akademiska Hus will be a better partner to the Swedish seats of higher education.

Photo: Peter Nerström

The conclusion of the company review was that Akademiska Hus should continue in its current form, and the company's mandate was clarified in the Budget Bill for 2014 (Government Bill 2013/14:1). Akademiska Hus is to focus on developing the campuses, and although this may also include investing in commercial real estate, it does not include student housing. However, the company should contribute to student housing being developed by others. It was also established that in addition to rent levels and profitability targets being set on market terms, customer benefit is critical for the commercial manner in which the company is to conduct its operations. The company is to strengthen its cooperation with customers and pursue efficiency and good cost control.

"If we are a little self-critical, Akademiska Hus could have contributed more to customers than it initially did. One of the purposes of bringing all of the university buildings together in a joint company 20 years ago was for experiences gained from investments at one university to cross-fertilise investments at another. However, as Akademiska Hus initially consisted of six self-governing regional companies, in accordance with the original parliamentary resolution, this work has been delayed until quite recently. Not until we merged the operations have we been fully able to help the universities learn from another, particularly when it comes to very large investments," says Eva-Britt Gustafsson.

### New financial targets for Akademiska Hus

	New targets in 2014:	Previous target:
Profitability:	6.5 % return on operating capital	5-year interest + 4 % return on equity
Capital structure:	Equity/assets ratio 30–40 %	Equity/assets ratio 30–40 %
Dividend:	40–60 % of profit	50 % of profit



## AKADEMISKA HUS

One of Akademiska Hus' principal tasks will be to develop this dialogue and to set up long-term investment plans and cooperation projects together with the seats of higher education whereby the company's real estate skills will be able to help the universities and colleges develop at the desired pace through the right investments at foreseeable costs.

At the Annual General Meeting in April 2014, Akademiska Hus' Articles of Association were amended with a clearer description of the company's mandate, while the owner also set out new financial targets.

Eva-Britt Gustafsson says: "As CEO, Kerstin Lindberg has already

taken the company several key steps forward. The future approach to the partnership with customers is now well-established within the organisation and includes everything from long-term plans to documentation and maintaining an open dialogue with customers so that they understand what determines rent levels. The financial targets help the company progress in its efforts to increase cost efficiency. Efficient operations are important for our credibility. Internationally, Akademiska Hus is unique, and as long as we exist, the Swedish seats of higher education will have an experienced and stable partner."



*Aula Medica, which Akademiska Hus built at the Karolinska Institute's Solna Campus, was named Building of the Year 2014 by building sector magazine Bygginindustrin. Photo: Jean-Baptiste Beranger*



Bilprovingen's e-Diagnos service reveals incorrect programming in vehicle electronics. *Photo: Bilprovingen*



# Targets and monitoring

Setting and monitoring clear targets and indicators are key tools of corporate governance. Targets allow companies' performance to be measured and the necessary actions to be taken. Monitoring targets and indicators therefore defines an increasingly central part of the dialogue between the companies and the state as the owner. The overall purpose of the targets is for the companies' operations to be conducted efficiently and with a long-term perspective, which leads to the sustainable development of value and, where appropriate, to specifically adopted public policy assignments being performed well.

Today, most of the state-owned companies are reviewed on some form of **financial targets**. These may, for example, involve the operations' profitability or the company's capital structure. The purpose of the financial targets is to ensure value creation in the portfolio through efficiency in the operations of the state-owned companies while financial risks are kept at a reasonable level. The ambition is that, by 2015 at the latest, all financial targets of companies managed by the Ministry of Finance shall be reviewed and that the companies receive revised financial targets relevant to their specific situations.

Several of the state-owned companies have public policy assignments specifically adopted by the Riksdag. Assessing how well a public policy assignment is performed is facilitated by clearly defined objectives. Within the framework for active ownership, the Government Offices' ambition is to develop its monitoring process of how well public assignments are performed. Where relevant, this should be accomplished through one or more public policy assignment **performance indicators** being adopted by the Annual General Meeting. For some operations conducted within the framework of a specifically adopted public policy assignments and partly funded by appropriations in the central government budget, specific targets have already been set. There is no contradiction between specifically adopted public policy assignments and financial efficiency. The state's objective is that the assignment is performed well and as efficiently as possible. Consequently, it makes sense to combine performance indicators with financial targets in companies with specifically adopted public policy assignments. In 2013, the Government Offices initiated efforts to develop performance indicators for the companies managed by the Ministry of Finance.

Effective from 2014, the boards of all of the State-owned companies have been tasked to raise sustainability issues to a strategic level in the companies and to formulate a few **strategic**

**sustainability targets** for their operations. The aim is thus to integrate sustainable business into the company's business strategy.

For most of the state-owned companies, the owner has established more than one type of target and indicator. Various aspects are weighed in for the targets to be as clear and balanced as possible. In the event that targets are in conflict, the company and the state (as owner) are able to discuss priorities or the timeframe for target fulfilment.

Specific targets contribute to more transparent owner meetings. When the chairmen and executive management teams of the companies meet the owner at the regular progress meetings, the follow-up of results in relation to various targets is a central part of the agenda. Another advantage with targets and indicators is that the company's and owner's considerable effort and analysis in preparing the targets, helps increase the understanding of the company's challenges and at the same time the owner's intentions. *(Read about the different targets for state-owned companies on p. 51–100.)*

## TARGETS

### FINANCIAL TARGETS

- Are set by the owner at the Annual General Meeting.
- Are drawn up by the owner in dialogue with the company.
- Are to be achieved long term over an economic cycle, and are defined as targets for profitability (or cost trend), capital structure and dividend level.

### STRATEGIC SUSTAINABILITY TARGETS

- Are set by the board of the company.
- Are to be few, comprehensive, challenging and measurable.

### PERFORMANCE INDICATORS

- Where relevant are set by the owner at the Annual General Meeting.
- Are developed for companies with specifically adopted public policy assignments, primarily companies managed by the Ministry of Finance.
- Facilitate assessment of how well public policy assignments are being performed.

# Ambitious financial targets

Establishing and monitoring clear targets is an important tool in the governance of state-owned companies. Realistic and ambitious targets that can be monitored are set in a process in which the owners, the board and the company's executive management team are actively involved. Targets, outcomes and the companies' efforts to reach the targets are key components in the owner meetings.

### FINANCIAL TARGETS IN STATE-OWNED COMPANIES

In many cases, state-owned companies operate under market conditions in competitive markets. In these cases, generating value is the overall objective of corporate governance. With operations being subject to the same conditions and requirements as other companies, competitiveness, value development and capital efficiency are strengthened while the risk that competition is distorted decreases. This also generates the necessary pressure for change that is a prerequisite for improved efficiency and long-term competitiveness. The process of setting and monitoring financial targets contributes to this.

Just over two years ago, the Minister for Financial Markets, Peter Norman, took the initiative to review the process of how the financial targets are set and monitored. The aim was to ensure that clear targets are set in dialogue with the company and that the targets are both ambitious and realistic, and that they are monitored regularly. A clearly structured target process also lays the foundation for an active dialogue between the owners and the company on targets and outcomes. When targets are drawn up in dialogue with the companies, rather than as unilaterally formulated requirements, more nuanced and expedient governance is achieved, while improving the quality of the

targets and ensuring that they are realistic. Over a period of three years, the financial targets for all of the companies managed by the Ministry of Finance are now being revised, company by company. The purpose, method and process are described in brief below.

### PURPOSE OF FINANCIAL TARGETS

The financial targets normally encompass the three principal areas of capital structure, profitability and dividends, and they serve mainly to:

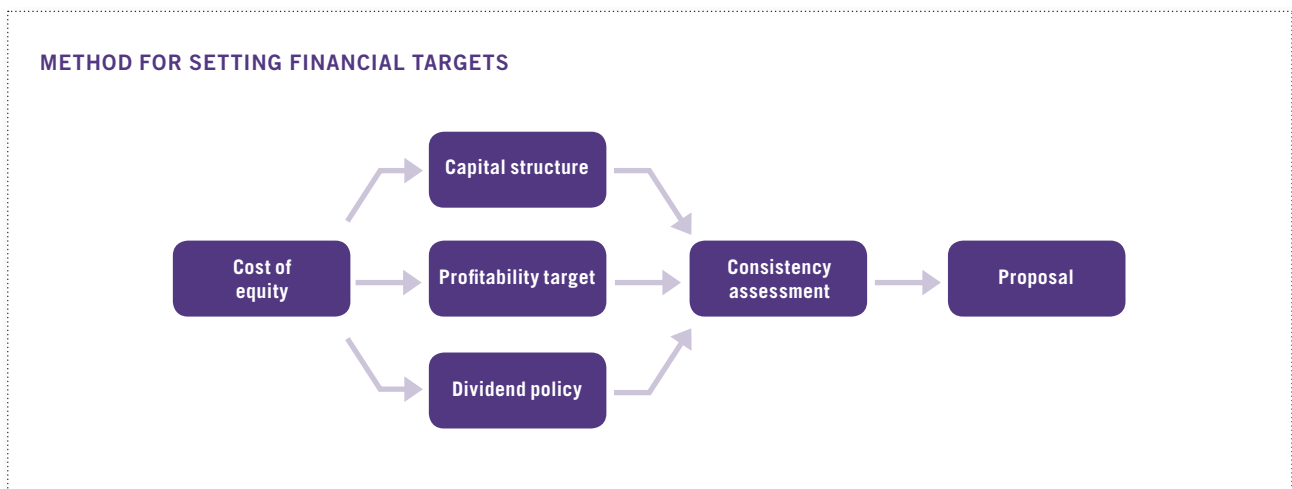
- promote both operational efficiency and capital efficiency
- keep financial risk at a reasonable level
- help ensure that the owner receives predictable and long-term sustainable dividends, as well as
- enabling follow-up and evaluation.

The method applied in setting financial targets is based on a multi-stage analysis.

### COST OF CAPITAL IS THE STARTING POINT

The cost of capital represents an investor's alternative cost for a certain investment and therefore determines whether the investor will receive reasonable compensation for the risk that the investment entails. It affects all three principal areas covered by the financial targets and is therefore a key starting point in the analysis and formulation of the financial targets.

The cost of capital affects a company's optimal capital structure. The capital structure is the distribution between equity and borrowed capital that minimises the company's cost of capital. Since the cost of capital represents an investor's expected return, over time, it also sets a floor for a company's profitability targets. As a result, that floor affects the amount of investments that the company finds attractive. For an investment to be attractive, the expected return over time should correspond to



the cost of capital. All else being equal, a higher cost of capital reduces the amount of attractive investments and thus a company's need to retain capital in its operations. (*Read more about cost of capital on p. 26.*)

### EFFICIENT CAPITAL STRUCTURE

The purpose of the capital structure target is primarily to keep the company's financial risk at a reasonable level, while, at the same time, the company should be efficiently capitalised.

To find an appropriate capital structure, the theoretically optimal capital structure for minimising the company's cost of capital is first calculated. This calculation is supplemented with relevant sector comparisons and a more detailed analysis of the company's operating risk. The analysis of the company's operating risk is particularly important because an appropriate capital structure should both be financially resilient and keep the company efficiently capitalised. Consequently, it is not an objective in itself that a company should have more equity than necessary. The capital structure target is generally expressed in terms of net debt/equity ratio, most often as an interval.

### AN AMBITIOUS PROFITABILITY TARGET

The purpose of the profitability target is to foster efficient performance of the company's operations. This applies from both an operational and financial perspective. The profitability target should also be formulated to correspond to at least a reasonable compensation for the risk-taking that ownership of the company entails. For this reason, the cost of capital forms the floor for the profitability target. It should also be viewed as a target to be achieved over the long term and not as a demand that must be met at every point in time. The profitability target should therefore express an ambitious but, at the same time, achievable target scenario for the company.

Consequently, the profitability target builds primarily on detailed analyses of the company's business plan and sector comparisons. In most companies, a return target is applied (for example, return on equity or operating capital). This is because such a target generates an incentive for a company to work with both profitability enhancements and capital efficiency. For other companies, whose operations do not tie up large amounts of capital and for whom capital efficiency is consequently less important, margin targets, for example, may be more appropriate. Apoteket, Bilprovningen and Svenska Spel, for example, apply operating margin targets, while LKAB has a cost target.

### ADAPTED DIVIDEND POLICY

Among other purposes, the dividend policy shall ensure that the owner receives predictable and long-term sustainable dividends. However, the owner may also profit from an increase in value by allowing the company to retain and reinvest capital in the opera-

tions rather than by distributing it as dividends. The more attractive investments a company has (that is, investments whose expected returns equal or exceed the cost of capital), the more capital the company should be able to retain for investments.

For this reason, the dividend policy is based primarily on a thorough analysis and assessment of the company's investment plan and growth opportunities. If a company has an attractive investment opportunity that does not meet the owner's profitability target, this does not mean that the company should not make the investment. As long as the expected return on the investment equals or exceeds the cost of capital, the owner will receive reasonable compensation for its risk-taking in the company. However, where there are several different investment opportunities, it is important that the company prioritises the investments offering with the best expected return in relation to risk. The dividend policy is usually expressed as a percentage of net profit for the year, generally as an interval.

### MONITORING AND EVALUATION

The financial targets are forward-looking and long-term. Due to economic fluctuations, for example, it is therefore natural that the targets are exceeded in certain years, but not achieved in others. The owner monitors the company's development and target fulfilment at regular progress meetings with the company's Chairman and management. Both the company's internal work to achieve the targets and the external factors affecting the company's conditions are discussed at these meetings. Target fulfilment is assessed based on a combination of current market conditions and outcomes in relation to the budget and business plan.

### REVIEWING OF FINANCIAL TARGETS

A company's internal and external conditions change as the world around us changes. After some time, the owner therefore reviews the financial targets in dialogue with the company. Significant changes in the company's strategy and market conditions, as well as major acquisitions or divestments, can lead to a review of the targets. Major and lasting changes in macroeconomic conditions, such as the risk-free interest rate and the market risk premium can also give cause to review the targets. A review of the targets is a structured process, involving both the owner and the company. Since the financial targets are determined by both the owner and the company, targets and outcomes are communicated externally by both. The owner describes them in detail in this publication. The companies communicate them via their annual reports.

## FACTS

# The important role of the cost of capital

## WHY IS THIS IMPORTANT?

The cost of equity is a key measure in corporate governance. It represents an investor's expected return on an alternative investment with the same risk and duration. In other words, the cost of equity is an investor's opportunity cost for ownership of a company. Consequently, it determines whether the investor receives reasonable compensation for the risk-taking that ownership of a company entails.

In principle, reasonable compensation means that over time a company generates a return on equity in line with the expected return, i.e. the cost of equity. If the return on equity over time exceeds the expected return, the investor receives additional compensation in relation to the risk-taking that ownership of a company entails. Conversely, when the return on equity over time falls short of the expected return, the investor is not fully compensated for the risk-taking that ownership of a company entails.

## COST OF EQUITY

The Capital Asset Pricing Model, CAPM is used to estimate the cost of equity. According to CAPM, the cost of equity ( $r_e$ ) is determined by three factors: the risk-free interest rate ( $r_f$ ), the stock market's risk premium ( $r_m - r_f$ ), and beta ( $\beta$ ), which is a measure of the company's systematic risk, i.e. the risk attributable to market fluctuations that a well-diversified investor cannot avoid through diversification. The cost of equity is determined by the equation:

$$r_e = r_f + \beta (r_m - r_f)$$

According to CAPM, higher systematic risk leads to higher cost of equity. In other words, investors expect compensation in terms of higher expected returns in exchange increased systematic risk.

The lowest expected return, and therefore the absolute floor for the cost of equity, is the risk-free return in the same currency as the company's shares. In most cases, this is equivalent to the interest on government bonds.

The stock market's risk premium is intended to capture the compensation that an investor expects above the risk-free interest rate to maintain the so-called market portfolio – a portfolio that is often modelled using a broad stock market index.

Beta is a measure of the covariance between the value of the company's shares and the market portfolio and is intended to capture the company's systematic risk. The company's systematic risk consists of both operating risk and financial risk. Companies in cyclical sectors, whose income varies considerably over the business cycle have higher operating risk and are likely to be more sensitive to systematic risk and therefore have a higher beta than companies in less sensitive sectors. At the same time, higher leverage leads to higher fixed costs in terms of interest payments which, all else being equal, increases the financial risk and hence the systematic risk and beta. This, in turn, leads to a higher cost of equity.

For listed companies, beta is estimated by assuming a linear regression with the return on the company's share as the dependent variable and the return on the market portfolio as the explanatory variable. The regression coefficient for the market portfolio variable is usually represented by the beta symbol ( $\beta$ ), hence the name.

For unlisted companies, beta is usually estimated using a comparison group of listed companies. Here, it is important that the operations of the companies in the comparison group correspond as closely as possible to the operations of the company being analysed.

For companies with different areas of operations, it may be helpful to assume different betas for the different areas of operations. Thus each area of operations has its own comparison group that corresponds as closely as possible to the operations concerned. The resulting beta assumptions for the different areas of operations are then weighted together as a beta for the whole company.

## WEIGHTED COST OF CAPITAL

Company's normally fund themselves through a combination of equity and borrowed capital. Consequently, a company's weighted average cost of capital, WACC, is the average weighted cost of equity ( $r_e$ ) and borrowed capital ( $r_d$ ), where the weights consist of the proportion of equity ( $\omega_e$ ) and borrowed capital ( $\omega_d$ ) respectively. The weighted cost of capital is determined by the equation:

$$r_{wacc} = \omega_e \cdot r_e + \omega_d \cdot r_d (1 - \tau)$$

where  $\tau$  consists of the company's tax rate. Just as with the cost of equity, the cost of borrowed capital also increases with increased operating and financial risk.

## Example: Weighted cost of capital for some state-owned companies

A company's weighted cost of capital depends primarily on the systematic risk in the company's operations. Characteristic of operations with low systematic risk is that demand for their products and services is independent of the business cycle, as well as a strong financial position. Healthcare and FMCG companies, for example, are considered to have low systematic risk,

while mining and technology companies are considered to have high systematic risk. The state-owned companies conduct operations in diverse sectors and their weighted cost of capital varies accordingly. The graph below presents the weighted cost of capital for a selection among the largest state-owned companies.



LKAB has relatively high weighted cost of capital, since the systematic risk in its operations is considered high. The foremost reason for the higher systematic risk is that demand for iron ore varies considerably across the business cycle, with large fluctuations in both price and volume and thus also in income and profit. Vattenfall produces goods and services that are relatively insensitive to economic fluctuations. Electricity and heat are consumed regardless of the economic situation. In addition, a significant portion of Vattenfall's operations are subject to regulation, such as electricity distribution, resulting in lower systematic

risk. Akademiska Hus and Sveaskog are deemed to have relatively low systematic risk. The reason is that these operations have long-term business models that are less sensitive to economic fluctuations. Akademiska Hus enters relatively long-term leases with stable public sector customers, which decreases the systematic risk. In the case of Svea Skog, the company can offset temporary decreases in price and demand by leaving the forest to grow. All else being equal, the company thus achieves higher growth in value at the expense of direct return.

## Financial targets at SJ reflect new competition

For SJ, 2014 is an eventful and challenging year. In January, the company presented a major investment of SEK 3.5 billion in the renovation and remodelling of its SJ2000 trains. At the same time, an SEK 1 billion savings programme involving a number of measures will be implemented, which the company is to achieve over three years. At the Annual General Meeting in April, the owner chose to adjust SJ's financial targets.

From the Ministry of Finance, Michael Thorén, investment manager and board member of SJ, and Ulrika Nordström, investment analyst for SJ, comment on the owner's view of the company and the process of reviewing its financial targets.



### SJ applies the throttle as well as the brakes – investing and saving. Why?

**MICHAEL:** SJ is in the process of equipping itself for the future. Already this year, SJ will face a new, competitive situation on its most profitable routes, while some customers have already sought out alternative means of travel following several harsh winters with train delays. For the board, this reshaping of SJ has been a priority for a couple of years.

### Are the new financial targets tougher or milder than the old ones?

**ULRIKA:** Although the new targets entail some downward adjustment, it cannot really be expressed that way. SJ's previous targets were set back in 2005 and were no longer relevant. Since 2005, an incredible amount of things have happened, affecting the targets and the conditions on which these are based. Today, interest rates are considerably lower, and the competitive situation is tougher, which, in turn, affects SJ's own investment activities for example.

### If the targets were outdated, why were they not revised sooner?

**MICHAEL:** The Ministry of Finance started the analysis of the company's targets a couple of years ago. But the work was hampered by a delay in the company's plan for investments in trains. Both Ulrika and I realised that this was critical for the company's capital requirements. For this reason, we had to wait until the plan was ready before we formulated new targets. In 2013, the new CEO, Christer Fritzon, presented a sustainable strategic plan for an updated SJ, clarifying how the cost base and investment would meet future competition.

SJ's financial targets		
	New targets in 2014:	Previous target:
Profitability:	7 % return on operating capital	10 % return on equity
Capital structure:	Net debt/equity ratio 0.5–1.0 multiple	At least 30 % equity/assets ratio
Dividend:	30–50 % of profit	33 % of profit

**ULRIKA:** We were then able to restart our analysis process, although this had to be carried out while SJ's new business plan was being drawn up. Working on financial targets while SJ worked through its large-scale business process was a challenge in itself, because the plan also specified the timing of investments and expenditure decisions.

### What was the greatest challenge?

**MICHAEL:** The toughest challenge was pursuing the target process at the same time as the company was developing a strategy to reshape SJ for a new competitive situation. To progress, we worked closely with the company for some time, with frequent exchanges of information. We have studied SJ's internal working materials, which we have analysed, questioned and challenged.

**ULRIKA:** There were also other challenges, such as time. For that reason, having Michael on the board was a particularly great asset. There, he expressed on our behalf the need for the business strategy, the investment strategy and the business plan to fit together and be coordinated.

### When will the benefit of the targets be noticeable?

**ULRIKA:** They can be seen today. We monitor the company's performance in relation to the targets at the quarterly owner meetings where our political leadership meets SJ's chairman and management. During the last few years' process, we have also become even more familiar with the company and gained an understanding of the details of the business that we probably did not have before.

Personally, I have also gained from the experience of conducting a process in this unusual way. Each target project is uniquely adapted to the individual company's challenges, but the process was in itself instructive and useful.

**MICHAEL:** One result of the process is that, as an elected board member, I feel even more secure with the business plan that the company has established. During the process I have also gained a better understanding of the company's figures and challenges than I had previously. That will be useful for me.

## FINANCIAL TARGETS – TARGETS AND OUTCOMES IN 2013

%	PROFITABILITY		CAPITAL STRUCTURE		DIVIDEND	
	Return on equity (unless otherwise stated)		Equity/assets ratio (unless otherwise stated)		Share of profit for the year	
	Target	Outcome 2013	Target	Outcome 2013	Target	Outcome 2013
Akademiska Hus	5.8	8.8	30–40	47	50	50
APL	12–14	9.3	approx. 50	40	33	33
Apoteket	3 <sup>3)</sup>	1.9	0.4–0.8 <sup>8)</sup>	0.18	40–60 <sup>11)</sup>	51
Apoteksgruppen	>4	1.8	approx. 80	83	40	40
Bilprovingen	15 <sup>1)</sup>	4.6	35	63.6	40–60	929
Bostadsgaranti	5.5	15.1			33	33
Green Cargo	10 <sup>5)</sup>	neg	0.6–0.9 <sup>8)</sup>	1.0	50	0
Infranord	16	neg	>33	26	50–75	0
Jernhusen	12	10.8	35–45	42		19
Lernia	5 <sup>2)</sup>	1.1	35–50	49	30–50	40
LKAB	>12	14.6	0–0.2 <sup>8)</sup>	–0.11	30–50	58
Metria	8	neg				
PostNord	10	3.8	>35	35	>40	40
Samhall	7	0.8	>30	47	0	0
SAS	>8 <sup>3)</sup>	3.3	>35	31	30–40	0
SJ	10	5.1	>30	53	>33	33
SOS Alarm	8	neg	>30	28	5 <sup>4)</sup>	0
Specialfastigheter	8	14.9	25–35	38	50	50
SSC	10	2.4			30–50	30
Sveaskog	7	8.8	35–40	49	>60	76
Svenska Spel	>22 <sup>3)</sup>	22.6			100	100
Svevia	13	6.0	>30	26	50–75	0
Swedavia	9	10.9	>35	31	30–50	0
Swedesurvey	5 <sup>3)</sup>	neg	>40	24		
Swedfund	1.76 <sup>6)</sup>	neg				
Systembolaget	6.9	18.0	35	32	>50	100
TeliaSonera					>50	78
Teracom Group	17	29.4	>30	45	40–60	49
Vasallen	6.6	6.0	>50	91	30–50	189
Vattenfall	9 <sup>7)</sup>	neg	0.5–0.9 <sup>8)</sup>	0.82	40–60	0

%	PROFITABILITY		CAPITAL STRUCTURE		DIVIDEND	
	Return on equity		Core Tier I capital ratio		Share of profit for the year	
	Target	Outcome 2013	Target	Outcome 2013	Target	Outcome 2013
SBAB	10	9.5	18–20	23.3	40	0
SEK	8.3 <sup>9)</sup>	7.4	16 <sup>10)</sup>	19.5	30	30

- 1) Return on capital employed. Bilprovingen also has a profit margin target of 10 per cent, the outcome in 2013 was 5.1 per cent.
- 2) Operating margin, average past 5 years.
- 3) Operating margin.
- 4) Dividend target amounts to 5 per cent of equity.
- 5) Return on operating capital.
- 6) Average return on equity before tax should exceed the average government bond yield with one-year maturity. Return is to be measured over rolling seven-year periods.
- 7) Return on capital employed.
- 8) Net debt/equity ratio, multiple (for Apoteket, equity is adjusted for the portion attributable to the company's pension assets).
- 9) Shall correspond risk-free interest plus 5 percentage points. Risk-free interest shall be calculated as the average ten-year government bond rate over the past ten years.
- 10) Target: 16 per cent, but not less than 12 per cent.
- 11) Of net profit adjusted for net financial items from pensions and associated tax.

# Sustainability is a board responsibility

The purpose of the Government’s work on sustainable business is for the state-owned companies to behave in such a way that they enjoy the trust of the public, while safeguarding long-term growth in value. Ultimately, the boards are responsible for the companies’ conduct and are to set strategic sustainability targets.

### LONG-TERM VALUE CREATION

Sustainable business is a central concern in the Government’s governance. The Government is one of Sweden’s largest company owners and seeks, by means of sustainable business, to safeguard long-term favourable value growth in its corporate holdings. Although the companies are managed by the State, they are ultimately owned by the Swedish people and it is therefore natural that, as an owner, the state strives to be at the forefront in this area.

The state-owned companies must also be prepared to be scrutinised and should therefore behave in a manner that means they enjoy the confidence of the public. Customers, employees and other stakeholders expect these companies to operate responsibly and contribute to more sustainable development.

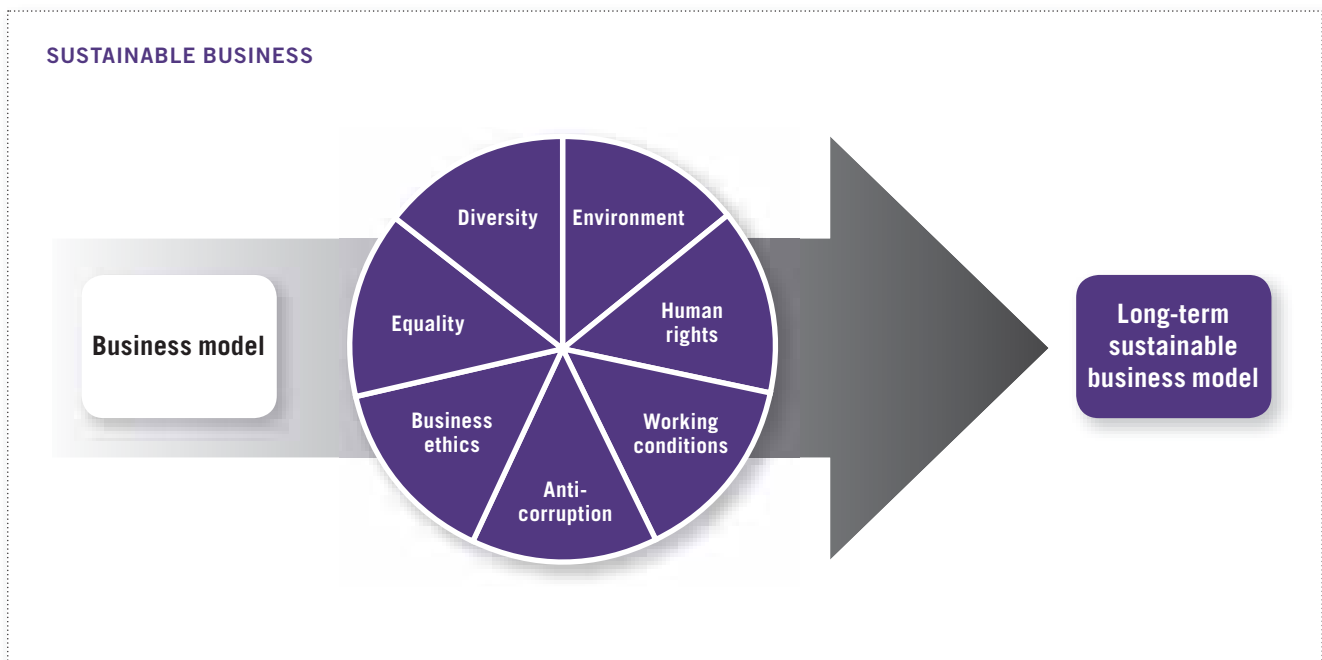
Sustainable business means that operations are being adapted to new expectations and external demands, just as companies must respond to new business challenges such as competition,

### DEFINITION, SUSTAINABLE BUSINESS

Sustainable business is conducting operations in such a way that they satisfy current needs without jeopardising future generations’ opportunities to satisfy their needs (Brundtland Commission).

technological development and changed patterns of behavior. Consequently, this requires a broader approach than simply complying with legislation and regulations in places where the companies operate. Corporate culture and leadership need to address issues of sustainability just as naturally as they would other business decisions, since sustainability challenges also affect external attitudes to the company’s business, impacting its long-term profitability. When companies fall short in their handling of sustainability challenges, this either results in business risks with far-reaching consequences for the company’s capacity to survive, or in a business opportunity being lost.

Consequently, the point of departure is that proactive sustainability work contributes positively to the company. Employers with clear set of values are likely to attract and retain the most competent employees. Companies that identify global or local challenges early on are likely to develop competitive products





and services that help customers reduce energy consumption and carbon dioxide emissions, for example.

Companies that apply a business strategy approach to sustainability do so based on their business or public policy assignment and as a result will deal with relevant sustainability challenges.

### SUSTAINABILITY IN CORPORATE GOVERNANCE

In recent years, the Government's level of ambition regarding sustainability has risen. Its view and expectations of the state-owned companies are stated in the State's Ownership Policy (*read more in the State's Ownership Policy on p. 124*). With regard to sustainable business, the aim of corporate governance is for the state-owned companies to set a good example in the areas of the environment, human rights, working conditions, anti-corruption, business ethics, and equality and diversity.

The companies set a good example by:

- working strategically with sustainable business, entailing, for example, that boards set strategic targets for sustainability work,
- behaving transparently towards stakeholders, including by issuing sustainability reports and conducting an open and constructive dialogue with key stakeholders,
- cooperating with other state-owned companies, private trade and industry, non-profit organisations and other stakeholders to improve efficiency and achieve even better results, and by
- complying with international guidelines regarding environmental consideration, human rights, working conditions, anti-corruption and business ethics.

In addition, sustainability issues are also integrated into other aspects of governance by being taken into account in:

- the investment analysis (*read more on integrated analysis on page 36*)
- the dialogue with owners, and
- the recruitment and assessment of board members.

### STRATEGIC SUSTAINABILITY TARGETS

Just over two years ago, the Government chose to clearly integrate sustainable business into its corporate governance and tasked the boards of the state-owned companies with setting goals and strategies for the key, overarching sustainability issues in their operations. The owner safeguards long-term value creation in the companies through boards and executive management teams assuming a clear responsibility for sustainability

### STRATEGIC SUSTAINABILITY TARGETS

During 2013, the boards of the state-owned companies were asked to establish strategic targets in the area of sustainable business.

Of 50 companies, 47 had set targets by the end of 2013. The state-owned companies operate in different sectors, vary in size and have different assignments. It is therefore natural that the companies choose to focus on different areas of sustainability and that the targets cover a palette of issues. Diversity and decreased environmental impact are, however, a recurrent area of focus for several of the companies.

*(Read more about each company's strategic sustainability targets on the company pages, p. 51–100).*

challenges and working towards ambitious, long-term targets that can be monitored. To work strategically and structurally with this task, boards must ensure that they receive appropriate data on which to base their decisions. The companies themselves are best aware of which sustainability challenges are most relevant and significant to the operations, based on, for example, the sectors and countries in which they operate. Consequently, it is the responsibility of the board - not the Annual General Meeting - to set the strategic sustainability targets.

As the owner, the state imposes certain quality demands on the targets; they should be:

- few in number and comprehensive
- relevant to the company's business operations and sustainability challenges
- long-term and challenging
- possible to monitor (without having to be quantifiable)
- clear and straightforward to communicate, and
- adopted by means of board resolutions.

The strategic sustainability targets and their monitoring form an important part of the ongoing dialogue with the owner, as well as the owner's own analysis of the companies.

### INTERNATIONAL GUIDELINES

The state-owned companies shall also observe international guidelines regarding environmental consideration, human rights, working conditions, anti-corruption and business ethics: the ten principles in the UN's Global Compact, the UN's guiding principles for companies and human rights, and the OECD's guidelines for multi-national companies. This is particularly important for companies in particularly exposed sectors, or with operations in countries that are deficient in their observance of international guidelines.

### TRANSPARENCY AND REPORTING

Transparency elucidates risks and opportunities, providing more interesting insight into on-going efforts and making it possible to monitor gradual improvements and better understand the challenges faced by the companies. Although the companies themselves have considerable awareness of their key sustainability issues, the dialogue with the company's stakeholders is decisive for long-term successful work. Through

the companies identifying their most important stakeholders and questions, priorities for change are established.

In the Government's guidelines for external reporting, the companies are required to publish, simultaneously with their annual accounts, an independently certified and quality assured sustainability report in accordance with the Global Reporting Initiative (GRI), the most established international standard for sustainability reports.

By using the GRI as the starting point, opportunities are provided for comparisons over time and between companies in different sectors, both nationally and internationally.

### COOPERATION WITHIN THE STATE-OWNED COMPANY PORTFOLIO

For the companies' boards to be able to live up to the owner's expectations with regard to working strategically on these issues, they must naturally understand the owner's expectations and have the relevant competence on sustainable business on the basis of the company's operations, future challenges and

### POLICIES AND GUIDELINES

The guidelines for the state-owned companies' sustainability reporting, harmonise with many of the international standards and thus form part of an international aspiration towards more sustainable progress.

Some key international standards

- **The OECD's guidelines for multinational companies** was an early initiative (1976) to guide companies operating in an international environment to observe international frameworks for sustainability and responsible business in all areas of their operations. The guidelines are 44 governments' joint recommendations to multinational companies. They clarify the expectations on the companies from the governments that have adopted them and the guidelines act as a reference point for companies and other stakeholders. The OECD countries and other signatory countries have undertaken to advance the guidelines by establishing national contact points. In Sweden, the Government, by way of the Ministry for Foreign Affairs, chairs the national contact point. Among other areas, the guidelines address human rights, the environment, competition, anti-corruption, taxation and product liability.
- **Global Compact** is a global UN initiative based on ten principles of human rights, labour law, the environment and anti-corruption that have been formulated based on the UN's core conventions. Companies signing up to the Global Compact work to integrate the principles in their own operations. Since the start in 2000, the number of



members has increased steadily and there are now more than 10,000 members from 130 countries, most of them being companies. Among the state-owned companies, Akademiska Hus, Bilprovningen and PostNord are signatories of the Global Compact.

- **The UN's guiding principles for companies and human rights** "Protect, respect and remedy" have been developed to elucidate governments' and companies' respective responsibilities in relation to the protection and promotion of human rights. Companies cannot be ascribed the same responsibility as governments in the protection and promotion of human rights, but a company does have a responsibility to respect these rights in its business operations and to make efforts to ensure they do not participate in violating these rights. The tool available to companies in assuming their responsibility is performing a careful due diligence study.
- **Global Reporting Initiative (GRI)** consists of guidelines for the reporting of sustainability work in a social, environmental and economic perspective. In this way, it is a support and tool for companies and organisations to report their work on the basis of, for example, the Global Compact and the OECD's guidelines. GRI serves to increase possibilities for monitoring and assessing companies' sustainability work and to increase comparability.



## Targets spur greater focus on sustainability

The corruption scandal of 2004 marked the start of Systembolaget's overarching and strategic sustainability work. In several areas of sustainability, such as business ethics and supplier management, Systembolaget's sustainability work can today be described as well-developed. The company is aware of its risks and opportunities and conducts ongoing mapping and improvement processes.

"When the board was tasked with preparing the strategic sustainability targets in 2012, we already had considerable expertise on these issues. We like the initiative because it spurs us to work even harder. This was probably a good starting point for all state-owned companies, and an opportunity for us to learn from each other," says Cecilia Schelin Seidegård, Chairman of Systembolaget between 2008 and 2014.

When we received the assignment, an extensive strategy process was in progress at Systembolaget, and this included strategic sustainability targets. A working committee was set up within the board to prioritise targets that would be reported to the owner. Two targets were identified as particularly important:

## Systembolaget

1. Helping reduce the harmful effects of alcohol in society.
2. Reducing our climate impact by 14,000 tonnes CO<sub>2</sub>e (Carbon dioxide equivalents) by 2020.

Cecilia Schelin Seidegård says: "Reducing the harmful side effects of alcohol is an obvious objective for us to include because it is directly linked to Systembolaget's assignment, which is based on care for public health. However, efforts regarding our impact on the climate are also significant, since these are areas over which we have no direct control, but where we have considerable opportunities to exert influence. It is important to work with packaging, since we are one of the market's major purchasers and thus have good opportunities to influence the packaging industry. We must also involve our customers in this view and make them aware that they can help affect the environment through changed demand."

During 2013, the board of Systembolaget travelled to South Africa together to meet producers, unions and interest organisations associated with wine production. The relevant investment managers from the Government Offices also participated in the visit. Prior to the trip, key sustainability issues related to production were discussed at board meetings. "This was an important and popular feature in the board's work and resulted in an rewarding trip to South Africa," says Cecilia Schelin Seidegård. Knowledge-enhancing activities have remained a recurrent feature of the board meetings.

business opportunities. In 2013, the management organisation within the Ministry of Finance invited all board members and CEOs to participate in a dialogue on the owner's expectations with regard to sustainable business, with a number of those invited presenting their work and thinking in this area. In 2013, the annual board seminar, at which Minister for Financial Markets, Peter Norman, gathers all of the board members and CEOs in the state-owned companies, was devoted exclusively to various aspects of sustainability.

Furthermore, the state has established a network for sustainable business to initiate and encourage exchanges of experience and network building on sustainable business between companies in which the Government is an owner. Here, the state-owned companies have the opportunity to share their experi-

ence and knowledge with the purpose of strengthening and enhancing the efficiency of efforts towards sustainable business in the combined state-owned company portfolio. During 2013 and the spring of 2014, the network met to discuss themes such as international guidelines, the GRI's G4 reporting, integrated reporting, supplier risks, country risks and principles of children's rights. The network for sustainable business, has been invited to an SNS event with Georg Kell, head of the UN's Global Compact. Several members of the network also participated in a training course on due diligence arranged by the Ministry of Finance in cooperation with CSR Sweden. The network is run and coordinated by the management organisation within the Ministry of Finance, based on the company's needs and wishes.



#### BOARD SEMINAR ON SUSTAINABILITY

At the annual board seminar arranged by the Ministry of Finance for board members and CEOs of companies in which the Government is an owner, the theme in 2013 was sustainability. Petter Stordahlen from the hotel chain Nordic Choice Hotels, and Al Gore and David Blood, founders of the asset management firm Generation Investment Management, described their views on sustainable business and how they form an integral part of their business operations.



## Consideration as a business concept at Apoteket

# Apoteket

In 2013, the board of Apoteket kept working until the very last moment to set appropriate strategic sustainability targets. These cover not only internal operations but also parts of the value chain over which Apoteket does not have direct control.

“It is quite obvious that state-owned companies must have sustainable business on their agenda and behave in an exemplary manner. We seek to lead our sector and be a role model,” says the Chairman of Apoteket, Christian W Jansson. In 2012, when Peter Norman tasked the boards of the state-owned companies with establishing sustainability targets relevant to their operations, the board of Apoteket naturally rose to the challenge.

Both the Chairman and several members of Apoteket’s board have worked with challenges and opportunities in different areas of sustainability in past and present assignments, and this provided valuable experience in the boardroom discussions when preparing the targets. “The work involved large parts of the organisation, and resulted in a number of proposed targets on which the board had to take a stance. Relevance and measurability were crucial when we finally set our strategic sustainability targets. The board now monitors the targets continuously, and I also consider

it important that we reflect annually on whether our targets are appropriate,” says Christian W. Jansson.

Christian W Jansson, who has been chairman since 2009, feels that sustainable business has been high on the agenda for many years, even though there have not been any sustainability targets set by the board. On the other hand, he does not believe that the sustainability targets entail a major difference for customers. “At Apoteket, consideration is deeply rooted in our corporate culture and we are skilled at working with these issues. What we’ve now done is to cement this into quantifiable targets.”

Apoteket is part of a value chain that extends from the production of pharmaceuticals and other products to use by the customer. Consequently, Apoteket’s sustainability targets address not only the internal operations but also other parts of the value chain. According to Christian W Jansson, the parts that Apoteket does not directly control present the greatest challenges. Apoteket has selected four overarching strategic sustainability objectives with underlying key figures for follow-up:

- Health objective – a healthy life for all.
- Diversity objective – we reflect the diversity of society.
- Zero-vision objective – a sustainability-assured product range.
- Halving objective – halving the environmental impact on air and water.

*Daniel Sunesson, investment analyst and Helena Hagberg, sustainability analyst at the Ministry of Finance have developed the process that integrates sustainability into the existing investment analysis.*



## Sustainability integrated into investment analysis

To highlight the companies' long-term value creation from more than the financial perspective, in 2013, the Ministry of Finance's management organisation began a project to extend the existing investment analysis with a sustainability analysis.

"For the state as the owner, an important prerequisite to being able to set relevant financial targets for the companies is that we take all of the company's opportunities and challenges as our starting point. These also include the sustainability issues," says investment analyst Daniel Sunesson, who has been running the project alongside sustainability analyst Helena Hagberg.

Over the year, the investment management organisation conducted two pilot projects in which challenges and strategic efforts in relevant areas of sustainability were analysed in Bilprovningen and PostNord. Decreased letter dispatches and increased parcel transports mean that PostNord must focus on reducing its impact on the climate and facing a market driven partly by global technological development. The core of Bilprovningen's business operations consists of three areas of sustainability: safety and reduced environmental impact comprise the company's offering and *raison d'être*, while diversity is a strategy to nurture customers and a dynamic workplace.

Trends in, for example, climate change, increased focus on diversity and views on human rights have been analysed based on how the issues affect the companies' business opportunities and risks. An analysis is then made of what the companies are doing to systematically make use of the opportunities or to manage the risks. Examples include how the companies perform their materiality analyses to identify priority areas, what procedures and processes are established to deal with issues, and how transparent the companies are with regard to the issues.

The projects have resulted in a process that increases the investment management organisation's systematic approach to assessing the companies' work on sustainability.

"A sharpened focus on sustainability has broadened our business intelligence and helped raise our view to consider the operations from a longer-term perspective. From this perspective, it is clear that the companies' management of all risks, including those in the area of sustainability, influence the state's risk-taking through its ownership of the companies. Naturally this also affects the financial targets we, in our capacity as owner, set for our companies," says Daniel Sunesson.

"Regardless of whether the sustainability challenges involve major global megatrends or local challenges, our analysis helps us understand how the company is affected long term. Based on this and the company's handling of the issues, we then apply the results of the analysis in various ways in our management of the company," says Helena Hagberg. "One stage in the process is a review of how we can use the results of the sustainability analysis in, for example, our ongoing contacts with the companies, as well as in board recruitment and evaluation."

# Performance indicators for companies with specifically adopted public policy assignments

A common feature for all the companies with specifically adopted public policy assignments is that traditional financial assessment does not provide an accurate or complete picture of the value generated. To monitor how well the public policy assignments are performed, performance indicators can be applied.

Certain state-owned companies have public policy assignments specifically adopted by the Riksdag and these can differ in character. For example, companies may operate in markets where so-called externalities arise that are not covered by pricing. A typical example is an infrastructure company that owns bridges or airports and whose activities, besides the direct value to the owner, also provide positive effects for society as a whole. This occurs because improved transport opportunities foster flexibility in the labour and housing markets, which, in turn, benefits the national economy. Swedavia, which operates most of Sweden's major airports, is an example of an infrastructure company with a specifically adopted public policy assignment. Further examples of companies with specifically adopted public policy assignments are Samhall, whose assignment entails the company providing meaningful and stimulating jobs for people with disabilities, and RISE, which is to help develop the industrial

## WHAT IS A SPECIFICALLY ADOPTED PUBLIC POLICY ASSIGNMENT?

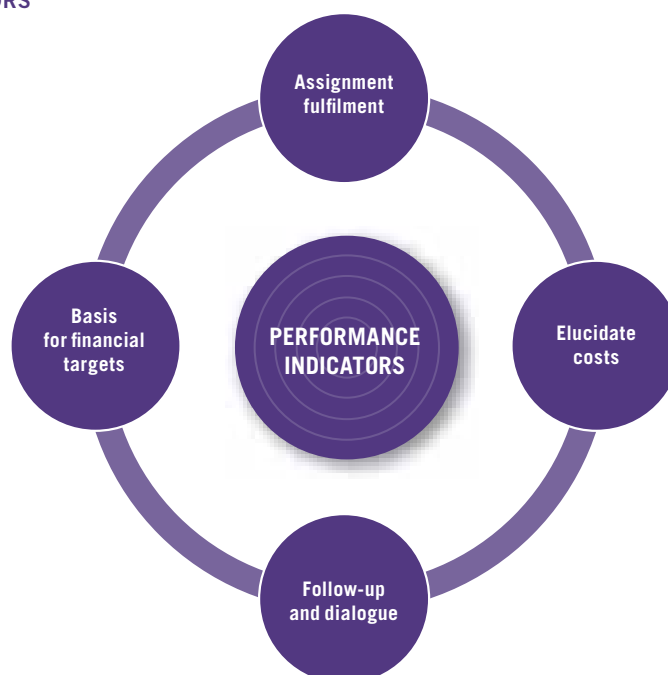
When the Riksdag commissions a company to conduct operations serving to generate effects other than a financial return for the owner, this constitutes a specific public policy assignment.

research institutes, to thereby strengthen the competitiveness of Swedish trade and industry.

## PERFORMANCE INDICATORS

In 2013, the Government Offices started to establish a uniform methodology and process for setting and monitoring targets for specifically adopted public policy assignments, known as performance indicators, for the companies managed by the Ministry of Finance that have public policy assignments specifically adopted by the Riksdag. For some operations within the framework of a specifically adopted public policy assignment and partly funded by appropriations in the central government budget, specific targets have already been set. It is the Government Offices' ambition, within the framework of active ownership, to develop the monitoring of how well public policy assignments are per-

## PERFORMANCE INDICATORS



formed. Where relevant, this should be accomplished through one or more performance indicators being adopted by the Annual General Meeting.

The purpose of setting performance indicators for the companies is to:

- ensure that the specifically adopted public policy assignments are performed well,
- elucidate the cost of performing the specifically adopted public policy assignments,
- enable monitoring and reporting to the Riksdag and other stakeholders, and to
- elucidate the conditions for the financial targets.

**PURPOSE OF THE PUBLIC POLICY ASSIGNMENT**

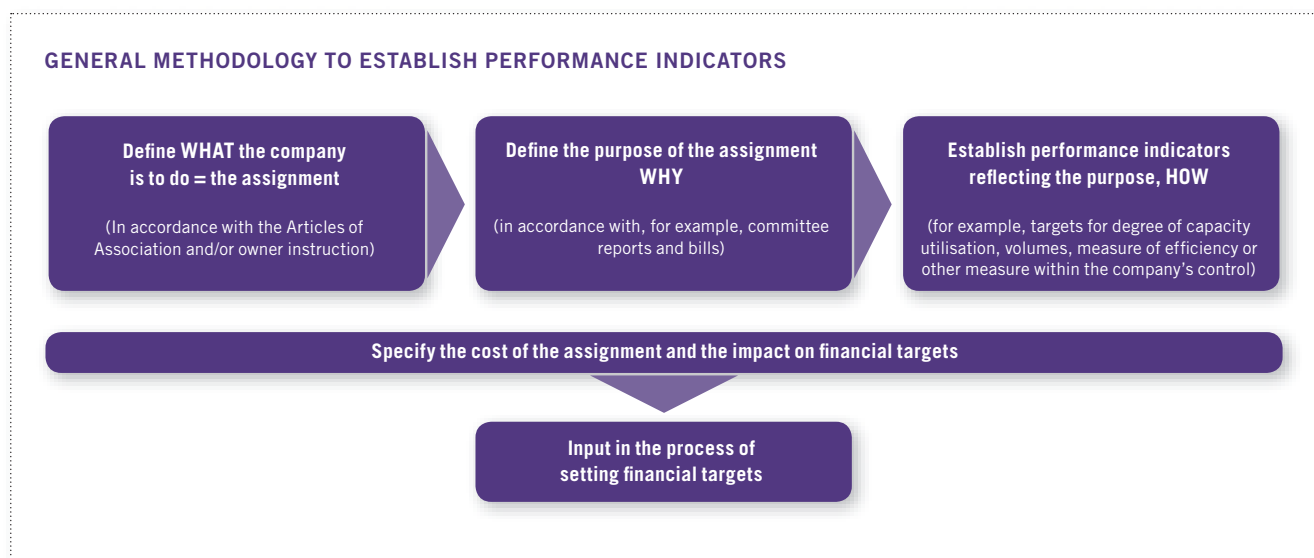
The Articles of Association set out the objectives of the company's operations. However, the background to the public policy assignment, which should be the starting point for the performance indicators, is not always explained. Elucidating the purpose of the specifically adopted public policy assignment is therefore often the first step in establishing a company's performance indicators. The next step involves identifying appropriate targets. To achieve a uniform methodology and consistent objectives, the Ministry of Finance has divided the purposes applicable to the companies with specifically adopted public policy assignments into different categories. For these categories, standard targets have also been developed. An example of such a category is infrastructure, for which the standard targets are expressed in terms of the degree of capacity utilisation and a quality index. Degree of capacity utilisation is applied because the desirable externalities are generally higher as capacity utilisation increases. The quality index to is applied to ensure execution in a manner that is optimal for the user. In companies

operating without competition, quality and customer surveys are particularly important since the market mechanisms that ensure efficient execution are missing.

**PERFORMANCE INDICATORS IN RELATION TO FINANCIAL TARGETS**

The state's ambitions regarding the efficiency and control of financial risks also encompass companies with specifically adopted public policy assignments. However, setting financial targets for these companies presents some challenges. For example, the performance of the public policy assignment may be associated with a cost, which will affect the company's financial outcome in terms of profitability and the possibility of paying dividends, for example. The public policy assignment may also affect the company's risk, and thus what may be considered an appropriate capital structure. The interpretation of a company's public policy assignment and the ambition expressed in the performance indicators therefore have a bearing on the company's financial conditions and hence what financial targets it should receive.

Conversely, the process of developing financial targets provides data significant in the establishment of performance indicators. In the theory on which the financial target methodology is based, an important building block is the cost of equity. This defines the market return for the risk borne by a company's equity and owners. Although it is difficult, in many cases, to assess in monetary terms the benefit from the fulfilment of a public policy assignment, there is a value in determining the cost of performing the assignment, which can be achieved by comparing the return on equity and the cost of equity. Data on the cost of performing a public policy assignment is important to the Government and the Riksdag when it comes to prioritising how taxpayer funds should be used.







## Performance indicators in Swedish Space Corporation

SSC

During the spring of 2013, the Ministry of Finance formed a project group, consisting of members from SSC and management organisation, to establish performance indicators for SSC.

SSC encompasses one branch of operations based on a specifically adopted public policy assignment, and another that is purely commercial. An initial task for the project was to clearly define the interface between these two branches of operations. The project group defined the public policy assignment branch as the operations that SSC conducts within the Science Services division, which performs balloon and rocket launches. These services can be said to constitute research infrastructure aimed at promoting, research and industry, etc. Based on the resolutions by the Riksdag concerning SSC, the purpose of the operations was defined, as fostering areas including research and industry.

Given that the public policy branch, launching rockets and balloons, may be viewed as infrastructure, the starting point for

the project team was to assess whether the standard targets developed for infrastructure companies by the management organisation (degree of utilisation and quality index) were also relevant to SSC. The conclusion was that this was the case.

For the operations within Science Services, it was proposed that the degree of utilisation should be measured in the number of rocket and balloon launches (weighted by the types of balloons and rockets) relative to maximum capacity, since there is a strong correlation between this definition and the scope of research conducted using Science Services' infrastructure. Based on historical outcomes, and on planned maintenance and investment, the degree of utilisation target was set at a minimum of 70 per cent.

The other standard measure for infrastructure companies, quality index, is motivated by infrastructure often being a natural monopoly and therefore lacking the competitive pressure that ensures efficient execution. For Science Services, the index is to be based on surveys addressed to the organisations and research teams who use the services, and on measurements of factors including products, services, delivery capacity and commitment. The target level for the quality index was set at 80 per cent, which represents a benchmark in accordance with international praxis.

## LERNIA

## Restructured operations can resolve issues of matching in the Swedish labour market

In 2011, the future looked challenging for Lernia. Three years later and following an extensive restructuring process, the company is reporting record profits and can, with its current operations, help solve the problem of alienation in the labour market.

In 2010, despite having reported its strongest full-year profits ever and being one of Sweden's largest companies in its sector, the future for training and staffing company Lernia looked challenging. Lernia, which was formed through the incorporation of the AMU Group 20 years ago, had in several stages broadened its operations beyond labour market training to also include staffing, career realignment and, in recent years, even upper-secondary education. The company's staffing section had expanded rapidly and was strongly exposed to the automotive industry, while labour market training programmes continued to be pressured by changing procurement processes among customers and increased competition from a growing number of market players. The upper-secondary operations were burdened by diminishing numbers of young people. Lernia also suffered from certain structural problems in the wake of the expansion, with subsidiaries lacking shared control systems and the company's cost structure starting to grow.

Helena Skåntorp from the board of Lernia was appointed CEO and Birgitta Böhlin became the new Chairman.

"A labour intensive sector has low margins and we therefore needed to get to grips with the problems as quickly as possible. While we wanted to benefit from the company's good awareness of the challenges in the labour market, it was necessary to establish a new business culture tailored to the large-scale changes in the market. We chose to prioritise concentrating the operations, increase the company's focus on customers and sales and, in some cases, reducing the risk by broadening the customer base. In staffing, for example, Lernia held a strong position with regard to skilled workers, but was highly dependent on a limited number of customers. At the same time, extensive synergies could be achieved by also building strong operations with regard to white-collar workers," explains Birgitta Böhlin.

At the end of 2012, the Riksdag gave the state a mandate to sell Lernia. A possible exit whereby as much value as possible could be derived would have been to break the company up and sell the parts.

"There was some external speculation that breaking Lernia up was a possible alternative. However, on the board, we sought to exploit the key assets in Lernia, one of which was its very strong knowledge about job seekers. Under Helena Skåntorp's leadership, the company has quickly flattened and centralised its organisation, phased out operations in certain locations and implemented savings. The upper-secondary schools were divested already in 2012 and, in 2013, 130 employees, half of whom were managers, had to leave Lernia," says Birgitta Böhlin.

The savings and restructuring programme that has been implemented



*Chairman Birgitta Böhlin explains that Lernia is currently undergoing a period of intensive change processes. Photo: Maria Agrell*

has generated SEK 200 million on an annual basis. Operating profit for 2013 was SEK 185 million after a loss of SEK 92 million the preceding year and this meant a record dividend for the owner of SEK 58 million in 2014.

Birgitta Böhlin says: "External demands for continuous product development, innovation and improved resource utilisation mean that change has become a normal condition in the labour market. For Lernia, this means two things. We must both pursue our process of change, in which we hone our internal processes, and we must also reduce risks, so that the company is operated with sound finances. Here, a long-term approach is required that is supported by new financial targets from the owner which are expected to be set in 2015. Furthermore, all of these changes in trade and industry mean that Lernia can become a solution to a significant problem. Currently, Lernia is the only player in Sweden with the expertise to generate, through a complete chain including labour market training and staffing, conditions for previously unemployed people to earn their own livelihood. Today, I believe the state is happy that we developed the company in this way. The board and executive management team's focus is on continuing to develop Lernia with reasonable profitability".



*Lernia offers a wide range of training programmes. Photo: Carola Björk*



*Lernia's staffing section has grown rapidly, thanks in part to its strong exposure to the automotive industry. The company also offers several courses in the field of automotive technology. Photo: Carlos Zaya*

# Sustainable salary levels and terms of employment

Since remunerations to senior executives in trade and industry are a significant issue of confidence, the state-owned companies should pay managers carefully considered salaries and pensions.

## A MATTER OF CONFIDENCE

Demands for sound remuneration systems have become one of the most important issues of corporate governance, both in Sweden and abroad. Remunerations are criticised for not being transparent, being approved in the wrong way, being too high, and causing a sense of injustice within companies and in society.

Reasonable and well-considered remunerations for senior executives play a central role in the corporate governance of the state-owned companies. The behaviour of the companies and their representatives is subject to demanding external expectations, and it is important for the state to be a clear, professional and responsible owner.

## GUIDELINES FOR TERMS OF EMPLOYMENT

On 20 April 2009, the Government adopted the guidelines currently applied regarding terms of employment for senior executives in state-owned companies (*see the guidelines in full on p.126*). In these guidelines, the possibility of paying variable salaries to senior executives was removed. In companies where the state is directly or indirectly one of several owners, the Government should, in dialogue with the other owners, act in favour of its guidelines being applied as far as possible. The boards of the state-owned companies are responsible for the Government's guidelines on terms of employment for senior executives being applied by incorporating them into their proposals for the companies' own remuneration guidelines.

According to the remuneration principles in the guidelines, total remuneration to senior executives should be reasonable and carefully considered. It should also be competitive, have a set

ceiling and be appropriate, while fostering sound ethics and a good corporate culture. Remuneration should not be wage-leading in relation to comparable companies, but should be pervaded by moderation. The guidelines also state that this should also serve as standard for total remunerations to other employees.

## PERFORMANCE REVIEW

The Government Offices continuously monitor remuneration levels in the companies with state ownership. The Government Offices have commissioned a consulting company to examine compliance with the Government's guidelines on terms of employment for senior executives. This survey was based on the companies' own data on terms of employment and remuneration of senior executives. Remuneration levels in the state-owned companies were compared with market data from private companies of a relevant size and operating in relevant sectors. For each state-owned company, five to ten comparison companies were identified, with a total of more than 350 comparison companies being included in the survey.

The starting point for the survey has been whether or not total remuneration to the CEO and other senior executives has been "competitive but not wage-leading", as expressed in the Government's guidelines. Total remuneration refers to all fixed and variable remuneration and benefits paid to the employee, including pension premiums. The partly-owned, listed company TeliaSonera elected not to participate in the survey<sup>1)</sup>.

## DECLINING PROPORTION OF CEOs WITH DEFINED BENEFIT PENSION PLANS

The proportion of CEOs with defined-benefit pension plans has fallen. In 2013, slightly less than a quarter (22.4 per cent) of all CEOs, and four out of ten (40.3 per cent) other senior executives had defined-benefit pension plans. For senior executives, this is based mainly on applicable collective agreements and does not therefore conflict with the guidelines. Other cases involve old agreements that have yet to be renegotiated.

### CERTAIN POSITIVE TREND IN COMPLIANCE

The 2013 follow-up on the "Guidelines for terms of employment for senior executives reveals that:

- The number of people entitled to retire before the age of 62 is decreasing.
- The number of people for whom the period of notice (on termination by the company) of more than six months is decreasing.
- The proportion of CEOs with defined-benefit pension plans has fallen.
- Among other senior executives, seven individuals in three companies have variable salary, of whom four are managing directors of subsidiaries.

1) Other companies not included in the 2013 survey are the jointly owned Russian company Dom Shvetsii, Apotekens Service and Ersättningsmark.

In 2013, pension benefits accounted for approximately 27.5 per cent of total average remuneration in the state-owned companies, which is in line with the private market.

According to the Government guidelines, on termination by the company, the period of notice shall not to exceed six months and severance pay shall not be paid for more than 18 months. Consequently, the combined period of notice and severance pay shall not exceed 24 months. With the exception of one individual (out of a total of 374 persons in the compiled data), all senior executives have a combined period of notice and severance pay of 24 months or less.

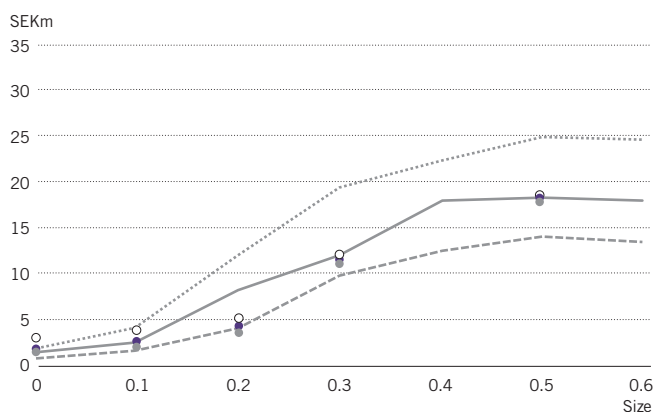
According to the Government guidelines, retirement age in the state-owned companies shall not be lower than 62 and should be at least 65. One CEO and four other senior executives are entitled to retire before the age of 62.

**CEO SALARIES BELOW MARKET TREND**

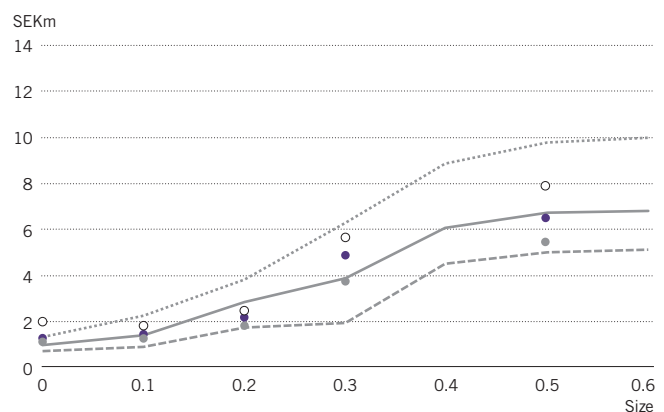
Over the period 2009–2013, total remuneration to CEOs in state-owned companies rose an average 3.6 per cent annually, which is below the market increase of 4.6 per cent annually. The trend in total remuneration to CEOs in state-owned companies was below the market average for these years.

For most of the CEOs, their remuneration is close to the median for the market, and between the upper and lower quartiles. In three of the companies, total remuneration to the CEO is above the market's upper quartile. Twelve CEOs have total remuneration exceeding SEK 5 million, which is not, however, above the upper quartile in relation to the market average.

**TOTAL REMUNERATION TO CEOs**



**TOTAL REMUNERATION TO SENIOR EXECUTIVES**



- upper quartile for state-owned companies of a certain size
- median for state-owned companies of a certain size
- lower quartile for state-owned companies of a certain size
- ..... upper quartile for comparison companies
- median for comparison companies
- - - lower quartile for comparison companies

**Market:** For each state-owned company, 5-10 comparison companies have been identified (in total more than 350 companies) which comprise the "Market"  
**Size:** All of the companies were weighted and divided by size according to number of employees (25 per cent), turnover (25 per cent), total assets (25 per cent) and a qualitative factor (25 per cent).

Total remuneration includes all fixed and variable remuneration and benefits to the employee including pension plans.

## Weak profits but strong underlying operations

In 2013, the combined profits of the state-owned companies decreased by 70 per cent, mainly due to impairments in Vattenfall's German and Dutch operations. This also affected dividends, which fell by 33 per cent. However, turnover in 2013 remained unchanged and cash flow from operating activities was strengthened.

### TURNOVER

The state-owned companies' turnover in 2013 was largely unchanged from the previous year and amounted to SEK 357.4 (356.6) billion. Total turnover, including the state's holdings in associated companies,<sup>1</sup> was unchanged in 2013. Vattenfall accounts for 48 per cent of turnover in the state-owned company portfolio and 42 per cent when the associated companies are included. The company's turnover increased by SEK 4.4 billion in 2013 compared with the preceding year, offsetting the decline in turnover in certain other large companies. Compared with 2012, LKAB's turnover decreased by 12 per cent or SEK 3.3 billion due to lower iron ore prices. Apoteket's turnover decreased by SEK 2.5 billion over the year. Turnover in both SBAB and SEC rose by SEK 0.6 billion.

### PROFIT

Profit after tax amounted to SEK 14.6 (48.4) billion in 2013. During the period July–December, profit after tax fell by 2 per cent. The 70-per cent decline in profit for the 2013 full-year is explained by Vattenfall's reported loss for the first half of the year, which was attributable, among other causes, to impairments recognised in the Dutch and German operations. Vattenfall's profit after tax for 2013 was SEK 13.5 billion, which was SEK 30 billion lower than in 2012. In LKAB, profit fell by

SEK 2.7 billion to SEK 6 billion, the state's participation in Telia-Sonera's profit decreased by SEK 1.6 billion to SEK 6.3 billion and Green Cargo's profit fell by SEK 0.9 billion. The state's participation in SAS's profit rose by SEK 0.7 billion kronor, and Svedab's profit, which was affected positively by a valuation effect in Öresundsbrokonsortiet (the Öresund Bridge Consortium), rose by SEK 1.1 billion.

### INVESTMENT

Compared to 2012, gross investments in 2013 decreased by 11 per cent, from SEK 59.2 billion to SEK 52.8 billion. Total investment was dominated by Vattenfall's investments of nearly SEK 28 billion. LKAB's investments of SEK 6.2 billion were 6 per cent higher than in 2012 and Akademiska Hus' investments rose to SEK 2.8 billion. Investments by Svenska Spel, Swedavia and PostNord declined sharply over the year to SEK 3.2 billion, SEK 2.4 billion and SEK 2.7 billion respectively.

### CASH FLOW

Cash flow from operating activities, excluding the financial sector companies (SBAB and SEK), rose by 17 per cent to SEK 65.0 (59.2) billion. Vattenfall's cash flow strengthened by SEK 9.4 billion to SEK 37.8 billion.

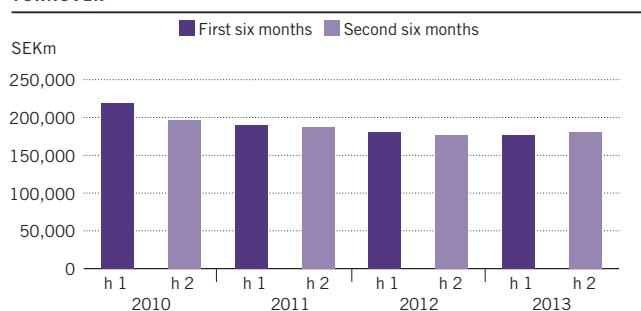
### DIVIDENDS

For the 2013 fiscal year, dividends from the state-owned companies amounted to SEK 17.2 (26.7) billion. Dividends were 33 per cent lower than in 2013, mainly due to the loss of dividends from Vattenfall, which reported a loss for 2013, and Nordea whose shares the state divested in 2013.

### DIRECT STATE FUNDING

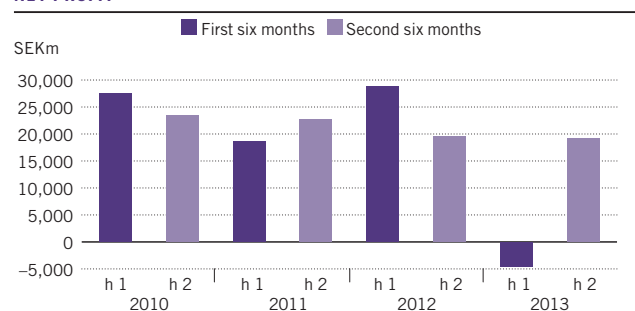
Among the state-owned companies, there are some that receive direct funding from the state to perform particular assignments

### TURNOVER



1) Includes the associated companies on the basis of the state's share of equity.

### NET PROFIT <sup>1)</sup>

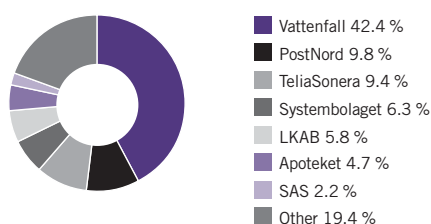


## GROSS INVESTMENTS

SEKm	2013	2012	2011
<b>Total</b>	<b>52,843</b>	<b>59,210</b>	<b>56,277</b>
Vattenfall	27,761	29,581	35,750
TeliaSonera	17,793	17,590	16,669
LKAB	6,156	5,808	5,126
Svenska Spel	3,163	6,643	2,294
Akademiska Hus	2,758	2,512	2,688
PostNord	2,729	3,789	2,362
Swedavia	2,413	3,418	1,057
Svevia	1,426	1,048	989
Jernhusen	1,284	1,010	1,246
Systembolaget	1,234	985	571
SJ	527	803	874
Specialfastigheter	497	1,118	888
Almi Företagspartner	480	180	159
Teracom Group	348	317	344
Green Cargo	343	300	525
Fouriertransform	342	139	150
Inlandsinnovation	275	399	1
Svedab	239	45	51
Sveaskog	212	172	229
Apoteket	135	194	343
Other	522	749	630

The table includes the companies whose gross turnover exceeded SEK 100 million in 2013. The associated companies' investments (primarily TeliaSonera) amount to 100 per cent even though the state's participation is lower.

or operations. Dramaten and Operan, for example, receive funding as national stages for spoken theatre and opera/ballet respectively. Samhall receives an appropriation to perform its core labour market policy assignment to provide rewarding jobs for people with disabilities, and RISE receives funding to invest in the development of strategic skills and strategies. In 2013, state-owned companies received SEK 6 billion in appropriations.

DISTRIBUTION OF TURNOVER, JAN-DEC 2013 <sup>1)</sup>  
INCLUDING ASSOCIATED COMPANIES

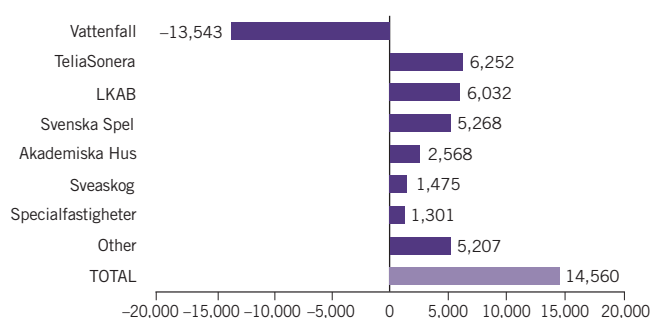
1) Net turnover, including the associated companies, in relation to the state's share of equity.

## SUMMARY OF FEES – COMPANIES' REMUNERATION TO AUDITORS IN 2012

Company	Audit income, SEKm	Other consulting services, SEKm	Total, SEKm	Percentage of total audit fee, %	
				Total, %	Percentage of audit, %
BDO	0.5	0.1	0.6	82.9	0.3
Deloitte	24.5	14.7	39.2	62.6	15.1
EY	68.5	37.0	105.5	64.9	42.0
Grant Thornton	2.6	2.0	4.6	56.1	1.6
KPMG	14.6	20.0	34.6	42.3	9.0
PwC	51.6	26.2	77.8	66.3	31.7
Other	0.6	0.2	0.8	74.7	0.4
<b>Total excl. Swedish National Audit Office</b>	<b>162.9</b>	<b>100.2</b>	<b>263.2</b>	<b>61.9</b>	<b>100.0</b>
Swedish National Audit Office	0.2	0.0	0.2	100.0	0.1
<b>Total incl. Swedish National Audit Office</b>	<b>163.1</b>	<b>100.2</b>	<b>263.3</b>	<b>61.9</b>	<b>100.1</b>

## DIVESTMENTS

In June and September of 2013, the state's remaining shareholdings in Nordea Bank, equivalent to 544 million shares, were divested. These divestments generated proceeds of SEK 41.1 billion. Furthermore, in July, the divestment of all shares in Vectura Consulting was completed. The proceeds from this divestment amounted to SEK 0.9 billion.

NET PROFIT, JAN-DEC 2013 (SEKm) <sup>1)</sup>  
COMPANIES WITH MOST SIGNIFICANT IMPACT ON EARNINGS

## APPROPRIATION/TURNOVER FOR 2013

SEKm	Appropriation 2013	Net turnover 2013	Percentage of appropriation financing, %
Almi Företagspartner	260	1,303	20
Apotekens Service	90	298	30
Dramaten	223	274	81
Göta kanalbolag	25	71	35
Miljömärkning Sverige	4	52	8
Miljöstylningsrådet	12	20	60
Operan	435	507	86
PostNord	25	39,766	0
RISE Research Institutes of Sweden	300	1,819	16
Samhall	4,405	7,316	60
SOS Alarm	194	870	22
Swedfund 1)	34	97	35
Teracom Group	3	3,875	0
VisitSweden	120	254	47
Voksenåsen	10	58	17
<b>Total</b>	<b>6,140</b>	<b>55,580</b>	<b>11</b>

1) Allocation for the Legal, Financial and Administrative Services Agency intended for Swedpartnership's business.

## PROPOSED DIVIDEND FOR 2013 (STATE'S PARTICIPATION)

SEKm	Shareholding, %	2013	2012
Akademiska Hus	100	1,374	1,355
APL (Apotek Produktion & Laboratorier)	100	3	0
Apoteket	100	150	31
Apoteksgruppen	100	4	0
Bilprovningen	100	290	70
Bostadsgaranti	50	9	9
Jernhusen	100	100	100
Lernia	100	58	0
LKAB	100	3,500	5,500
Nordea Bank <sup>1)</sup>	0	0	1,560
Orio	100	55	50
PostNord	60	77	62
SEK	100	327	213
SJ	100	73	157
Specialfastigheter	100	481	365
SSC (Svenska rymdaktiebolaget)	100	3	0
Sveaskog	100	450	435
Svenska Spel	100	5,269	5,137
Systembolaget	100	287	90
TeliaSonera	37	4,848	4,602
Teracom Group	100	290	125
Vasallen	100	100	30
Vattenfall	100	0	6,774
Vectura Consulting <sup>1)</sup>	0	0	17
<b>Total</b>		<b>17,747</b>	<b>26,682</b>

1) During 2013, the state divested its entire holdings in Nordea Bank and Vectura Consulting.

## INCOME STATEMENT

SEKm	2013	2012
Net turnover (incl. any appropriations)	357,402	356,601
Other income	4,493	13,293
Expenses	-344,872	-318,663
Result from shares in associated companies	8,202	7,313
Changes in value	2,130	532
<b>Operating profit (EBIT)</b>	<b>27,356</b>	<b>59,075</b>
Financial income	3,209	4,838
Financial expenses	-12,786	-13,755
<b>Profit before tax</b>	<b>17,778</b>	<b>50,159</b>
Tax	-3,199	-2,104
Income from discontinued operations	116	484
<b>Net profit for the year</b>	<b>14,560</b>	<b>48,400</b>
Attributable to shareholders in parent company	14,433	48,121
Attributable to minority interests	127	278
<b>Total</b>	<b>14,560</b>	<b>48,399</b>

## BALANCE SHEET

SEKm	2013	2012
<b>Assets</b>		
Property, plant and equipment	468,925	468,062
Intangible assets	39,074	47,035
Financial assets	792,850	798,781
Current assets	191,063	220,364
<b>Total assets</b>	<b>1,491,911</b>	<b>1,534,242</b>
<b>Equity, provisions and liabilities</b>		
Equity attributable to shareholders in parent company	345,458	353,608
Equity attributable to shareholders in minority interests	14,254	11,870
<b>Total equity</b>	<b>359,712</b>	<b>365,478</b>
<b>Total liabilities and equity</b>	<b>1,491,911</b>	<b>1,534,242</b>

## CASH FLOW

SEKm	2013	2012
Cash flow from operating activities	64,975	55,485
Cash flow from investing activities	-41,108	-28,755
Cash flow from financing activities	-26,895	-24,220

## OTHER INFORMATION

SEKm	2013	2012
Gross investments	52,843	59,210
Depreciation, amortisation and impairment	57,984	36,021
Turnover consisting of appropriations from state	6,137	6,278
Number of employees, excluding associated companies	129,265	131,363
Number of employees, including associated companies	169,623	174,032
Equity/assets ratio, %	24.1	23.8
Return on equity, %	4.1	13.7



# Valuation of the state-owned company portfolio

The state-owned company portfolio is assessed once a year. Per December 2013, the estimated value was estimated at SEK 500 billion.

## ANNUAL VALUATION

The value of the state-owned companies is assessed annually, with the results being announced in connection with the publication of this Annual Report. The valuation includes all of the state-owned companies<sup>1)</sup>, including the listed companies.

## VALUATION METHODS

Companies that combined account for about 95 per cent of the value of the state-owned company portfolio have been valued applying methods generally accepted in the market, primarily cash-flow valuations complemented by relative valuations. The property companies have been valued at net worth and the listed companies at market value. The remaining companies in the portfolio are stated at equity.

## APPROACH

The valuation of the companies is based on the state being the owner. This means that the value could differ significantly from the value that could be realised on divestment or listing on the stock exchange. One example of a difference that influences the value-influencing are the specific terms, assignments or limitations under which some of the companies operate. To enhance comparability over the years, the companies' dividends and other proceeds and disbursements (including from share divestments and new share issues) contributing to an increase or decrease in the owner's holdings have been specified. By adding back dividends and the transaction values described above, it is possible to analyse how the management of the companies has added value over time.

## PORTFOLIO COMPOSITION

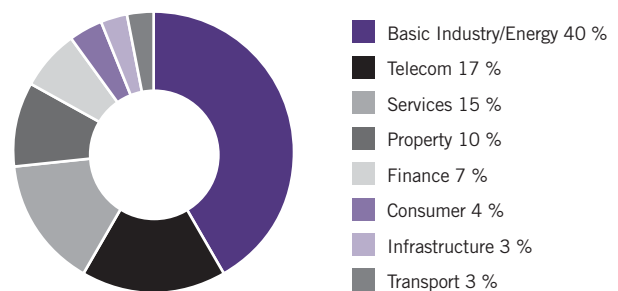
The company portfolio has been divided into nine sectors: Basic Industry/Energy, Telecom, Services, Property, Finance, Consumer, Infrastructure and Transport. In terms of value, Basic Industry/Energy remained the largest sector in the state-owned company portfolio in 2013.

## CHANGES IN VALUE OF THE COMPANY PORTFOLIO IN 2013

As of December 2013, the value of the state's listed and unlisted company holdings amounted to SEK 500 billion, a decrease of approximately SEK 70 billion, or 12 per cent, compared with December 2012. Total return<sup>2)</sup> on the company portfolio in 2013 was negative by about 7.6 per cent. Direct return<sup>3)</sup> amounted to about 4.7 per cent. By comparison, the total return on the Stockholm Stock Exchange<sup>4)</sup> was 25.6 per cent over the same period.

The negative value change is primarily attributable to Basic Industry/Energy, with challenges in the energy sector including low electricity prices impacting Vattenfall, and with low iron ore prices impacting LKAB. Another major factor behind the change compared with the preceding year was the divestment of the state's shareholding in Nordea. The decline was mitigated by TeliaSonera's strong stock market performance in the second quarter of 2013.

## BREAKDOWN BY SECTOR



- 1) Apotekens Service and Ersättningsmark were managed by the state as per 31 December 2013, and are included in the valuation. Apotekens Service became the new eHealth Agency on 1 January 2014 and in April 2014 a decision was taken to liquidate Ersättningsmark.
- 2) Total return = (Portfolio value CB + Dividend) / Portfolio value OB.
- 3) Direct return = Dividend / Portfolio value OB.
- 4) Measured in terms of the OMXSB Index ("total return"; i.e. dividends are reinvested in the index).

## Listed holdings

The market value of the state's holding in TeliaSonera and SAS amounted to SEK 87.6 billion at the close of 2013. This represents 17.5 per cent of the value of the overall portfolio of state-owned companies (valued at SEK 500 billion as of December 2013).

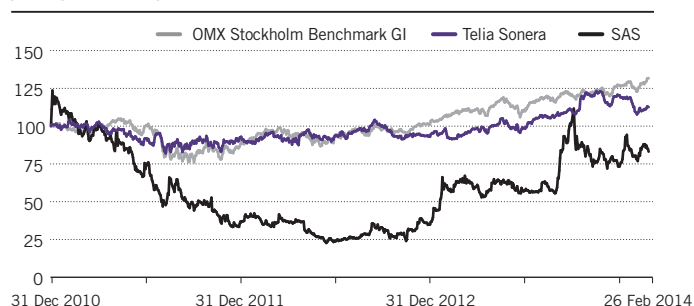
The share price trend in the listed holdings was positive in 2013. Over the year, the value of the listed holdings rose by 22 per cent or nearly SEK 16 billion. Over the same period, the OMX Stockholm Benchmark rose by 21 per cent. The share price for TeliaSonera, the state's single largest listed holding, rose by 22 per cent while the increase in SAS' share price was 110 per cent.

During the first few months of 2014, the value of the listed holdings decreased. In January and February 2014, the value of the state's shareholdings fell by 6 per cent, compared with an increase of 5 per cent in the OMX Stockholm Benchmark.

### DIVESTMENT MANDATES FOR LISTED COMPANIES

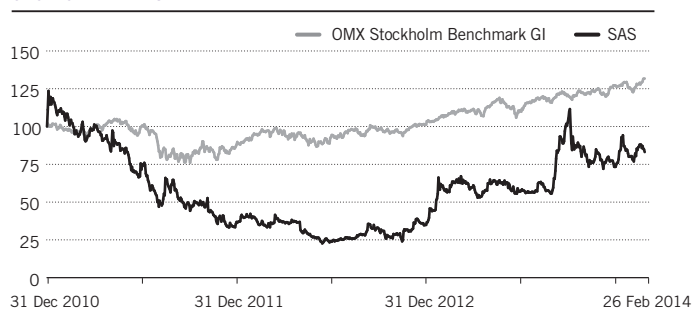
During 2013, the Government divested the state's remaining holding in Nordea Bank, equivalent to 13.4 per cent of the company, for a total of SEK 41 billion. The Government has a mandate from the Riksdag to divest the state's entire holdings in SAS.

### TOTAL RETURN ON THE STATE'S LISTED SHAREHOLDINGS, JAN 2011–MAR 2014

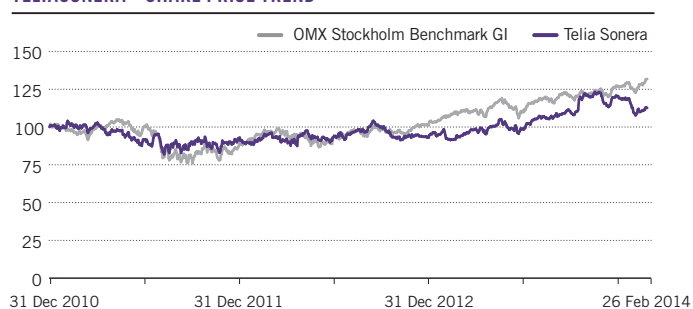


The above graph shows the total return (share price and reinvested dividend) for the state's listed portfolio since 31 December 2010.

### SAS – SHARE PRICE TREND



### TELIASONERA – SHARE PRICE TREND



### MARKET VALUE OF THE STATE'S LISTED SHAREHOLDINGS, SEKm

Company	State's holding, No. of shares	Participation in company	Holding in % of state's total company portfolio (value SEK 500 billion)	31 Dec 2013	31 Dec 2012	Share price change compared with 31 Dec 2013	26 Feb 2014	Share price change compared with 31 Dec 2013
				Market value, SEKm	Market value, SEKm		Market value, SEKm	
TeliaSonera	1,614,513,748	37.3 %	17.2 %	86,457	71,135	22 %	80,806	-7 %
SAS	70,500,000	21.4 %	0.2 %	1,163	553	110 %	1,318	13 %
Total			17.5 %	87,620	71,689	22 %	82,125	-6 %

# How the state's finances are affected by shareholding divestments and dividends

Between 2007 and 2013, the state divested companies for a value equivalent to SEK 160 billion. Over the same period, state-owned companies paid dividends equivalent to SEK 185 billion.

The proceeds from the divestments, which derive primarily from the divestments of Vin & Sprit and Vasakronan, as well shares in Nordea Bank and TeliaSonera, have been used to amortise central government debt. These amortisations have helped reduce the state's interest expenditure. Divestments of companies also lead to a reduction in possible future dividends, and the sale value normally takes this into account.

The annual dividends from the state-owned companies entail a reduction in central government borrowing needs and thus falling interest expenditure. The state's savings (or net lending, i.e. net investments of funds in the form of financial assets minus financial liabilities), increase when the companies distribute funds, as long as the dividend corresponds profits generated over the year.

When the companies' dividends exceed their profits for the year, thereby decreasing their equity, net lending is unaffected because the dividend is matched by an equal reduction in equity, i.e. financial liability. Consequently, it is not possible to strengthen net lending (savings) through additional dividends exceeding profit for the year from state-owned companies. Nor do divestments affect net lending.

## DIVESTMENTS IN THE STATE-OWNED COMPANY PORTFOLIO SINCE 2007

SEK billion	Year	Income, SEKbn	Participation in company
TeliaSonera	2007	18.0	8 %
OMX	2008	2.1	6.6 %
Vin & Sprit	2008	57.7	100 %
Vasakronan	2008	24.6	100 %
Nordea	2011	19.0	6.3 %
Arbetslivsresurs	2011	0.1	100 %
Vectura	2013	0.9	100 %
Nordea	2013	19.5	6.4 %
Nordea	2013	21.6	7 %
<b>Total</b>		<b>160.3</b>	

## TOTAL DIVIDENDS FROM STATE-OWNED COMPANIES

Year	SEK billion
2007	31.3
2008	23.2
2009	20.8
2010	37.6
2011	27.8
2012	26.7
2013	17.7
<b>Total</b>	<b>185.1</b>

## HOW THE STATE'S FINANCES ARE AFFECTED BY DIVESTMENT PROCEEDS AND DIVIDENDS

	Proceeds from shareholding divestments	Dividends equivalent to operating profit for the year in the companies	Dividends exceeding operating profit for the year in the companies
<b>Central government debt</b>	Decreases	Decreases	Decreases
<b>Central government borrowing requirement and interest expenditure</b>	Decreases	Decreases	Decreases
<b>Net lending</b>	Not affected	Increases	Not affected



## Companies

- 51 Akademiska Hus
- 52 Almi Företagspartner
- 53 APL (Apotek Produktion & Laboratorier)
- 54 Apoteket
- 55 Apoteksgruppen
- 56 Arlandabanan Infrastructure
- 57 Bilprovingen
- 58 Bostadsgaranti
- 59 Dom Shvetsii
- 60 Dramaten
- 61 ESS
- 62 Fouriertransform
- 63 Green Cargo
- 64 Göta kanalbolag
- 65 Infranord
- 66 Inlandsinnovation
- 67 Jernhusen
- 68 Lernia
- 69 LKAB
- 70 Metria
- 71 Miljömärkning Sverige
- 72 Miljöstylningsrådet
- 73 Operan
- 74 Orio
- 75 PostNord
- 76 RISE
- 77 Samhall
- 78 SAS
- 79 SBAB
- 80 SEK
- 81 SJ
- 82 SOS Alarm
- 83 Specialfastigheter
- 84 SSC (Svenska rymdaktiebolaget)
- 85 Statens Bostadsomvandling
- 86 Sveaskog
- 87 Svedab
- 88 Svenska Skeppshypotek
- 89 Svenska Spel
- 90 Svevia
- 91 Swedavia
- 92 Swedesurvey
- 93 Swedfund
- 94 Systembolaget
- 95 TeliaSonera
- 96 Teracom Group
- 97 Vasallen
- 98 Vattenfall
- 99 VisitSweden
- 100 Voksenåsen

Jernhusen bought new, sustainable Art Nouveau benches for Stockholm Central Station. Environmentally friendly designer furniture in natural materials now provide additional seating for travellers.

*Photo: Jernhusen*



## AKADEMISKA HUS

Akademiska Hus Aktiebolag was formed in 1993 in connection with the reorganisation of the National Board of Public Buildings. The company's mission was clarified in the Budget Bill for 2014. The company shall own, develop and manage properties for universities and colleges, with its main focus being on educational and research operations. These operations are to be conducted on a commercial basis and generate a return in line with the market by setting rent levels that take the operations' risks into account.

### OPERATIONS

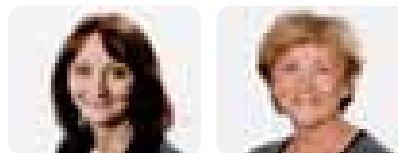
Akademiska Hus is one of Sweden's largest property companies. Universities and colleges represent the company's largest customer group. The company's operations consists of owning, managing, planning, building and developing properties. The company plays an important role for universities and colleges and it shall help increase customer benefit and facilitate the development of educational and research activities on campuses, thereby contributing to the objective of strengthening Sweden as a nation of learning. An important cornerstone for the company is that it acts sustainably, commercially and on market terms. This serves to ensure that resources are used efficiently, that competition in the property market is not distorted, and that the substantial property holdings are managed in a long-term sustainable manner. In addition, opportunities are provided, regardless of the economic situation, to invest considerable amounts in new projects for seats of learning around Sweden. Akademiska Hus' operations are characterised by long-term contracts with stable customers, providing a favourable risk profile. The company has operations across the country and its headquarters are located in Gothenburg.

### 2013

- Increased sales, mainly due to new facilities being opened.
- Lower profit from the property operations, mainly due to increased maintenance.
- New mandate adopted by the Riksdag.

During 2013, the owner adopted a clearer mandate for Akademiska Hus. Efforts with the various components of the mandate will be followed up annually with the owner. The company has also continued to work with a customer-focused process to develop its strategy and efficiency. Akademiska Hus' rental income rose, mainly as a result of new facilities being opened in the Stockholm region. The operating surplus weakened over the year, primarily due to increased maintenance costs. With

### BOARD AND AUDITORS ELECTED FOR 2014/2015



**Chair:** Eva-Britt Gustafsson **CEO:** Kerstin Lindberg Göransson

**Chair:** Eva-Britt Gustafsson **Board:** Britta Burreau, Olof Ehrlén, Ingela Lindh, Leif Ljungqvist, Pia Sandvik, Gunnar Svedberg, Ingemar Ziegler (Britta Burreau and Ingela Lindh were elected at the 2014 Annual General Meeting when Per Granath and Maj-Charlotte Wallin stepped down) **Employee reps:** Tomas Jennlinger, Anders Larsson **Auditor:** Björn Flink, KPMG

Remuneration to the Chairman of the Board is SEK 250,000 (250,000). Remuneration to board members elected by the Annual General Meeting is SEK 125,000 (125,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

energy constituting a major cost, the company is taking measures to increase efficiency in this area. However, improved net financial items and positive unrealised changes in value, helped increase profit before tax compared with 2012. Net profit was nonetheless lower than in 2012 due to a positive non-recurring effect from the then reduced corporation tax.

Gross investments remained at a high level and the total project portfolio of approved and planned investments amounted to approximately SEK 21 billion at the end of 2013.

### PERFORMANCE REVIEW

At the end of 2013, the equity/assets ratio had risen to 46.8 (46.1) per cent, which exceeds the target interval. Return on equity after standard tax amounted to SEK 8.8 (6.8) per cent, despite lower profit from the property operations. However, the target is set across a business cycle and, over the past five years, the return on equity averaged 7.4 per cent, thereby exceeding the target of 6.0 per cent. The change in the level of return between the years is mainly an effect of unrealised changes in value during the period. A dividend of SEK 1,374 (1,355) million was proposed for 2013, which is in accordance with the policy.

The 2014 Annual General Meeting adopted new financial targets, according to which profitability should be at least a 6.5 per cent return on operating capital before changes in value, the equity/assets ratio should be 30–40 per cent and the dividend should amount to 40–60 per cent of adjusted profit. The financial targets are long term.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	5,588	5,511
Changes in value	232	-291
<b>Operating profit/loss</b>	<b>3,665</b>	<b>3,231</b>
<b>Profit/loss before tax</b>	<b>3,275</b>	<b>2,549</b>
<b>Net profit/loss</b>	<b>2,568</b>	<b>3,149</b>
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
<b>Total assets</b>	<b>63,342</b>	<b>61,632</b>
Fixed assets	59,254	57,000
<b>Equity</b>	<b>29,614</b>	<b>28,336</b>
– of which, minority interests	0	0
<b>Net debt</b>	<b>18,235</b>	<b>17,521</b>
<b>Operating capital</b>	<b>47,849</b>	<b>45,857</b>

KEY RATIOS	2013	2012
Operating margin, %	65.6	58.6
Return on equity after standard tax (average), %	8.8	6.8
Return on operating capital (average), %	7.8	7.3
Net debt/equity ratio, multiple	0.6	0.6
Equity/assets ratio, %	46.8	46.1
Gross investments, SEKm	2,758	2,512
Appropriation, SEKm	0	0
Dividend, SEKm	1,374	1,355
Average no. of employees	407	404

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: Return on equity shall correspond to the five-year government bond rate plus 4 percentage points.
- Capital structure: Equity/assets ratio 30–40 per cent.
- Dividend: 50 per cent of profit after financial items, excluding unrealised changes in value, less current tax and taking capital structure and capital requirements into account.

*Targets 2013 New financial targets were adopted by the 2014 Annual General Meeting.*

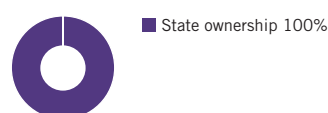
### STRATEGIC SUSTAINABILITY TARGETS

- Cooperation with customers on sustainability initiatives.
- Reduction in purchased energy (kWh per square metre).
- Eliminated CO<sub>2</sub> footprint from use of energy in operation.
- An accident-free workplace, both in building and management.

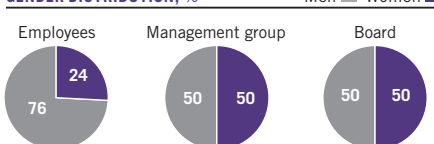
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

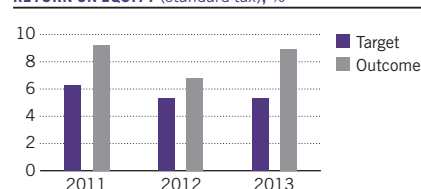
### STATE OWNERSHIP, %



### GENDER DISTRIBUTION, %



### RETURN ON EQUITY (standard tax), %



# ALMI

FÖRETAGSPARTNER

Almi Företagspartner was founded in 1994 following a resolution by the Riksdag that the county development funds should be reorganised from foundations into subsidiary limited companies under a parent company wholly-owned by the state. The purpose of the corporatisation was to renew and improve the operations by establishing an organisation better suited to the demands of the business sector. Almi's assignment is to promote the development of competitive small and medium-sized companies and to stimulate entrepreneurship with the purpose of generating growth and renewal in the Swedish business sector.

## OPERATIONS

Almi's operations encompass advice and financing, through both loans and equity, at all phases of enterprise, from concepts to successful businesses. Almi's operations shall act as a complement to the private market with regard to companies' needs for financing and advice.

Advice is provided by Almi's own advisors or by external consultants. Credit is provided in coordination with other lenders, such as banks. The subsidiary Almi Invest invests in companies with viable business ideas and opportunities for long-term value growth. Through its development of the portfolio companies, Almi Invest shall also encourage the establishment of additional growing companies, and it shall aim for early-stage investment of private capital.

The Almi Group consists of IFS Rådgivning AB, Almi Invest AB, Almi Innovationsbron AB and 16 regional subsidiaries in which the parent company owns 51 per cent, while regional entities, such as county councils, regional bodies of self-government and municipal cooperation bodies, own 49 per cent.

## 2013

- Continued strong demand for loans, risk capital and advisory services.
- Increased loan losses in the lending operations.
- Significant efficiency gains following the merger with Innovationsbron.

At the end of 2012 Almi acquired the state-owned company Innovationsbron AB. The year was characterised by intensive efforts to streamline and integrate the operations. The merger has entailed a certain change of focus in the sense that operations are to be directed more towards early-stage measures. In 2013, Almi's appropriation from the state amounted to SEK 260 (125) million<sup>1</sup>. The parent company's profit amounted to

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Birgitta Böhlin



CEO: Göran Lundwall

**Chair:** Birgitta Böhlin **Board:** Anders Byström, Nicolas Hassbjer, Åke Hedén, Agneta Mårdsjö, Anna Söderblom, Inga Thoresson-Hallgren (Anders Byström was elected at an Extraordinary General Meeting in November 2013 when Joakim Kärnborg stepped down. Anna Söderblom was elected at the 2014 Annual General Meeting when Eva Lindqvist stepped down)  
**Employee reps:** Carin Ramneskär, Ann-Louise Wester  
**Deputy employee reps:** Peter Kraff, Maria Ines Ribeiro de San Juan **Auditor:** Jonas Ståhlberg, Deloitte

Remuneration to the Chairman of the Board is SEK 150,000 (150,000). Remuneration to board members elected by the Annual General Meeting is SEK 80,000 (80,000). No remuneration is payable to members who are employed by the Swedish Government Offices

SEK 67 (39) million. The improvement in profit is primarily due to increased income resulting from the acquisition of Innovationsbron. After loan losses, the return on loaned funds amounted to 1.7 (4) per cent. In relation to lending volume, loan losses amounted to 5.6 (4.6) per cent.

## PERFORMANCE REVIEW

During 2013, demand for Almi's services increased, both for financing and for advisory services. Almi provided advice to 18,271 (16,509) customers. New lending increased somewhat, totalling SEK 2,200 (2,161) million, divided between 3,921 (3,611) loans. The number of loans to women decreased slightly in 2013, while the number of loans to people with a foreign background rose to 29 (25) per cent of the total. Among loan recipients, women accounted for a total 30 (31) per cent. Almi's lending has played a part in banks and other financiers lending SEK 4.9 billion to the companies in 2013, meaning that for every krona loaned by Almi, the companies have been able to borrow a further SEK 2.20 from banks or other financiers. Alongside commercial investment partners, Almi Invest made a total of 193 investments in small companies in 2013, of which Almi Invest's investments totalled SEK 249 million. This led to private investors contributing a further SEK 443 million, meaning an additional SEK 1.80 being invested for every krona invested by Almi.

1) The increased appropriation is due to the merger of Innovationsbron's and Almi's appropriations in 2013.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	1,303	980
Operating profit/loss	75	35
Profit/loss before tax	75	35
Net profit/loss	75	36
– of which attributable to minority interests	1	–1

BALANCE SHEET, SEKm	2013	2012
Total assets	7,733	7,243
Fixed assets	4,857	6,119
Equity	6,820	6,332
– of which, minority interests	182	181
Net debt	–1,921	–1,139
Operating capital	4,899	5,193

KEY RATIOS	2013	2012
Operating margin, %	5.8	3.6
Return on equity (average), %	1.2	0.6
Return on operating capital (average), %	1.5	0.6
Net debt/equity ratio, multiple	–0.3	–0.2
Equity/assets ratio, %	88.2	87.4
Gross investments, SEKm	480	180
Appropriation, SEKm	260	125
Dividend, SEKm	0	0
Average no. of employees	454	428

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

## TARGETS

### FINANCIAL TARGETS

- In the long term, Almi shall conduct its lending operations in such a way that its capital remains nominally intact.

### STRATEGIC SUSTAINABILITY TARGETS

- Sustainability issues are to be included in all client meetings.
- Almi shall take proactive efforts to reach all customer groups, that is, including of customer groups lacking established contacts with banks and advisors, such as young people and people with a foreign background.
- There should be diversity in Almi's own organisation.

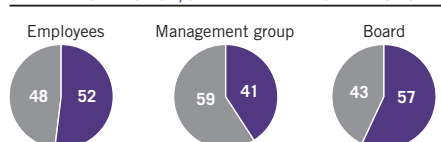
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

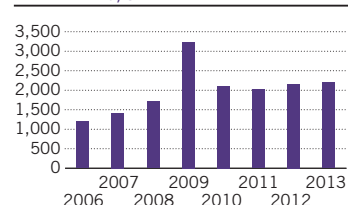
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## NEW LENDING, SEKm





Apotek Produktion & Laboratorier AB's (APL) principal mission is to produce and supply extempore pharmaceuticals and stock preparations, that is, pharmaceuticals tailored for an individual patient, clinic, animal or herd, or that are only produced in small series. The company was previously a subsidiary of Apoteket AB, but has been directly owned by the state since 30 June 2010.

#### OPERATIONS

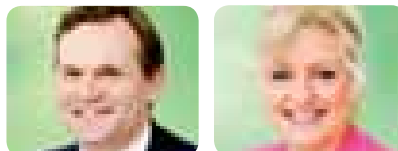
Today, APL supplies extempore pharmaceuticals to all pharmacy companies operating in the outpatient care market, as well as to inpatient care providers, on equal and non-discriminatory terms. Following changes in the law, which came into effect on 1 June 2010, the extempore market is exposed to competition.

Until 1 July 2015, the company has a particular responsibility to produce and deliver extempore pharmaceuticals and stock preparations on demand from outpatient pharmacies.

APL is required to develop and supply, in close cooperation with specialists and prescribers (e.g. physicians, dentists and veterinarians), authorities and other stakeholders, a medically appropriate and quality-assured range of extempore pharmaceuticals and stock preparations. The company shall also safeguard the availability of easily accessible information, user-friendly payment procedures and efficient supplies of its pharmaceuticals. APL is also responsible for the administration of product numbers and cataloguing of the stock preparations produced and that are sold by all extempore pharmacies.

APL also offers development and production services for the Life Science sector.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Johan Assarsson CEO: Eva Sjökvist Saers

Chair: Johan Assarsson Board: Britt Hansson, Gunilla Högbom, Wenche Rolfsen, Eugen Steiner Employee reps: Johan Hammargren, Susann Danielsson-Lindberg Deputy employee reps: Astrid Holdt, Maria Åhman Auditor: Åsa Lundvall, EY

Remuneration to the Chairman of the Board is SEK 250,000 (250,000). Remuneration to board members elected by the Annual General Meeting is SEK 130,000 (130,000).

#### 2013

- Favourable sales trend in the Care & Pharmacy and Life Science business areas.
- Increased operating profit as a consequence of new contracts with county councils, assignments in Life Science and the reversal of a restructuring reserve from 2012.

#### PERFORMANCE REVIEW

The equity/assets ratio for 2013 was 39.6 per cent. The return on equity was 9.3 per cent. The dividend amounted to SEK 3 million, equivalent to a third of the profit. Equity amounted to SEK 207.5 million, which was SEK 19.3 million higher than at the start of the year. The change is equivalent to the profit for the year of SEK 19.3 million.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	1,174	724
Operating profit/loss	28	-14
Profit/loss before tax	23	-19
Net profit/loss	19	-14
- of which attributable to minority interests	0	0
BALANCE SHEET, SEKm	2013	2012
Total assets	524	511
Fixed assets	234	239
Equity	208	188
- of which, minority interests	0	0
Net debt	154	170
Operating capital	362	359
KEY RATIOS	2013	2012
Operating margin, %	2.4	neg
Return on equity (average), %	9.3	neg
Return on operating capital (average), %	7.8	neg
Net debt/equity ratio, multiple	0.7	0.9
Equity/assets ratio, %	39.6	36.8
Gross investments, SEKm	18	42
Appropriation, SEKm	0	0
Dividend, SEKm	3	0
Average no. of employees	537	491
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

#### TARGETS

##### FINANCIAL TARGETS

- Profitability: Return on equity 12–14 per cent.
- Capital structure: Equity/assets ratio 50 per cent.
- Dividend: At least a third of profit for the year taking the target equity/assets ratio in to account.

##### STRATEGIC SUSTAINABILITY TARGETS (A SELECTION)

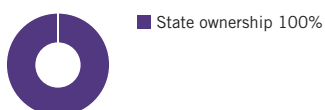
- Reduce carbon dioxide emissions by 15 per cent, focusing on district heating and transport.
- Reduce pharmaceutical waste from production by 30 per cent.
- To continuously develop operations on the basis of APL's equality and diversity plan.

Read all of the sustainability targets in the company's annual report.

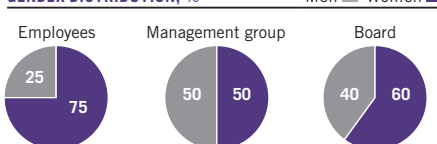
##### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %





Apoteket AB was founded as Apoteksbolaget AB in 1970 when the pharmacy market was nationalised. In 2009, Apoteket's monopoly in the pharmacy market came to an end. Approximately two-thirds of the company's network of shops was sold in the spring of 2010. Today the company operates in a fully competitive market. Apoteket remains a state owned central company in the pharmacy market, and shall be operated in such a way that a satisfactory supply of pharmaceuticals in Sweden is facilitated.

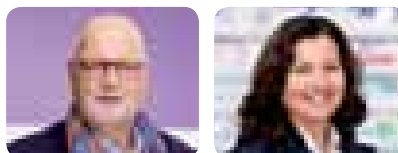
#### OPERATIONS

Apoteket offers products and services in the areas of pharmaceuticals and health. In the outpatient market, the Consumer business area provides prescription and non-prescription pharmaceuticals, merchandise, information and advice to private individuals through more than 370 pharmacies nationwide.

The company also has a well-developed remote trade business which consists of Internet sales and remote sales via the company's pharmacy agents. Increased access to pharmaceuticals and advice represent an important component in the company's strategy. Apoteket's other business area, Health Care & Enterprise, offers supply and pharmacy services, including pharmaceutical supply, briefings on pharmaceuticals and other advisory services to county councils, municipalities and private healthcare companies. The company also conducts dispensing operations. The owner's ambition is for Apoteket to remain an efficient, competitive and long-term profitable company in the pharmacy market. Sustainability work is also an important and integrated part of the company's profiling and commercial operations.

Until 30 June 2015, Apoteket shall retain its existing pharmacy agents to the extent needed to maintain a satisfactory supply of pharmaceuticals in the location where the agent operates (in accordance with the company's owner instructions).

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Christian W Jansson CEO: Ann Carlsson

Chair: Christian W Jansson Board: Maria Curman, Gert Karnberger, Leif Ljungqvist, Kristina Schauman, Elisabet Wenzlaff Employee reps: Gunilla Larsson, Carin Sällström Nilsson Deputy employee reps: Marie Redeborn, Lena Rhodin Auditor: Åsa Lundvall, EY

Remuneration to the Chairman of the Board is SEK 300,000 (300,000). Remuneration to board members elected by the Annual General Meeting is SEK 150,000 (150,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

#### 2013

- Sales decreased, mainly due to contracts with county councils being lost.
- Increased gross margin and lower costs.
- Continued realignment and adaptation in Health Care & Enterprise.

Consolidated net turnover for 2013 decreased by 11.9 per cent. The lower turnover is mainly explained by decreased income as a result of contracts with county councils being lost and, to a certain extent, by lower consumer sales due to the declining value of prescription sales. Operating profit increased strongly compared to 2012. Primarily improved gross margins, lower personnel costs and overheads contributed to the increase in profits. Restructuring costs burdened profits by SEK 44 (85) million in 2013.

#### PERFORMANCE REVIEW

Apoteket's operating margin was 1.9 (0.7) per cent in 2013, falling short of the targeted 3 per cent, although this was a clear improvement over 2012. The consolidated, pension-adjusted debt/equity ratio for 2013 was a multiple of 0.2 (2.0), and was thus lower than the targeted debt/equity ratio of a multiple of 0.4–0.8. The dividend amounted to SEK 150 million, which was in accordance with policy.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	18,847	21,392
Operating profit/loss	355	138
Profit/loss before tax	436	180
Net profit/loss	364	232
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	7,798	8,072
Fixed assets	4,155	3,377
Equity	4,389	3,040
– of which, minority interests	0	0
Net debt	–3,350	–986
Operating capital	1,039	2,054

KEY RATIOS	2013	2012
Operating margin, %	1.9	0.7
Return on equity (average), %	9.8	8.1
Return on operating capital (average), %	23.0	4.1
Net debt/equity ratio, multiple	–0.8	–0.3
Equity/assets ratio, %	56.3	37.7
Gross investments, SEKm	135	194
Appropriation, SEKm	0	0
Dividend, SEKm	150	31
Average no. of employees	3,899	4,540

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

#### FINANCIAL TARGETS

- Profitability: Operating margin 3 per cent.
- Capital structure: Debt/equity ratio 0.4–0.8 times pension-adjusted equity.
- Dividend: 40–60 per cent of net profit for the year adjusted for profit and tax relating to the pension foundation.

#### STRATEGIC SUSTAINABILITY TARGETS

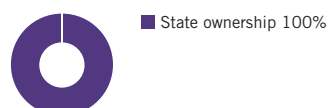
- Health objective – a healthy life for all.
- Diversity objective – we reflect the diversity of society.
- Zero-vision objective – a 100-per cent sustainability-assured product range.
- Halving objective – halving the environmental impact in relation to CO<sub>2</sub> and H<sub>2</sub>O.

For further information on the sustainability targets, see the company's annual report.

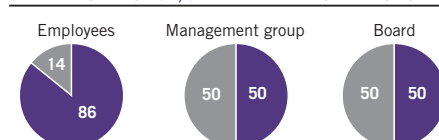
#### PERFORMANCE INDICATORS

- Among other directives, the owner instruction for Apoteket states that the company shall retain the existing pharmacy agents until 30 June 2015.

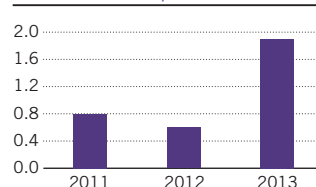
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### OPERATING MARGIN, %





# apoteksgruppen

The company, which is wholly owned by the Swedish state was founded in 2009 and is tasked with implementing the restructuring of the pharmacy market and giving small-scale entrepreneurs the opportunity to operate pharmacies. Today, Apoteksgruppen is a voluntary pharmacy chain consisting of 163 pharmacies, operated by some 180 self-employed individuals under a shared brand.

## OPERATIONS

Apoteksgruppen generates economies of scale for affiliated pharmacies through cooperation. The service organisation offers pharmacy owners support in operating their pharmacies. The pharmacy owners, gain access to a shared product range and purchasing, proprietary brands, finance and HR systems, quality, sales and start-up support, shared marketing and IT systems. The pharmacy market consists largely of six companies, with Apoteksgruppen being the fourth-largest with a market share of approximately 10 per cent.

## 2013

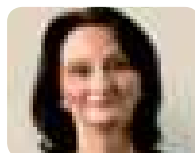
- Stagnant pharmacy market gave unchanged volumes.
- Effective cost control and reinforced service offering.
- Apoteksgruppen's members account for 15 per cent of new pharmacy start-ups.

Over the year, the Group reported increased operating profit, mainly consisting of service income from pharmacy operators. Due mainly to fewer pharmacies having been divested compared with the preceding year, operating profit weakened. For pharmacies affiliated to Apoteksgruppen, total turnover in 2013 amounted to SEK 3,358 (3,388) million, a decline of 0.9 per cent, which is mainly explained by the fact that the

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Birgitta Böhlin



CEO: Eva-Britt Gustafsson

**Chair:** Birgitta Böhlin **Board:** Gunvor Engström, Lars Erik Fredriksson, Peder Larsson, Annema Paus, Satish Sen (Annema Paus and Satish Sen were elected at the 2014 Annual General Meeting when Jan Forsberg and Ann-Christin Nykvist stepped down) **Auditor:** Lena Möllerström Nording, Grant Thornton

Remuneration to the Chairman of the Board is SEK 250,000 (250,000). Remuneration to board members elected by the Annual General Meeting is SEK 130,000 (130,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

market is not growing and that the Group's market share has decreased somewhat. Operating profit amounted to SEK 202 (169) million. The improvement in profit is explained primarily by effective cost control and a reinforced service offering.

## PERFORMANCE REVIEW

The equity/assets ratio for 2013 exceeded the target of approximately 80 per cent. Profitability was 1.8 (7.9) per cent, which fell short of the target. The dividend amounted to SEK 3.5 (0) million. The outcome was affected by divestments of pharmacies. With the divestments having been concluded, the financial targets will be reviewed in 2014.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	112	100
Operating profit/loss	-7	-12
Financial income	15	22
Profit/loss before tax	8	3
Net profit/loss	7	36
- of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	495	519
Fixed assets	198	248
Equity	412	402
- of which, minority interests	0	0
Net debt	-151	-189
Operating capital	261	213

KEY RATIOS	2013	2012
Operating margin, %	neg	neg
Return on equity (average), %	1.8	7.9
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	-0.4	-0.5
Equity/assets ratio, %	83.2	77.5
Gross investments, SEKm	9	12
Appropriation, SEKm	0	0
Dividend, SEKm	4	0
Average no. of employees	80	203

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: Return on equity at least 4 per cent.
- Capital structure: Equity/assets ratio in the group approximately 80 per cent.
- Dividend: 40 per cent of profit for the year, taking the target equity/assets ratio in to account.

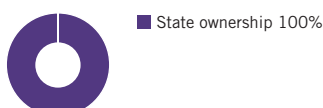
### STRATEGIC SUSTAINABILITY TARGETS

- Increase the level of service at Apoteksgruppen pharmacies (that is, the proportion of prescriptions directly dispensed).
- Increase the use of EES (Electronic Expert Support) in connection with the dispensing of prescriptions at pharmacies within Apoteksgruppen.
- Increase the proportion of products bearing the Swan ecolabel in total merchandise turnover.

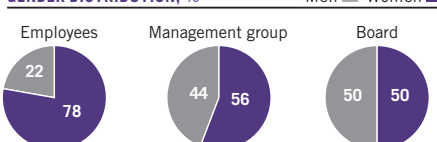
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

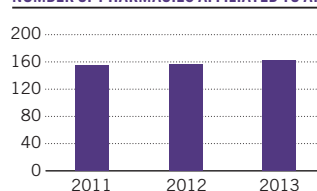
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## NUMBER OF PHARMACIES AFFILIATED TO APOTEKSGRUPPEN





To connect the Swedish rail system with Arlanda Airport, the Riksdag approved in 1994 an infrastructure project jointly financed by the Government and private business – the Arlandaban rail line. Arlandaban Infrastructure AB was formed under the auspices of the Government to implement the project and manage the facility.

#### OPERATIONS

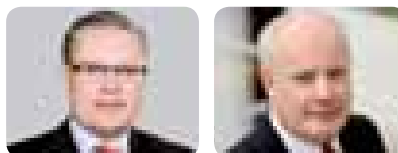
Arlandaban Infrastructure owns and administers the Arlandaban rail line, granting use of the line and certain rights for the operation of high-speed shuttle trains (Arlanda Express) between Arlanda Airport and Stockholm Central. Arlandaban Infrastructure controls the operation of the facility, as well as the operation of the rail services. The company shall also promote integrated and efficient traffic on the line and work together with Swedavia to create an attractive rail and air traffic solution at Arlanda airport.

Arlandaban Infrastructure administers the contracts associated with the Arlandaban line and is responsible for ensuring that the Government's rights and obligations in accordance with the contracts are observed. A-Train AB holds the concession for the line and is Arlandaban Infrastructure's contractual counterparty. A-Train AB operates the Arlanda Express service, manages the infrastructure and is responsible for all of the obligations this entails. The contracts grant A-Train AB the right to use Arlandaban Infrastructure's traffic rights on the state-owned rail network as well as the right to use Arlandaban and its stations. Under certain conditions, the right of use also entails an obligation to grant use of the line and the station at Arlanda Airport to other railway companies.

Arlandaban Infrastructure shall promote increased rail travel to and from Arlanda Airport. Rail travel is to be developed by integrating new catchment areas well with other rail services. The objective is to double rail travel by 2015 compared with 2010. To date, the increase is 25 per cent.

Through the Swedish National Debt Office, the state has issued an interest and amortisation-free loan to A-Train AB. According to the terms, the state is instead entitled to royalties from A-Train AB. These royalties may be lower or higher than the state's costs for the loan. Arlandaban Infrastructure's objective is to endeavour to repay the loan within the contract period.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Jan Olson

CEO: Ulf Lundin

Chair: Jan Olson (elected at the 2014 Annual General Meeting when Karin Starrin stepped down) **Board:** Hans Brändström, Kerstin Hessius, Irene Svenonius (Irene Svenonius was elected at the 2014 Annual General Meeting when Elisabeth Anell Åhlund stepped down) **Auditor:** Mikael Sjölander, EY

Remuneration to the Chairman of the Board is SEK 110,000 (110,000). Remuneration to board members elected by the Annual General Meeting is SEK 66,000 (66,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

#### 2013

- The number of passengers using Arlanda Express rose by 1.6 per cent.
- The number of passengers using other railway companies rose by 24.6 per cent.

Arlandaban Infrastructure's operations are financed through revenues from traffic rights, land rent from A-Train, special control and supervision fees from A-Train and commission fees from Trafikverket (Swedish Transport Administration). The operations report a break-even result each year.

Traffic at Arlanda, as well as travel to and from the airport, increased. In December 2012, SL (Greater Stockholm Public Transport Company Limited) started the new commuter service between Älvsjö/Tumba and Uppsala via Stockholm and Arlanda. Consequently, 2013 was the first full year in which Arlanda Express was exposed to directly competing rail services. The impact of SL's services on Arlanda Express was limited. Arlanda Express' market share decreased from 14.5 per cent to 14.2 per cent.

#### PERFORMANCE REVIEW

No royalties were received. Repayment of the royalty loan begins only when the owners of A-Train have achieved a certain return on equity. For 2013, that threshold amounted to an accumulated return of 7.61 per cent. The actual accumulated return was 3.61 per cent.

As regards long-term sustainability targets, there are as yet no results to report. Efforts are in progress to break the targets down into detailed targets for the entire value chain.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	67	67
Operating profit/loss	0	0
Profit/loss before tax	0	0
Net profit/loss	0	0
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	1,511	1,584
Fixed assets	1,494	1,551
Equity	10	10
– of which, minority interests	0	0
Net debt	-8	-15
Operating capital	2	-5

KEY RATIOS	2013	2012
Operating margin, %	0.0	0.0
Return on equity (average), %	0.0	0.0
Return on operating capital (average), %	0.0	0.0
Net debt/equity ratio, multiple	-0.8	-1.5
Equity/assets ratio, %	0.7	0.6
Gross investments, SEKm	0	0
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	1	1

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

## TARGETS

### FINANCIAL TARGETS

- The company's operations are not intended to make a profit.

### STRATEGIC SUSTAINABILITY TARGETS

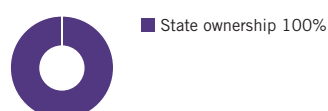
Overarching objectives have been established within the areas of:

- Diversity and justice.
- Limited environmental impact.
- Anti-corruption.
- Traveller satisfaction.

### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

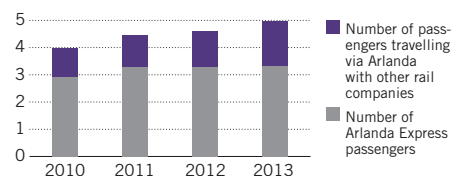
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### NUMBER OF PASSENGERS TO ARLANDA AIRPORT, million



# BILPROVNINGEN

Aktiebolaget Svensk Bilprovning (Swedish Motor-Vehicle Inspection Company) was founded in 1963, commissioned by the Riksdag and the Government. In July 2010, the vehicle inspection market was opened up to competition, enabling new companies to seek accreditation for vehicle inspection. In 2012, parts of Bilprovning's network of stations were sold to new companies. Following the sales of about two-thirds of the station network, the remaining Bilprovning is now a company wholly owned by the state.

## OPERATIONS

Bilprovning conducts commercial operations in a fully deregulated market. With 89 stations and some 625 employees, Bilprovning remains one of Sweden's leading companies in motor vehicle inspection even following the completion of the sales. By providing advice and inspecting vehicles, the company shall meet customers' service requirements regarding their vehicles' traffic safety, environmental impact and running costs. In addition, Bilprovning shall be located close to customers and offer its services in a manner that suits the customer. In 2013, approximately 90 per cent of operations entailed regular mandatory inspections and registration inspections in accordance with EU directives and national laws and regulations. The company has a strong brand that is to be maintained through a high-quality customer service and a responsible approach that is sustainable in the long term. The company also continues to adjust its costs and operations to the now fully competitive market.

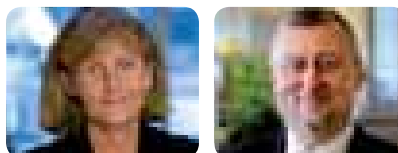
## 2013

- Sales fell sharply due to operations having been divested.
- However, the underlying operations developed positively.
- Continued efforts to improve profitability.

In 2013, Bilprovning completed the process begun in 2012 to sell two clusters of station networks and the company's property holdings. In January 2013 it was announced that the other shareholders had divided the company between them, with the minority shareholders taking control of the south-western cluster. The state thus became the sole owner of the remaining national station network. The transaction was completed on 18 March 2013.

Bilprovning retains a strong position in the market despite increased competition in 2013. Market share decreased in the second quarter,

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Karin Strömberg CEO: Benny Örnfors

**Chair:** Karin Strömberg (elected at the Annual General Meeting when Kerstin Lindberg Göransson stepped down) **Board:** Cecilia Daun Wennborg, Gunnar Malm, Anna Nilsson Ehle, Hans Krondahl, Leif Ljungqvist (Hans Krondahl was elected at the 2014 Annual General Meeting when Jacob Røjdmark stepped down) **Employee reps:** Bengt Lindblom, Joakim Rönnlund **Deputy employee reps:** Göran Lund, Jonas Nilsson **Auditor:** Jonas Ståhlberg, Deloitte

Remuneration to the Chairman of the Board is SEK 130,000 (130,000). Remuneration to board members elected by the Annual General Meeting is SEK 80,000 (80,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

although the trend turned around in the latter half of the year. Through marketing and good availability, sales volumes developed positively in the fourth quarter, resulting in a 35 per cent market share at the end of the year. However, reported sales fell sharply in 2013 as a result of the Group having sold 70 stations in the fourth quarter of 2012 and a further 56 stations in the first quarter of 2013. Operating profit fell sharply in 2013, although this was entirely attributable to the proceeds from the divestments of clusters in 2012. Underlying earnings developed positively in 2013 as a result of strong sales volumes and efforts to improve efficiency and cut costs.

## PERFORMANCE REVIEW

The operating margin was 3.1 per cent, below the company's new operating margin target. However, the profitability trend is positive and the target is to be assessed over a period of a number of years. At the end of the year, the equity/assets ratio was 64 per cent, due to the divestment proceeds and a sharp increase in equity. The dividend for 2013 amounted to SEK 290 million, which, in addition to the regular dividend, also includes an additional dividend that adjusted the equity/assets ratio to the new target set by the owners and adopted by the 2014 Annual General Meeting. In the future, the profitability target is 8 per cent. The equity/assets ratio target is 30–40 per cent and the dividend target is at least 80 per cent of the profit. The targets are to be achieved in the long term and assessed over a period of 3–5 years.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	785	1,550
<b>Operating profit/loss</b>	<b>24</b>	<b>325</b>
<b>Profit/loss before tax</b>	<b>40</b>	<b>333</b>
<b>Net profit/loss</b>	<b>31</b>	<b>362</b>
– of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
<b>Total assets</b>	<b>584</b>	<b>1,302</b>
Fixed assets	61	269
<b>Equity</b>	<b>372</b>	<b>985</b>
– of which, minority interests	0	0
<b>Net debt</b>	<b>0</b>	<b>0</b>
<b>Operating capital</b>	<b>372</b>	<b>985</b>
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Operating margin, %	3.1	21.0
Return on equity (average), %	4.6	42.9
Return on operating capital (average), %	3.6	52.9
Net debt/equity ratio, multiple	0.0	0.0
Equity/assets ratio, %	63.6	75.7
Gross investments, SEKm	11	14
Appropriation, SEKm	0	0
Dividend, SEKm	290	70
Average no. of employees	731	1,598
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes	

## TARGETS

### FINANCIAL TARGETS

- Profitability: Return on capital employed 15 per cent. Profit margin 10 per cent.
- Capital structure: Equity/assets ratio 35 per cent.
- Dividend: 40–60 per cent of net profit over a business cycle.

Targets 2013 New financial targets were adopted by the 2014 Annual General Meeting.

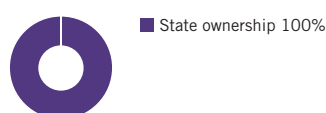
### STRATEGIC SUSTAINABILITY TARGETS

- Safe vehicles: Supplementary checks doubled. (2016).
- Attractive employer: Employee turnover max 7 per cent, percentage of female inspection technicians at least 12 per cent, percentage of employees with foreign backgrounds at least 17 per cent (2016).
- Environmental role model: Climate impact to be reduced by 80 per cent (2006–2050) with the intermediate target of reducing this by 30 per cent by 2020.

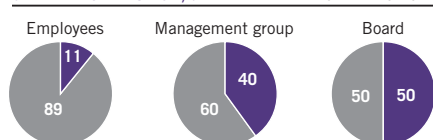
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

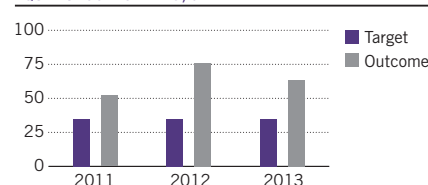
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## EQUITY/ASSETS RATIO, %



# AB BOSTADS GARANTI

Aktiebolaget Bostadsgaranti was formed in 1962 and since then has worked with consumer protection in residential construction. Bostadsgaranti is owned equally by the state and the Swedish Construction Federation. In May 2014, an Extraordinary General Meeting of Bostadsgaranti resolved to divest the shares in the subsidiary Försäkringsaktiebolaget Bostadsgaranti.

## OPERATIONS

In December 2012, the Riksdag authorised the Government to divest the state's shares in Bostadsgaranti and in 2014 the Government was authorised, as an alternative, to liquidate the company.

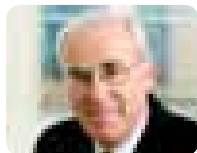
The divestment of the subsidiary represents part of the liquidation of Bostadsgaranti as a whole. On the condition that Finansinspektionen (Swedish Financial Supervisory Authority) approves the Columbia Insurance Company as the buyer, the remaining operations in Bostadsgaranti consist primarily of the ongoing phasing out of down-payment guarantees. New sales of this product ceased in 2012 and outstanding commitments are expected to be terminated by 2016.

## 2013

- Swedish housing production remains at a low level.
- Fewer building defect insurance policies signed.
- Good return on the investment portfolio.

Historically, the Parent Company's operations have consisted of issuing sureties in accordance with the Tenant Owner Act. This issuance of guarantees ceased in April 2012 and is now being phased out. In 2013, operations comprised training and consultancy operations connected with production of tenant-owner property.

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Hans Wibom



CEO: Kåre Eriksson

Chair: Hans Wibom Board: Bo Antoni, Maurice Forslund, Pether Fredholm, Richard Reinius  
Auditor: Gunilla Wernelind, KPMG

Remuneration to the Chairman of the Board is SEK 76,000 (76,000). Remuneration to board members elected by the Annual General Meeting is SEK 38,000 (38,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Consolidated net sales fell by 52 per cent over the year. Profit before tax rose by 13 per cent. Weaker profits from the insurance operations were offset by higher return on capital. For the parent company, the total return was 11 (9) per cent and for the subsidiary, Försäkringsaktiebolaget Bostadsgaranti, it was 7 (6) per cent.

At the end of the year, the market value of the Group's investments was SEK 982 (903) million.

## PERFORMANCE REVIEW

The return on equity for 2013 amounted to 15.1 per cent, thus exceeding the target. The dividend amounted to SEK 17 million, half of which accrues to the state as an owner, which is in line with policy.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	7	13
Operating profit/loss	-4	-1
Profit/loss before tax	68	59
Net profit/loss	51	51
- of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
Total assets	1,419	1,390
Fixed assets	1	1
Equity	356	323
- of which, minority interests	0	0
Net debt	-718	-610
Operating capital	-362	-287
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Operating margin, %	neg	neg
Return on equity (average), %	15.1	16.9
Return on operating capital (average), %	1.3	5.5
Net debt/equity ratio, multiple	-2.0	-1.9
Equity/assets ratio, %	25.1	23.2
Gross investments, SEKm	0	0
Appropriation, SEKm	0	0
Dividend, SEKm	17	18
Average no. of employees	12	13
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

## TARGETS

### FINANCIAL TARGETS

- Profitability: Return on equity shall correspond to the five-year government bond rate plus 3 percentage points.
- Dividend: At least one third of net profit for the year.

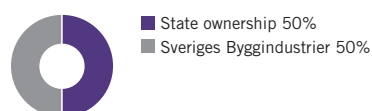
### STRATEGIC SUSTAINABILITY TARGETS

- No strategic sustainability targets have been developed for the company.

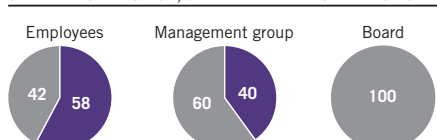
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

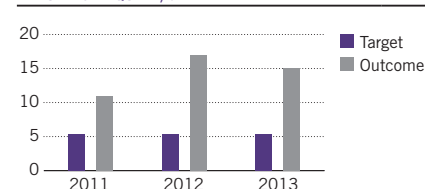
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## RETURN ON EQUITY, %



## A/O Dom Shvetsii

The Riksdag resolved in the autumn of 1994 that the Swedish Government and City of St. Petersburg, Russia would form a limited company, A/O Dom Shvetsii, ("House of Sweden"). The company administers a "House of Sweden" in St. Petersburg, housing official, cultural and commercial functions. Here, the Ministry for Foreign Affairs leases premises for the Swedish Consulate General of Sweden. A large proportion of the remaining premises are leased to operations with Swedish connections, including Business Sweden and Swedish companies.

### OPERATIONS

The intention was that establishing a House of Sweden in central St. Petersburg would be seen as a step in the development of relations between Russia and Sweden, where Sweden has a particular interest in developing relations with St. Petersburg and northwest Russia. Giving Swedish authorities and the Swedish business sector a natural base for their operations in St. Petersburg was considered a priority. The project was to be implemented on commercial terms and with the long-term objective of being independently financially viable. The company was formed through a tripartite agreement between the Swedish Government, the City of Saint Petersburg and Skanska. Skanska divested its 49-per cent holding in Dom Shvetsii to CA Fastigheter in the autumn of 2008.

Dom Shvetsii is a Russian limited company owned 49 per cent by Ladoga Holding AB (a subsidiary of CA Fastigheter), 36 per cent by the Swedish State, and 15 per cent by the City of St. Petersburg. Dom Shvetsii retains the right of disposal of the House of Sweden complex and

### BOARD AND AUDITORS ELECTED FOR 2014/2015



**Chair:** Jan Borekull

A management company attends to the responsibilities of CEO

**Chair:** Jan Borekull **Board:** Leif Appelblom, Johan Damne, Lars Grundberg, Vladislav Vilorgovich Kozelskij  
**Auditor:** Dimitry Mikhaylov, Dimitry Mikhaylov Consulting Bureau

Remuneration to the Chairman of the Board is USD 0 (0). Remuneration to board member elected by the Annual General Meeting is USD 4,000 (4,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

the land for 49 years. The property complex includes a lettable area of about 4,500 square metres. The largest tenant is the Ministry for Foreign Affairs, which leases premises for the offices and residence of the Consulate General of Sweden and apartments for emissaries. Other major tenants are the Stockholm School of Economics, the Royal Bank of Scotland, Business Sweden and the Nordic Council of Ministers.

### 2013

- Occupancy rate of 99 per cent.
- Increased competition due to increased supply of office space in the city.

### PERFORMANCE REVIEW

Dom Shvetsii's operations are entirely dependent on the level of demand for premises in St. Petersburg. Today, the House of Sweden has an occupancy rate of 99 per cent.

INCOME STATEMENT, SEKm		
	2013	2012
Net turnover	18	17
<b>Operating profit/loss</b>	<b>14</b>	<b>13</b>
<b>Profit/loss before tax</b>	<b>12</b>	<b>13</b>
<b>Net profit/loss</b>	<b>10</b>	<b>10</b>
- of which attributable to minority interests	0	0
BALANCE SHEET, SEKm		
	2013	2012
<b>Total assets</b>	<b>27</b>	<b>22</b>
Fixed assets	15	15
<b>Equity</b>	<b>-3</b>	<b>-3</b>
- of which, minority interests	0	0
<b>Net debt</b>	<b>15</b>	<b>15</b>
KEY RATIOS		
	2013	2012
Operating margin, %	75.2	74.1
Return on equity (average), %	neg	neg
Equity/assets ratio, %	-13.6	-13.6
Gross investments, SEKm	0	0
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	0	0
Reported in compliance with GRI guidelines	No	
Externally assured GRI report	No	
Reports in compliance with IFRS	No	

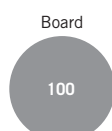
### STATE OWNERSHIP, %



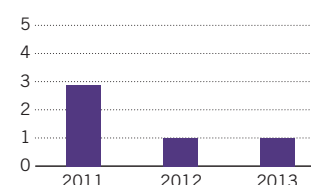
■ State ownership 36%  
■ CA Fastigheter 49%  
■ City of St. Petersburg 15%

### GENDER DISTRIBUTION, %

Men ■ Women ■



### VACANCY RATE, %



# DRAMATEN

Kungliga Dramatiska Teatern (the Royal Dramatic Theatre) has been Sweden's national stage for spoken theatre since the days of King Gustav III. The theatre has had varying degrees of state influence since its inception and, in 1975, it became a state-owned limited company. As a national stage, the objective is for Kungliga Dramatiska Teatern to be the leading institution in its field.

## OPERATIONS

Kungliga Dramatiska Teatern (also known in Swedish as simply Dramaten) is to be Sweden's leading drama institution and, as a national stage, it shall maintain the highest standards in terms of development, renewal, artistic quality and craftsmanship in its studios and workshops. Dramaten is to operate in an international theatrical and cultural context, initiating partnerships and promoting intercultural exchange. Dramaten shall nurture and promote the Swedish language and Sweden's national heritage in theatre.

It shall offer a varied repertoire including Swedish and international classics and modern works, as well as including drama for children and young people. The theatre shall also support innovative Swedish performing arts by commissioning and staging contemporary Swedish drama, while also provide space for innovative performing artists.

Dramaten is to reach the widest and largest audience possible, targeting adults as well as children and young people. At the same time, Dramaten shall be of interest for a nationwide audience in Sweden. Dramaten shall strive to reach new audience groups and to enhance its accessibility in different ways.

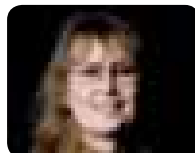
## 2013

- Visitor numbers maintained a high and even level.
- Continued efforts to reach new audiences, including through investment in new communication channels.
- Favourable profit and strengthened equity.

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Daniel Sachs



CEO: Marie-Louise Ekman

Chair: Daniel Sachs Board: Carina Brorman, Sara Danius, Gunvor Kronman, Qaisar Mahmood, Chris Marschall, Eric Sjöström (Sara Danius was elected at the 2014 Annual General Meeting when Lotta Lotass stepped down) Employee reps: Rebecka Hemse, Kjäll Åkerblom Deputy employee reps: Jan-Eric Piper, Dick Sandin Auditor: Kerstin Sundberg, Deloitte

Remuneration to the Chairman of the Board is SEK 60,000 (60,000). Remuneration to board members elected by the Annual General Meeting is SEK 30,000 (30,000).

The state appropriation for 2013 amounted to SEK 223.5 million. Profit for the year was SEK 3.2 million and equity continued to strengthen, amounting to SEK 31 million for 2013.

## PERFORMANCE REVIEW

The repertoire is varied and includes both contemporary drama and classics of both Swedish and international origin. Dramaten presented five classic and 22 modern pieces, with 17 of these pieces being new productions. Productions, performances and visitors to Unga Dramaten – Dramaten's performing arts venture targeting children and young people – increased in 2013. Combined, Dramaten gave 865 performances that were seen by 221,614 people. In order to reach audiences throughout the country, a number of guest performances were made, numerous productions have been made available digitally and in cooperation with Sveriges Radio AB and others.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	263	262
Operating profit/loss	2	15
Profit/loss before tax	3	16
Net profit/loss	3	16
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	87	76
Fixed assets	9	9
Equity	31	28
– of which, minority interests	0	0
Net debt	-63	-53
Operating capital	-32	-25

KEY RATIOS	2013	2012
Operating margin, %	0.6	5.7
Return on equity (average), %	10.4	82.3
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	-2.0	-1.9
Equity/assets ratio, %	36.0	37.0
Gross investments, SEKm	4	3
Appropriation, SEKm	223	222
Dividend, SEKm	0	0
Average no. of employees	310	307

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

## TARGETS

### FINANCIAL TARGETS

- Dramaten shall maintain equity providing a solid financial foundation for its operations.

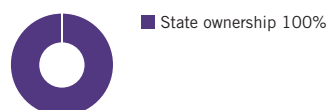
### STRATEGIC SUSTAINABILITY TARGETS

- To manage, enrich, develop and renew artistic quality, intellectual life and values by means of repertoire and other operations.
- Increase the proportion of first-time visitors.
- Increase the proportion of the audience reached through digital channels.
- Achieve a gender balance among authors of original artistic works.

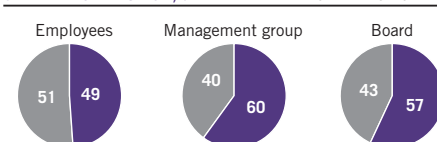
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

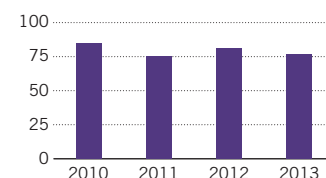
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## ATTENDANCE RATE, %





EUROPEAN  
SPALLATION  
SOURCE

The European Spallation Source ESS AB (ESS) was formed in 2010 and is tasked with planning, designing, building, owning and operating the European Spallation Source in Lund. ESS is jointly owned by the Swedish and Danish states. The Swedish state owns 74 per cent and the Danish state owns 26 per cent of the shares.

#### OPERATIONS

ESS is preparing the construction of the European Spallation Source research facility, which will be built in Lund with building estimated to commence during 2014. When complete it will be the world's premier facility for materials research, using neutrons to study materials at the atomic and molecular level. This enables studies of the structure of a protein, for example and its function in conditions similar to those in which the molecule acts in its original environment. The company cooperates with the 17 partner countries currently participating in the project. The planning phase, up to and including 2013, included updating the technical design and calculating the costs of the facility.

#### 2013

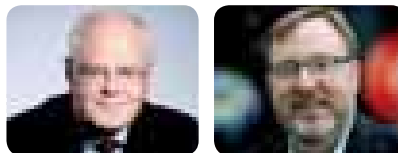
- Continued build-out of the organisation prior to commencement of building in 2014.
- Personnel increase of 44 per cent, permit processes and archaeological excavations.
- Shareholder contribution of SEK 400 million from the Swedish state.

The build-out of the organisation continued during the company's fourth year, with personnel increasing by 44 per cent. James H. Yeck succeeded Colin Carlile as CEO effective from 1 March 2013.

ESS has completed the technical design of the facility and, following extensive audits of the completed work, is ready to commence the building of the facility. Permit processes and archaeological excavations have been initiated and carried out.

The operating result continues to weaken. The deterioration is due to the fact that the number of employees is continuing to rise and that operations are preparing for building to commence. Consequently, the shareholder contribution increased.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Sven Landelius CEO: James H. Yeck

Chair: Sven Landelius Board: Katarina Bjelke, Lars Börjesson, Per Eriksson, Lars Goldsmith, Lena Gustafsson, Hans Müller Pedersen, Bo Smith (Bo Smith was elected at an Extraordinary General Meeting in July 2013 and replaced Lars Kolte who stepped down in May 2013) Employee rep: Michael Palade Auditor: Kent Lindén, KPMG

Remuneration to the Chairman of the Board is SEK 140,000 (140,000). Remuneration to board members elected by the Annual General Meeting is SEK 70,000 (70,000). No remuneration is payable to members who are employed by the Swedish Government Offices or the Danish ministry.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	0	0
Operating profit/loss	-534	-349
Profit/loss before tax	-533	-348
Net profit/loss	-533	-348
- of which attributable to minority interests	0	0
BALANCE SHEET, SEKm	2013	2012
Total assets	212	118
Fixed assets	9	5
Equity	51	23
- of which, minority interests	0	0
Net debt	0	0
Operating capital	51	23
KEY RATIOS	2013	2012
Operating margin, %	0.0	0.0
Return on equity (average), %	neg	neg
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	0.0	0.0
Equity/assets ratio, %	23.8	19.9
Gross investments, SEKm	5	3
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	166	115
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

## TARGETS

#### FINANCIAL TARGETS

- The company's operations are not intended to make a profit.

#### STRATEGIC SUSTAINABILITY TARGETS

- All buildings within ESS are to be designed for environmental certification according to internationally recognised certification systems.

#### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



## Fouriertransform

Fouriertransform Aktiebolag is a state-owned venture capital company. The company was established in December 2008 with equity of approximately SEK 3 billion<sup>1)</sup>. Originally, the company's assignment was to contribute investment to strengthen the Swedish automotive cluster's international competitiveness. In August 2013, the company's business mandate was extended to include other areas in the manufacturing industry and related service industries. The assignment is performed by providing various forms of capital on a commercial basis.

### OPERATIONS

Fouriertransform invests in operations deemed able to contribute to the Swedish automotive industry, other Swedish industry and related services maintaining their prominent position, particularly in the areas of the environment and safety.

The company's assignment also includes being an active owner in all part-owned companies, bringing competence to each project by contributing highly qualified board representatives, some of whom are employees of Fouriertransform and some of whom are people in the company's network.

Since its inception in 2009, Fouriertransform has invested a total of approximately SEK 1 billion in 20 companies, representing, together with syndication partners, a total investment level of approximately SEK 3 billion. The portfolio companies have a turnover of about SEK 1.9 billion and 1,300 employees.

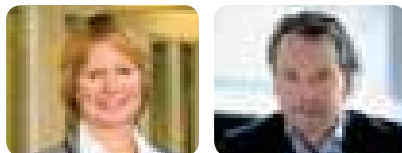
The company commenced operations in 2009, and investments are made on a long-term basis. Consequently, earnings are mainly determined by net financial items and costs for the management organisation. The company has 12 employees and offices in Stockholm and Gothenburg. The company is to act as a long-term industrial partner, making investments on a commercial basis with a profitability target of 10-15 per cent annually.

### 2013

- Invested capital of SEK 1 billion  
Twenty companies launched since the start of the company in 2008.
- High level of activity in a hesitant market.
- Considerable foreign interest in Fouriertransform's portfolio companies.

On 20 August 2013, an Extraordinary General Meeting of Fouriertransform resolved to extend the company's business mandate to include, in

### BOARD AND AUDITORS ELECTED FOR 2014/2015



**Chair:** Sigrun Hjelmquist **CEO:** Per Nordberg

**Chair:** Sigrun Hjelmquist (elected at the 2014 Annual General Meeting when Lars-Olof Gustavsson stepped down) **Board:** Jan Bengtsson, Ulf Berg, Hasse Johansson, Hanna Lagercrantz, Charlotte Rydin, Christina Åkerman (Jan Bengtsson, Ulf Berg and Charlotte Rydin were elected at the 2014 Annual General Meeting when Ulla-Britt Fräjdin-Hellqvist, Karin Kronstam and Lars Göran Moberg stepped down) **Auditors:** Hans Andersson and Andreas Drugge, Deloitte

Remuneration to the Chairman of the Board is SEK 300,000 (300,000). Remuneration to board members elected by the Annual General Meeting is SEK 150,000 (150,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

addition to the automotive industry, other areas of manufacturing industry and related services. Over the year, a total SEK 283 million was invested in four new companies – Smart Eye AB and TitanX Engine Cooling AB in Gothenburg, Rototest International AB in Rönninge and SciBase AB in Stockholm. A further SEK 125 million was invested in existing portfolio companies.

The company's costs are primarily attributable to personnel costs, and project and consulting costs. Effective from the fourth quarter of 2013, Fouriertransform has begun to apply the international accounting standards (IFRS) and all amounts pertain to the investment company, meaning that investments in portfolio companies and short-term investments are valued at their estimated fair value on the closing date.

### PERFORMANCE REVIEW

Fouriertransform has invested a total of about SEK 1 billion, which compared with the estimated fair value of the existing portfolio and repaid capital from the portfolio companies, corresponds to an increase in value of about 10 per cent since Fouriertransform started.

1) The background to the formation of the company is stated in Government bill "The State's Responsibility for Companies with Research and Development Activities and Other Activities in the Automotive Industry, etc." (Bill 2008/09:95; report 2008/09FiU19; parliamentary communication 2008/09:144).

INCOME STATEMENT, SEKm	2013	2012
Net turnover	0	3
Changes in value	77	128
<b>Operating profit/loss</b>	<b>42</b>	<b>66</b>
<b>Profit/loss before tax</b>	<b>151</b>	<b>210</b>
<b>Net profit/loss</b>	<b>131</b>	<b>194</b>
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
<b>Total assets</b>	<b>3,353</b>	<b>3,181</b>
Fixed assets	1,085	637
<b>Equity</b>	<b>3,283</b>	<b>3,152</b>
– of which, minority interests	0	0
<b>Net debt</b>	<b>-2,253</b>	<b>-2,535</b>
<b>Operating capital</b>	<b>1,030</b>	<b>617</b>

KEY RATIOS	2013	2012
Return on equity (average), %	4.1	6.4
Return on operating capital (average), %	5.1	13.8
Net debt/equity ratio, multiple	-0.7	-0.8
Equity/assets ratio, %	97.9	99.1
Gross investments, SEKm	342	139
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	11	11

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- No financial targets have been determined by the owner.

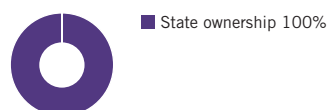
### STRATEGIC SUSTAINABILITY TARGETS

- Fouriertransform shall invest in companies that have sustainable products and services.
- All portfolio companies shall implement sustainability targets to be integrated into ownership agendas and business plans.

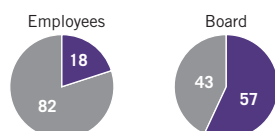
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

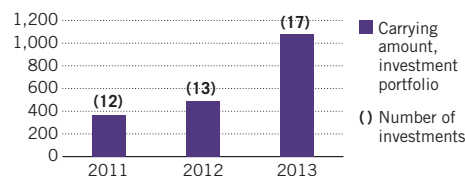
### STATE OWNERSHIP, %



### GENDER DISTRIBUTION, %



### INVESTMENT PORTFOLIO/NUMBER OF INVESTMENTS







Green Cargo AB, which is wholly owned by the Swedish state, was formed in 2001 in connection with the corporatisation of the Swedish State Railways public enterprise. At that time, Green Cargo took over all of the public enterprise's rail freight traffic. Green Cargo's business concept is to provide efficient and sustainable rail logistics for the Swedish business sector.

#### OPERATIONS

Green Cargo is Sweden's largest actor in rail freight with a market share of about 60 per cent. The company offers transports both within its network and by means of unit trains. The rail freight market comprises a small number of competitors. Competition with maritime and road freight companies is very strong.

The company's largest customers are in the steel, mining, chemical, automotive, engineering, paper and forestry, and trade sectors. The freight market is growing increasingly international, which is an important prerequisite for the continuing process of deregulation. The established rail companies are facing increased competition from private companies, increasing the requirements on cost-efficient, high-quality freight services. Customers demand efficient international logistics solutions. The rail sector has been slow to adapt to a borderless and integrated Europe has thus found it difficult to compete with other modes of transport for international flows.

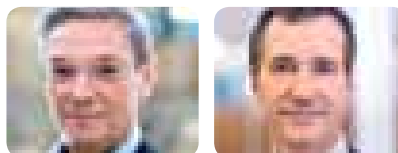
Green Cargo's strategy is to focus on efficient and sustainable rail logistics for the Swedish business sector and to increase quality while conducting operations profitably.

#### 2013

- Weakened economic conditions and increased price pressure impacted turnover heavily.
- Efficiency programs limited the profit decline.
- Impairment in the value of locomotives and provisions for onerous contracts.

During 2013, transport volumes decreased further. Green Cargo's operations are exposed to a number of risks, including the fact that its production is capital intensive in nature, that operations are strongly dependent on the economic situation, that the volume trend for rail-based freight in Europe is stagnating, that market competition is growing increasingly strong and that international business is dependent on functioning cooperation with other logistics companies.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Lennart Pihl

CEO: Jan Kilstrom

Chair: Lennart Pihl Board: Margareta Alestig Johnson, Ann-Christine Hvittfeldt, Daniel Kristiansson, Lotta Stalin, Trygve Sthen (Daniel Kristiansson was elected at the 2014 Annual General Meeting when Lars Erik Fredriksson stepped down) Employee reps: Stefan Bieder, Peter Lundmark Deputy employee reps: Anders Gustavsson, Jerker Liljeberg Auditor: Hans Åkervall, KPMG

Remuneration to the Chairman of the Board is SEK 300,000 (300,000). Remuneration to board members elected by the Annual General Meeting is SEK 150,000 (150,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Green Cargo delivered an underlying operating loss in 2013. Total freight volumes, which have not recovered since the financial crisis and recession, fell further over the year.

Green Cargo's operating income decreased compared with the preceding year due to the weak economy, decreased volumes and price pressure. Operating profit weakened due to declining volumes, impairments on locomotives (SEK 112 million) and provisions for onerous contracts (SEK 78 million). However, thanks to ongoing efficiency programmes, underlying earnings decreased less than the drop in turnover. The previous year's earnings were burdened by a non-recurring cost of about SEK 10 million for the integration of the proprietary railway agent NTR into the parent company Green Cargo. The previous year's earnings also included the divestment of Green Cargo Logistics and properties associated with third-party logistics for SEK 636 million.

#### PERFORMANCE REVIEW

Green Cargo did not achieve its financial targets in 2013. The company paid no dividend for 2013.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	4,149	4,585
Operating profit/loss	-368	-72
Profit/loss before tax	-394	-123
Net profit/loss	-382	519
- of which attributable to minority interests	0	-1

BALANCE SHEET, SEKm	2013	2012
Total assets	4,214	4,850
Fixed assets	3,143	3,225
Equity	1,333	1,740
- of which, minority interests	0	8
Net debt	-540	-1,107
Operating capital	793	633

KEY RATIOS	2013	2012
Operating margin, %	neg	neg
Return on equity (average), %	neg	35.3
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	1.0	0.6
Equity/assets ratio, %	31.6	35.9
Gross investments, SEKm	343	300
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	2,125	2,323

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

#### FINANCIAL TARGETS

- Profitability: Return on operating capital 10 per cent by 2016.
- Capital structure: Net debt/equity ratio 0.6–0.9.
- Dividend: 50 per cent taking the debt/equity ratio in to account.

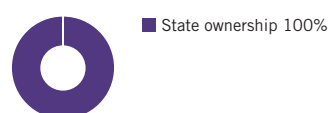
#### STRATEGIC SUSTAINABILITY TARGETS

- Our drivers are to be trained in eco-driving (2020).
- New rules for idling of diesel locomotives are to be developed and all drivers are to be trained (2015).
- All diesel engines are to have idle controls installed (2020).
- The number of accidents to be halved (2020).
- In the long-term, sickness absence should be less than 3.5 per cent (2020).
- The proportion of women in senior positions shall increase by 50 per cent (2020).

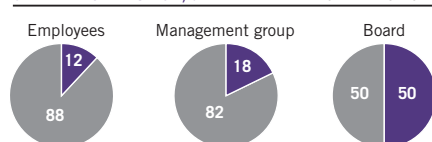
#### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

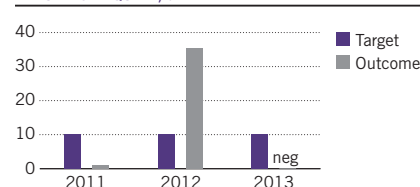
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RETURN ON EQUITY, %





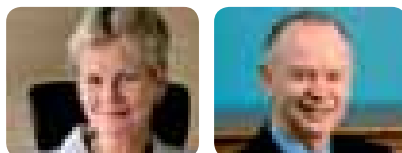
The first company to administer the canal was established by a charter issued by King Karl XIII in 1810, and in 1978 AB Göta kanalbolag was registered when the state assumed control of assets formerly administered by other stakeholders. Two resolutions by the Riksdag, from 1992 and 1994, guide the owner's view of Göta kanalbolag's commission. The Riksdag determined that upgrading and operating Göta kanal to preserve its value as a structure of cultural historical importance and as a tourist attraction was the concern of the state.

#### OPERATIONS

Göta kanal was built between 1810 and 1832. The canal is one of the largest engineering projects ever carried out in Sweden, and has been named as the "Structure of the Millennium". Today, Göta kanalbolag's assignment is to operate the canal in a manner that preserves its value as a structure of cultural historical importance and as a tourist attraction. Today, Göta kanal is one of the most important engines in the Swedish tourism sector. The company conducts canal and property operations. The canal operation includes the running of the canal facility, which is 190 km long, with 58 locks and 47 bridges. The canal is mainly navigated by leisure and passenger boats. The company also conducts extensive maintenance and upgrading of the canal and properties to preserve and improve their condition. The property business includes the management of forests, land and properties associated historically and practically to the canal. Most of the properties are leased out as homes or as commercial premises.

Tourism along the canal is developed in close cooperation with municipalities and the business sector. The canal operations continuously generate new conditions for business operations along the canal.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Elisabeth Nilsson CEO: Anders Donlau

Chair: Elisabeth Nilsson Board: Gunilla Asker, Christer Berggren, Jenny Lahrin, Ulf Larsson, Mikael Lundström, Renée Mohlkert Employee rep: Karin Nybrolin Deputy employee rep: Peter Gredin Auditor: Clas Tegedius, EY

Remuneration to the Chairman of the Board is SEK 60,000 (60,000). Remuneration to board members elected by the Annual General Meeting is SEK 41,000 (41,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

#### 2013

- Close to break-even result.
- Increased income from the property operations.
- Stable traffic volume on the canal.

The increased income from the property operations is a consequence of their market orientation, which generates increased income that can be reinvested in the canal facility and buildings. In the long term, boat traffic on the canal is affected by changing holiday habits and general tourism trends. The struggling boat sector has also affected many other guest marinas and associated operations. A stable and even volume of traffic on the canal is decisive for visitors, since the boats form an important part of the attraction and for Göta kanal as a tourist destination.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	71	70
Operating profit/loss	0	0
Profit/loss before tax	0	0
Net profit/loss	0	0
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	57	66
Fixed assets	46	45
Equity	42	42
– of which, minority interests	0	0
Net debt	–5	–5
Operating capital	37	37

KEY RATIOS	2013	2012
Operating margin, %	neg	0.0
Return on adjusted equity (average), %	0.1	0.1
Return on operating capital (average), %	neg	0.0
Net debt/equity ratio, multiple	–0.1	–0.1
Equity/assets ratio, %	73.4	63.6
Gross investments, SEKm	5	2
Appropriation, SEKm	25	22
Dividend, SEKm	0	0
Average no. of employees	39	40

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

## TARGETS

### FINANCIAL TARGETS

- No financial targets have been determined by the owner.

### STRATEGIC SUSTAINABILITY TARGETS (summary)

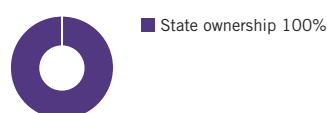
- At least 50 avenue trees are to be planted along the canal annually.
- The number of overnight stays per calendar year at facilities included in the Official Partner Göta kanal network of companies shall have an annual index of >100.
- In the annual customer survey, leisure boat customers should give a score of > 4.5 on a five-degree scale.
- The canal's water quality shall be measured at five locations and actions are to be undertaken to maintain good water quality and/or improve water quality.
- The company shall work together with the municipalities along the canal to create internships/job opportunities during the canal season for young people lacking previous work experience.

Read the targets in full in the company's annual report.

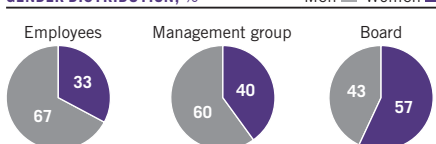
### PERFORMANCE INDICATORS

- Although the company has a specifically adopted public policy assignment, no quantifiable objectives for that assignment have been formulated by the owner.

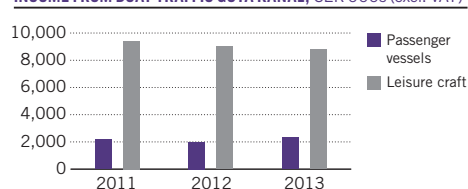
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### INCOME FROM BOAT TRAFFIC GÖTA KANAL, SEK 000s (excl. VAT)



# INFRANORD

Since the early 2000s, the Swedish railway market has gradually been de-regulated and it is now one of the most competitive in Europe. In November 2009, the Riksdag resolved, in accordance with a government proposal, to incorporate Banverket Production, a unit of the former Swedish Rail Administration. On 1 January 2010 Infranord AB was formed.

## OPERATIONS

Infranord provides operation and maintenance, as well as new construction of railways in Sweden and Norway. Sweden is the company's base, with approximately 2,500 employees, of whom slightly less than 2,000 are engineers with expertise in rail, electrical systems, signalling and telecommunications. The company has also been established in Norway since 2010. Until December 2013, the operations were divided into five business areas: Region South, Region West, Region East and North, and Contracting. In the long term, the outlook for the Nordic rail market remains favourable. There is a general political consensus on continued expansion and modernisation of the railways to enable the transition of transports from road to rail.

## 2013

- Income fell by 16 per cent, due mainly to reduced order intake.
- Programme of action initiated due to problems with utilisation of resources, efficiency and competitiveness.

Following Infranord's fourth year as an independent company, it is still experiencing problems with utilisation of resources, efficiency and competitiveness. Consequently, in late 2013, a reorganisation programme was initiated targeting new approaches and profitability.

During the second half of the year, Lars Öhman succeeded to the post of CEO, following which several changes were made in group management to address the challenges that Infranord faces. It has been determined that Infranord is overstaffed in its management,

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Eva Färnstrand



CEO: Lars Öhman

**Chair:** Eva Färnstrand **Board:** Johan Hallberg, Agneta Kores, Sven Landelius, Johan Skoglund, Gunilla Spongh, Ingemar Ziegler **Employee reps:** Håkan Englund, Jörgen Lundström **Deputy employee reps:** Anders Högström, Dennis Lövgren **Auditor:** Peter Ekberg, Deloitte

Remuneration to the Chairman of the Board is SEK 380,000 (380,000). Remuneration to board members elected by the Annual General Meeting is SEK 190,000 (190,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

administration and production. In September, notice was issued regarding 400 positions.

Infranord remains a leader in the operation and maintenance of the Swedish railways and secured most of the basic operation and maintenance contracts procured in Sweden in 2013. In Norway, the company is growing organically and has signed an agreement regarding several contracts with a total order value of SEK 300 million. Due to the strained market in Denmark, the personnel in the Danish subsidiary were laid off.

Several major future initiatives for the railways in Sweden have been presented and this is expected to generate increased market volumes effective from 2015.

## PERFORMANCE REVIEW

A loss was reported for 2013, meaning that the company did not meet its long-term targets that year. The company must make continued efforts to strengthen its competitiveness. A dividend may only be paid if the target equity/assets ratio is achieved and consequently none was paid.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	3,787	4,516
Operating profit/loss	-190	18
Profit/loss before tax	-197	6
Net profit/loss	-162	0
- of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	1,805	2,050
Fixed assets	678	653
Equity	472	629
- of which, minority interests	0	0
Net debt	174	289
Operating capital	646	1,120

KEY RATIOS	2013	2012
Operating margin, %	neg	0.4
Return on equity (average), %	neg	0.0
Return on operating capital (average), %	neg	1.5
Net debt/equity ratio, multiple	0.4	0.5
Equity/assets ratio, %	26.1	30.7
Gross investments, SEKm	88	74
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	2,581	2,682

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: 16 per cent return on equity.
- Capital structure: Equity/assets ratio at least 33 per cent.
- Dividend: 50–75 per cent of net profit.

### STRATEGIC SUSTAINABILITY TARGETS

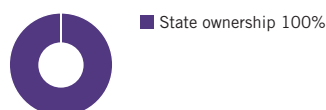
- Safety: Reduced number of workplace accidents.
- Finance: No negative budget deviation and customer satisfaction index (CSI) > 7.
- Ethics: Reduced discrimination/harassment in employee satisfaction index and 70 per cent approved suppliers.
- Environment: Reduced number of environmental incidents by 30 per cent.

For further information on the sustainability targets, see the company's annual report.

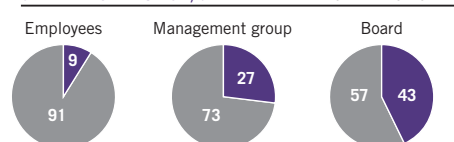
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

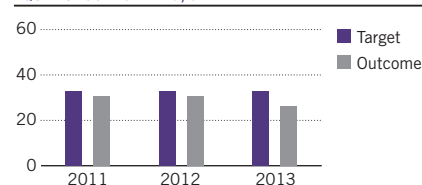
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## EQUITY/ASSETS RATIO, %





Inlandsinnovation AB is a venture capital company wholly owned by the state, with a capital base of SEK 2 billion. The company commenced operations in the autumn of 2011. The purpose of Inlandsinnovation is to increase access to venture capital to the growth potential of companies in northern Sweden and strengthen their international competitiveness.

#### OPERATIONS

The company operates on market terms and make direct and indirect investments in companies that are willing and able to grow. Investments can range in size and occur at different stages of company development and in different sectors. Inlandsinnovation acts as an active and long-term stable shareholder in the companies in which it invests.

Inlandsinnovation's geographical area of operations includes the counties of Norrbotten, Västerbotten, Jämtland, Västernorrland, Gävleborg, Dalarna and Värmland.

#### 2013

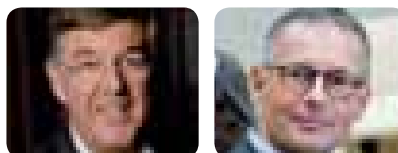
- SEK 208 million in equity capital was invested in 12 new companies.
- Net lending was SEK 21 million.

In 2013, Inlandsinnovation invested equity capital of EUR 249 million in small and medium-sized companies that have the potential to develop and grow. The company also signed loan agreements totalling SEK 21 million and contributed a subordinated loan of SEK 5 million.

Since operations began and until the end of 2013, Inlandsinnovation has invested total equity capital of SEK 327 million in 22 companies. In 2013, Inlandsinnovation also completed its first exit, divesting its entire shareholding in a company.

There continues to be considerable interest from companies seeking investment. Since 2011, about 300 enquiries and investment offers have been received.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Wilhelm Geijer

CEO: Håkan Berg

**Chair:** Wilhelm Geijer (elected at the 2014 Annual General Meeting when Leif Zetterberg stepped down)  
**Board:** Per Hollander, Yvonne Lif Lövbrand, Bengt-Erik Lindgren, Elisabeth Norman, Siv Svensson (Siv Svensson was elected at the 2014 Annual General Meeting when Maria Hallman, Robert Tafllin and Gunilla Nordlöf stepped down) **Auditor:** Lars Helgesson, Deloitte

Remuneration to the Chairman of the Board is SEK 100,000 (100,000). Remuneration to board members elected by the Annual General Meeting is SEK 50,000 (50,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

The profit of SEK 10 million is mainly attributable to financial income of SEK 88 million. Costs mainly involve personnel costs, consulting services and impairment of portfolio investments.

#### PERFORMANCE REVIEW

The company's operations are currently at the start of an investment cycle with investments also being made with a long-term approach. Consequently, it is not possible to make a traditional assessment of the development of the investments implemented. Instead, the profit is mostly attributable to net financial items and costs for the management organisation.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	4	2
Changes in value	-17	0
Operating profit/loss	-51	-29
Profit/loss before tax	37	10
Net profit/loss	10	5
- of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	2,079	2,036
Fixed assets	641	400
Equity	2,030	2,020
- of which, minority interests	0	0
Net debt	-264	-318
Operating capital	1,766	1,702

KEY RATIOS	2013	2012
Return on equity (average), %	0.5	0.2
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	-0.1	-0.2
Equity/assets ratio, %	97.6	99.2
Gross investments, SEKm	275	399
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	6	4

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

## TARGETS

#### FINANCIAL TARGETS

- No financial targets have been set. The return requirement should be variable since the return is expected to follow inflation and interest trends over time.

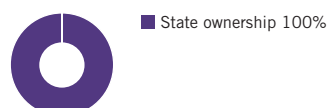
#### STRATEGIC SUSTAINABILITY TARGETS

- Effective from 2014, all investment agreements shall include requirements in accordance with the principles of the Global Compact.
- Inlandsinnovation is to support portfolio companies in prioritising relevant targets for operations in accordance with the principles of the Global Compact.

#### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %





Jernhusen AB was formed in 2001 in connection with the corporatisation of the Swedish State Railways public enterprise. Jernhusen owns, develops and manages stations, railyards, maintenance depots and freight and container terminals along the Swedish railways. The objective is for Jernhusen to be a strong, value-generating company meeting travellers', traffic operators' and other users' property needs at stations and engineering facilities on competitively neutral terms.

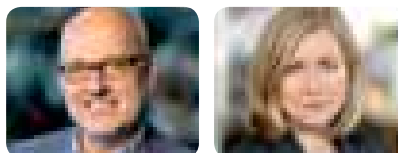
#### OPERATIONS

Jernhusen is a property company in the transport sector and owns the station facilities, maintenance depots and freight terminals in growing communities and at key transport nodes. Existing and new station facilities, maintenance depots and freight terminals are developed. The company also develops and provides other service offerings in connection with these properties. During land development, the company also owns other properties in these areas. Properties are sold either with development rights or once investments have been completed, in both cases taking risk and return requirements into account. Jernhusen's operations are organised into four business areas: Stations, City Projects, Depots and Freight Terminals. Jernhusen has several categories of tenants. At stations and in station areas, they are mainly shops and restaurants, but also other types of businesses and organisations. Tenants in maintenance depots are essentially maintenance contractors, but also train operators. At the freight and container terminals, terminal operators and forwarding agents lease warehouses and logistics facilities adjacent to their terminals.

#### 2013

- Financing through the issuance of public debt securities.
- Operating profit was affected positively by changes in value.
- New peak level for rail travel.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Kjell Hassler

CEO: Kerstin Gillsbro

Chair: Kjell Hassler Board: Kristina Ekengren, Jakob Grinbaum, Anders Kupsu, Kerstin Lindberg Göransson, Ingegerd Simonsson, Christel Wiman (Kerstin Lindberg Göransson was elected at the 2014 Annual General Meeting when Kia Orback Pettersson stepped down) Employee rep: Thomas Franzon Auditor: Magnus Fredmer, EY

Remuneration to the Chairman of the Board is SEK 225,000 (225,000). Remuneration to board members elected by the Annual General Meeting is SEK 120,000 (120,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Income from rent and new offers and services, primarily at stations but also at depots, increased by slightly more than 5 per cent over the year for comparable properties. The decrease in operating profit was mainly due to a hotel property being demolished at the start of the year and to the Kungsbrohuset building being sold in the summer of 2012. Changes in value amounted to SEK 400 (64) million, of which changes in values of properties amounted to SEK 245 (121) million. During the year, Jernhusen refinanced its debt portfolio, thereby transitioning from having been primarily financed by banks to mainly being financed through listed debt securities.

#### PERFORMANCE REVIEW

The average return on equity over the past five years is 8.5 per cent, which is a fair amount below target. The equity/asset ratio is strong and remains within the target range, while the interest coverage ratio exceeds the target. The dividend for the year was SEK 100 million, corresponding to 39 per cent of profit after financial items.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	682	743
Changes in value	400	64
Operating profit/loss	797	523
Profit/loss before tax	650	341
Net profit/loss	513	564
– of which attributable to minority interests	–1	–4

BALANCE SHEET, SEKm	2013	2012
Total assets	11,920	10,648
Fixed assets	11,659	10,347
Equity	4,973	4,555
– of which, minority interests	7	6
Net debt	5,638	4,869
Operating capital	10,611	9,424

KEY RATIOS	2013	2012
Operating margin, %	116.9	70.4
Return on equity (average), %	10.8	13.2
Return on operating capital (average), %	8.0	5.3
Net debt/equity ratio, multiple	1.1	1.1
Equity/assets ratio, %	41.7	42.8
Gross investments, SEKm	1,284	1,010
Appropriation, SEKm	0	0
Dividend, SEKm	100	100
Average no. of employees	237	244

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

#### FINANCIAL TARGETS

- Profitability: Return on equity 12 per cent.
- Capital structure: Equity/assets ratio 35–45 per cent, interest coverage ratio multiple of at least 2.0.
- Dividend: All funds not needed in operations, taking financial and strategic objectives into account. Typically one third of profit after financial items.

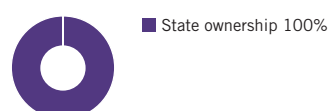
#### STRATEGIC SUSTAINABILITY TARGETS

- Sustainable transport: Visitor numbers at Jernhusen's stations are to rise by 6 per cent annually.
- Sustainable properties: The environmental classification of Jernhusen's existing property holdings shall reach at least the Bronze level.
- Sustainable finances: The return on equity shall be 12 per cent.

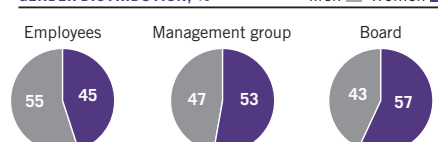
#### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

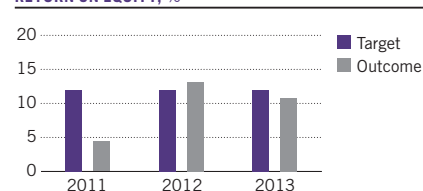
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RETURN ON EQUITY, %





Lernia AB was formed in 1993 through the corporatisation of the AMU Group. At that time, the company mainly produced and sold labour market training programmes. Today, Lernia a leading supplier in training, staffing and career realignment. In December 2012, the Riksdag authorised the Government to divest the state's shares in Lernia.

#### OPERATIONS

Lernia works with developing and matching people's skills with companies' needs. The company offers services in training, staffing and career realignment, with operations being divided into five divisions: Labour Market Services, Adult Education, Staffing Skilled Workers, Staffing Clerical and Career Transition. Lernia is represented at more than 100 locations throughout Sweden and is certified as staffing, training and career realignment company by each relevant trade association. The company's services target individuals and customers in both private trade and industry as well as the public sector.

In 2013, Lernia's share of the total staffing market was 6.8 per cent, making Lernia the fourth-largest staffing company in Sweden overall and the largest in the segment for staffing by professional workers covered by collective agreements. In the Career Transition market too, Lernia's 8.9 per cent market share makes it the fourth-largest company. In the educational segment, Lernia is the dominant company in the market for Swedish language courses for immigrants with a market share of nearly 40 per cent. It is also one of the largest in the municipal adult education market with a 20 per cent market share.

#### 2013

- Increasing demand for educational services from public sector customers.
- Strengthened operating margins through restructuring and savings.
- Continued intense competition in both training and staffing.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Birgitta Böhlín CEO: Helena Skåntorp

Chair: Birgitta Böhlín Board: Sven-Runo Bergqvist, Kristina Ekengren, Peter Hägglund, Anna Klingspor, Ola Salmén, Karin Strömberg Employee reps: Olle Eriksson, Inge Lindroth, Julia Viktorsson Auditor: Ann-Christine Hägglund, PwC

Remuneration to the Chairman of the Board is SEK 225,000 (225,000). Remuneration to board members elected by the Annual General Meeting is SEK 110,000 (110,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Lernia showed higher income and significantly improved profit for 2013 compared with the preceding year. The positive income trend is mainly attributable to demand for educational services from public sector customers having been at a higher level than in the preceding year. The foremost reasons for the strengthened profit are increased income and the impact of the extensive programme of savings and restructuring adopted at the end of 2012. The objective was to substantially reduce Lernia's annual cost base and to better equip the company to meet increased demands from the market and customers.

#### PERFORMANCE REVIEW

Lernia does not meet the target margin for the past five years. In 2009, 2011 and 2012, the margin was negative. At the end of the year, the company's equity/assets ratio was 49 (42) per cent. The proposed dividend for 2013 is SEK 58 (0) million, corresponding to 40 per cent of profit for the year. For the individual year 2013, Lernia met the profitability target, dividend policy and capital structure target, even after the dividend had been paid.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	2,653	2,520
Operating profit/loss	185	-92
Profit/loss before tax	188	-88
Net profit/loss	146	-96
- of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	1,070	939
Fixed assets	132	159
Equity	525	365
- of which, minority interests	0	0
Net debt	-148	-133
Operating capital	377	232

KEY RATIOS	2013	2012
Operating margin, %	7.0	neg
Return on equity (average), %	32.8	neg
Return on operating capital (average), %	60.8	neg
Net debt/equity ratio, multiple	-0.3	-0.4
Equity/assets ratio, %	49.1	42.0
Gross investments, SEKm	10	20
Appropriation, SEKm	0	0
Dividend, SEKm	58	0
Average no. of employees	3,828	4,208

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

#### FINANCIAL TARGETS

- Profitability: Operating margin 5 per cent over a rolling five-year period.
- Capital structure: Equity/assets ratio 35-50 per cent.
- Dividend: at least 30-50 per cent of net profit.

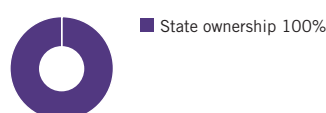
#### STRATEGIC SUSTAINABILITY TARGETS

- Gainful employment: Lernia contributes to a sustainable society in which more people have gainful employment.
- Business ethics: Lernia applies a sustainable, commercially ethical approach that stands up to thorough scrutiny.
- Diversity: Lernia works for increased diversity by valuing people's differences and different competencies.

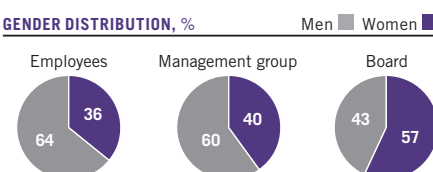
#### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

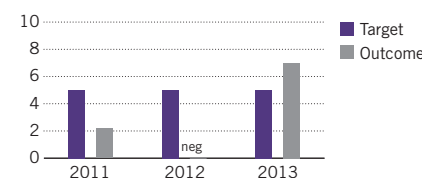
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### OPERATING MARGIN, %





Luossavaara-Kiirunavaara Aktiebolag (LKAB) is an international high-tech minerals group and a world-leading producer of processed iron ore products for steel production. LKAB was founded in 1890, the state became a shareholder in the company in 1907 and the company has been wholly owned by the state since 1957.

#### OPERATIONS

LKAB produces and supplies processed iron ore products and services to customers worldwide. Operations also include other closely related products and services that are based on LKAB's expertise and that support the core business. The company's business strategy is to develop, produce and sell iron ore products with qualities surpassing those offered by competitors. For LKAB, superior and consistent product quality and cost efficiency are critical factors in tackling the competition.

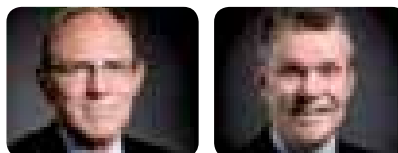
#### 2013

- Decreased operating profit due to lower volumes, lower prices and a weaker USD.
- Disruptions at the pelletization plants brought annual production down.
- Global demand for iron ore remained stable.

In the third quarter of 2013, LKAB introduced a variable pricing model. Damage to surrounding communities caused by the mining operations in 2013, entailed profits being burdened by SEK 723 million, of which SEK 102 million pertains to an upward adjustment for inflation under net financial items. The impact on the Malmfälten communities will burden LKAB's profit and liquidity by substantial amounts over the next few years. The Group's investments in tangible fixed assets increased during the year. This increase mainly involved investments in the LKAB37 growth programme, and in flue gas cleaning facilities in Svappavaara and Malmberget.

New financial targets were set by the 2013 Annual General Meeting.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Sten Jakobsson

CEO: Lars-Eric Aaro

Chair: Sten Jakobsson (elected at the 2014 Annual General Meeting when Marcus Wallenberg stepped down) **Board:** Hans Biörck, Maija-Liisa Friman, Lars-Åke Helgesson, Hanna Lagercrantz, Maud Olofsson, Lars Pettersson **Employee reps:** Dan Hallberg, Tomas Strömberg, Jan Thelin **Deputy employee reps:** Stefan Fagerkull, Bertil Larsson, Pentti Rahkonen **Auditor:** Peter Ekberg, Deloitte

Remuneration to the Chairman of the Board is SEK 570,000 (570,000). Remuneration to board members elected by the Annual General Meeting is SEK 250,000 (250,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

#### PERFORMANCE REVIEW

In 2013, the owner's targets for return on equity and dividend were achieved. The capital structure target is a net debt/equity ratio of a multiple of 0–0.2 (net financial debt/equity). On the balance sheet date, the net debt/equity ratio was negative, that is, net financial debt was less than equity. Up to and including 2012, the capital structure target was an equity/assets ratio of more than 50 per cent.

LKAB's target of reducing production costs by 20 per cent annually between 2012 and 2015 is unlikely to be achieved by 2015. The reason is that the planned production increase in the Mertainen open pit mine has been postponed due to delayed environmental permits, entailing a delay in the full effect of LKAB's growth programme. Growth from the new open pit mines will increase LKAB's competitiveness through higher volumes, resulting in a lower cost per tonne.

INCOME STATEMENT, SEKm		
	2013	2012
Net turnover	23,656	26,971
<b>Operating profit/loss</b>	<b>7,639</b>	<b>10,589</b>
<b>Profit/loss before tax</b>	<b>7,768</b>	<b>10,977</b>
<b>Net profit/loss</b>	<b>6,032</b>	<b>8,753</b>
– of which attributable to minority interests	0	0
BALANCE SHEET, SEKm		
	2013	2012
<b>Total assets</b>	<b>57,822</b>	<b>57,944</b>
Fixed assets	35,213	31,712
<b>Equity</b>	<b>41,472</b>	<b>41,085</b>
– of which, minority interests	0	0
<b>Adjusted net debt, LKAB</b>	<b>–3,315</b>	<b>–5,780</b>
<b>Operating capital</b>	<b>34,157</b>	<b>31,305</b>
KEY RATIOS		
	2013	2012
Operating margin, %	32.3	39.3
Return on equity (average), %	14.6	22.2
Return on operating capital (average), %	23.3	30.6
Adjusted net debt/equity ratio, multiple	–0.11	–0.14
Equity/assets ratio, %	71.7	70.9
Gross investments, SEKm	6,156	5,808
Appropriation, SEKm	0	0
Dividend, SEKm	3,500	5,500
Average no. of employees	4,427	4,357

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

#### TARGETS

##### FINANCIAL TARGETS

- Profitability: Return on equity should exceed 12 per cent. In addition, LKAB's production cost (SEK/tonne) is to be reduced by 20 per cent between 2012 and 2015.
- Capital structure: Debt/equity ratio, multiple of 0–0.2.
- Dividend: 30–50 per cent of profit for the year.

##### STRATEGIC SUSTAINABILITY TARGETS

LKAB's companies have 12 sustainability targets, including:

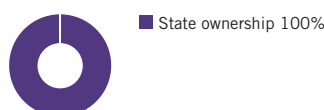
- Long-term sickness absence should continue to be less than 0.8 per cent.
- The proportion of women in the company should be at least 25 per cent by 2020.
- Carbon dioxide emissions per tonne of finished products is to be reduced from 27 kg per year in 2011 to 17 kg per year in 2020.
- New generation of climate smart pellets by 2017.

Read all 12 sustainability targets in the company's annual report.

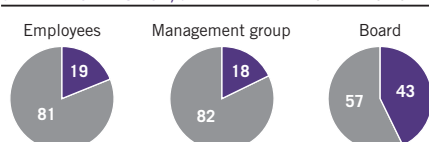
##### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

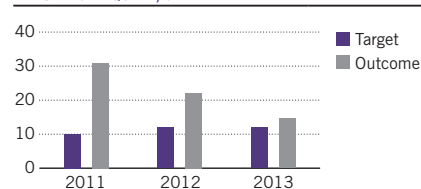
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RETURN ON EQUITY, %





Metria AB was founded on 1 May 2011 in connection with the corporatisation of a division of the National Land Survey. Metria's focus and business concept is to provide services and products in the collection, processing and application of geographic information. The Riksdag's reasons for the corporatisation were mainly to enhance conditions for competition neutrality, to provide favourable conditions for building an efficient company and to help establish clear rules of play in the market.

#### OPERATIONS

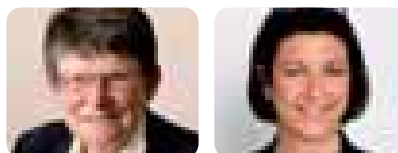
Metria is operated with the objective of generating a return in line with the market and shall maintain an operating margin in line with the rest of the sector. Metria supplies everything from major infrastructure projects – such as surveying the Bothnia Line – to building technical systems for geographical IT, such as the Environmental Protection Agency's administration system. In addition to municipalities and other public bodies, customers operate in the fields of banking and insurance, infrastructure, forestry, crisis management and defence. Metria has slightly more than 300 employees and is represented in some 30 locations throughout Sweden. Its headquarters are located in Gävle.

#### 2013

- Weak performance in the first part of the year, partly due to the harsh winter.
- Comprehensive programme of measures to generate profitable growth.
- Non-recurring costs burdened operating profit by SEK 22.8 million.

Metria's lower turnover is attributable to both tougher market conditions and a winter with much snow, with mainly surveying operations being adversely affected. Operating profit was also substantially affected by non-recurring costs resulting from the programme of measures adopted in the fourth quarter. Over the year, the programme cost slightly less than SEK 23 million. It will, however, serve to lower the company's overheads, thus contributing to higher profits.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Christina Rogestam CEO: Karin Annerwall Parö

Chair: Christina Rogestam Board: Katarina Axelsson Lindgren, Börje Bengtsson, Katarina Burton, Pia Gideon, Lotta Jarleryd, Urban Lindskog, Michael Thorén (Katarina Axelsson Lindgren was elected at an Extraordinary General Meeting in December 2013. Börje Bengtsson, Katarina Burton, Pia Gideon, Urban Lindskog and Michael Thorén were elected at the 2014 Annual General Meeting when Gunvor Engström, Patrik Jönsson, Peter Ljung and Anders Ågren stepped down) Employee reps: Per-Åke Jureskog, Erik Nilsson Deputy employee reps: Lars-Erik Johansson, Mats Rosengren Auditor: Lena Möllerström Nording, Grant Thornton

Remuneration to the Chairman of the Board is SEK 175,000 (175,000). Remuneration to board members elected by the Annual General Meeting is SEK 88,000 (88,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

#### PERFORMANCE REVIEW

In terms of profitability, 2013 was a weak year for Metria. The profitability target of 8 per cent (EBITA) was adopted in the autumn of 2013 in cooperation between the owners and the company. The profitability target represents an important prerequisite for the business plan and the programme of action that the company adopted in the fourth quarter of 2013. Combined with the adopted sustainability targets, there is now considered to be a good foundation on which to work purposefully with developing the company's operations and focus in 2014.

The owner will maintain a close dialogue with the company in 2014 and will, ahead of the 2015 Annual General Meeting, propose financial targets regarding profitability, capital structure and dividend policy.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	431	472
Operating profit/loss	-28	13
Profit/loss before tax	-27	13
Net profit/loss	-20	7
– of which attributable to minority interests	0	0
BALANCE SHEET, SEKm	2013	2012
Total assets	202	225
Fixed assets	85	88
Equity	86	106
– of which, minority interests	0	0
Net debt	0	0
Operating capital	81	93
KEY RATIOS	2013	2012
Operating margin, %	neg	2.8
Return on equity (average), %	neg	6.9
Return on operating capital (average), %	neg	13.9
Net debt/equity ratio, multiple	0.0	0.0
Equity/assets ratio, %	42.6	47.0
Gross investments, SEKm	6	8
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	301	305
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

#### TARGETS

##### FINANCIAL TARGETS

- Profitability: 8 per cent operating margin (EBITA).

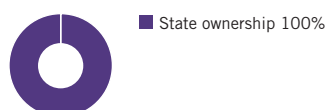
##### STRATEGIC SUSTAINABILITY TARGETS

- Reduction of about 20 per cent in fuel consumption for car journeys by 2016 (from the 2013 level).
- Employees below the age of 30 shall account for 20 per cent by 2016 (from 5 per cent in 2013).

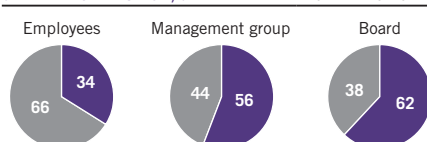
##### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

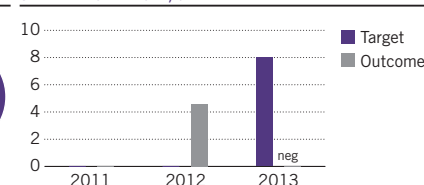
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### OPERATING MARGIN, %





# Miljömärkning Sverige

Miljömärkning Sverige Aktiefbolag (Ecolabelling Sweden) was formed in 1998 and administers the Nordic Swan eco-label and the EU's EU Ecolabel (Flower) eco-labelling system on behalf of the Swedish government. The purpose of both the Swan and the EU Ecolabel is to afford consumers the possibility of choosing environmentally adapted products and to stimulate product development that takes the environment into account. Since November 2012, Ecolabelling Sweden has been owned 100 per cent by the state.

## OPERATIONS

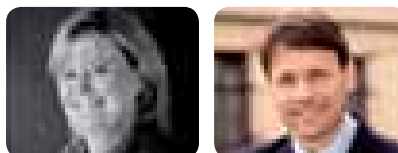
The company is tasked with administering the Swan and EU Ecolabel eco-labelling systems and contributing to achieving the objectives of consumer and environmental policy. While demonstrating that eco-labelling is part of the solution to the climate issue is an important task, eco-labelling is also relevant to a number of environmental objectives such as a non-toxic environment, biodiversity and the use of resources. Operations consist of criteria development, information and marketing of the Swan and EU Ecolabel eco-labelling systems, as well as product control with licensing. The operations serve to facilitate environmentally sound choices by consumers and to help producers environmentally adapt their products and services. Activities are mainly financed through fees from companies holding eco-labelling licenses and through state appropriations, which accounted for 8 per cent of income in 2013. The state appropriation is to be used to partly finance work on criteria for both eco-labelling systems and to further disseminate the EU system and make it better known in the Swedish market.

## 2013

- New and revised criteria for the Swan and EU Ecolabel.
- Eco-labelling is growing in services and building.
- New fee system for EU Ecolabel.

In 2013, two new product groups were adopted within EU Ecolabel, and the criteria were revised for 11 product groups in the Swan and five in EU Ecolabel. New and revised criteria are being developed in both labelling systems. New fees were established for EU Ecolabel, improving opportunities for developing the label. There continued to be substantial interest in the eco-labelling of services. The Swan also continued to grow in the building market. The network of companies seeking to trade under an eco-label

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Christina Lindbäck CEO: Ragnar Unge

Chair: Christina Lindbäck Board: Marita Axelsson, Svante L. Axelsson, Jan Peter Bergkvist, Yvonne Ingman, Gunilla Jarlbro Employee reps: Ingela Hellström, Ulla Sahlberg Deputy employee reps: Maria Sundesten Auditor: Thomas Lönnström, EY

Remuneration to the Chairman of the Board is SEK 126,000 (126,000). Remuneration to board members elected by the Annual General Meeting is SEK 30,000 (30,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

grew to include 260 companies. The Nordic Art Insight art competition on how we can achieve sustainable consumption brought together a total 146 entries from across the Nordic region and the award was presented during the Nordic sustainability conference in Umeå. At year end, there were 1,376 active Swan licenses in Sweden, in 59 product areas and 39 licenses for the EU Ecolabel in 34 product categories.

## PERFORMANCE REVIEW

Through its work, Ecolabelling Sweden contributes significantly to the objective of consumer policy, which reads "Consumers have the power and ability to make active choices." By providing opportunities for, and encouraging the development and use of products that cause less of an environmental burden, the company contributes to more sustainable consumption and thus to efforts for a sustainable society.

In 2013, the company worked for the continued success of both eco-labelling systems in accordance with the owner's directives. New labelling criteria were developed, licenses increased in number and marketing efforts were extensive. The Swan is one of Sweden's strongest brands with a public awareness of 96 per cent (17 per cent for the EU Eco-label).



INCOME STATEMENT, SEKm		
	2013	2012
Net turnover	47	44
Operating profit/loss	0	-2
Profit/loss before tax	1	1
Net profit/loss	1	-1
- of which attributable to minority interests	0	0
BALANCE SHEET, SEKm		
	2013	2012
Total assets	28	27
Fixed assets	18	20
Equity	21	21
- of which, minority interests	0	0
Net debt	-3	-2
Operating capital	25	25
KEY RATIOS		
	2013	2012
Operating margin, %	0.4	neg
Return on equity (average), %	4.4	neg
Return on operating capital (average), %	0.8	neg
Net debt/equity ratio, multiple	-0.2	-0.1
Equity/assets ratio, %	76	76
Gross investments, SEKm	0	0
Appropriation, SEKm	4	4
Dividend, SEKm	0	0
Average no. of employees	59	56
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

## TARGETS

### FINANCIAL TARGETS

- The operations are not intended to make a profit for shareholders.

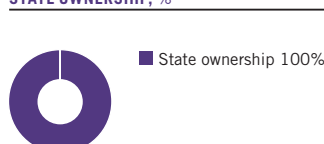
### STRATEGIC SUSTAINABILITY TARGETS (2014-2016)

- The business: Income from eco-labelling licences, which reflect sales of eco-labelled products, shall increase by 10 per cent. By 2016, the company shall have equity equivalent to 33 per cent of total turnover.
- The planet: One thousand licenses (companies) meet the EU Ecolabel or Swan's revised and more stringent requirements and are monitored against those.
- The people: Social requirements (beyond legislation) are introduced into the company's eco-label criteria for at least 10 product groups (sectors).

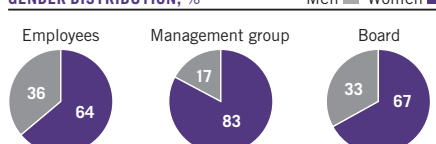
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

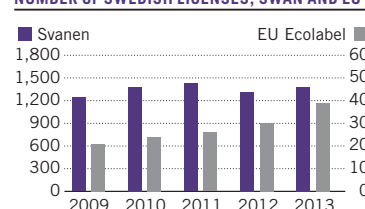
### STATE OWNERSHIP, %



### GENDER DISTRIBUTION, %



### NUMBER OF SWEDISH LICENSES, SWAN AND EU ECOLABEL





Aktiebolaget Svenska Miljöstyrningsrådet (the Swedish Environmental Management Council – SEMCo) was founded in 1995 to act as the Swedish principal and registration authority for the EU's Eco-Management and Audit Scheme (EMAS). The operations have subsequently been developed to currently include the administration and development of the international Environmental Product Declaration system (EPD®), as well as systems for sustainable public procurement and other professional procurement (SEMCo's procurement criteria).

#### OPERATIONS

The company's operations serve to advance voluntary improvement of environmental work in the private and public sectors.

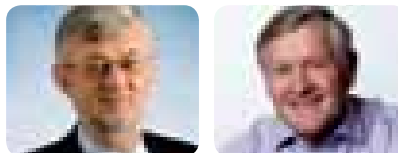
SEMCo administrates and further develops three voluntary systems in the environmental area. EMAS is a management tool that companies and other organisations can use to assess, report and improve their environmental performance. The international EPD® system is an information system for the objective description of the environmental characteristics of goods and services from a lifecycle perspective. This information is reported in the form of environmental product declarations (EPDs). The third system consists of SEMCo's procurement criteria, which provide support and guidance for purchasers in setting requirements, environmental requirements in particular, in the procurement of goods, services and contracts.

#### 2013

- At the end of the year, SEMCo's Procurement Tool included 833 criteria divided into 54 product groups and 125 in sub-groups.
- In a survey by the Environmental Protection Agency, 60 per cent of the participating organisations stated that they use SEMCo's criteria to environmentally adapt their purchasing.

In 2013, the company secured a state subsidy of SEK 0.5 million for information efforts, etc. to stimulate organisations to make new and renewed registrations in accordance with the EMAS Directive and SEK 11.5 million for its work on environmental requirements in public procurement. The EMAS operations are also financed through annual fees from the organisations affiliated with EMAS. The EPD® work is covered primarily by revenues from registration and annual fees. In addition, the company

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Lars Ekecrantz

CEO: Sven-Olof Ryding

**Chair:** Lars Ekecrantz **Board:** Kerstin Blom Bokliden, Annika Christensson, Tomas Ekström, Kristina von Oelreich, Maria Ohlman (Maria Ohlman was elected at an Extraordinary General Meeting in January 2014 when Viktoria Ingman stepped down. Lars Jonsson stepped down in March 2014) **Auditor:** Mikael Sjölander, EY

Remuneration to the Chairman of the Board is SEK 45,000 (45,000). Remuneration to board members elected by the Annual General Meeting is SEK 10,000 (10,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

receives certain revenues from assignments associated with the area of procurement. In the 2014 Budget Bill, the Government announced its intention to gather, in 2014, all state support and information operations regarding public procurement, including innovation procurement and environmental and social requirements, under the Competition Authority. Parts of SEMCo's operations are affected by this change, thus impacting the company. For further information, see the Government's Spring Budget Bill for 2014 (2013/14:99).

#### PERFORMANCE REVIEW

Work with the procurement operations has entailed, among other things, extensive work to update and develop criteria and to provide information and guidance to purchasers. As the authorised Swedish body, the company continued to provide information about EMAS on the website [www.emas.se](http://www.emas.se). This includes information about the EMAS Directive, rules on how to join the system, and a list of EMAS-registered organisations in Sweden. Work with the international EPD® system involves further broadening the operations to encompass additional sectors, project groups and types of services. SEMCo's activities have included marketing the system internationally.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	8	6
Changes in value	0	0
Operating profit/loss	0	0
Profit/loss before tax	0	0
Net profit/loss	0	0
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	10	10
Fixed assets	3	3
Equity	4	4
– of which, minority interests	1	1
Net debt	–2	–1
Operating capital	2	3

KEY RATIOS	2013	2012
Operating margin, %	0.7	neg
Return on equity (average), %	1.6	3.1
Return on operating capital (average), %	2.0	neg
Net debt/equity ratio, multiple	–0.6	–0.3
Equity/assets ratio, %	36.0	34.0
Gross investments, SEKm	0	1
Appropriation, SEKm	12	12
Dividend, SEKm	0	0
Average no. of employees	20	19

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

## TARGETS

### FINANCIAL TARGETS

- The operations are not intended to make a profit for shareholders.

### STRATEGIC SUSTAINABILITY TARGETS

- Environment: To reduce the significant direct environmental impact of CO<sub>2</sub> emissions by 5 per cent, or 0.5 tonnes CO<sub>2</sub> per year.
- Working conditions: Maintain and, to the extent possible, improve the working environment for SEMCo personnel.
- Human rights: Foster compliance with reasonable human rights in the purchasing of goods and services.

### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

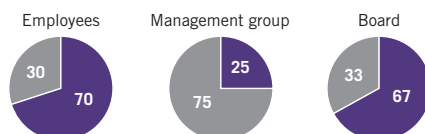
#### STATE OWNERSHIP, %



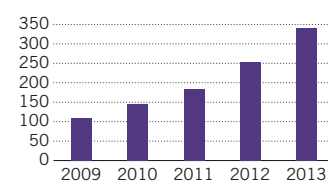
State ownership 85%  
Swedish Association of Local Authorities and Regions 10%  
Confederation of Swedish Enterprise 5%

#### GENDER DISTRIBUTION, %

Men Women



#### EPD REGISTRATIONS, number





Since it was founded by King Gustaf III, Kungliga Operan (the Royal Swedish Opera) has had close ties with the state and in 1975 it became a state-owned limited company. As a national stage, the Opera is assigned to be Sweden's leading institution in opera and ballet.

#### OPERATIONS

Kungliga Operan (also known in Swedish as simply Operan) should be Sweden's leading institution for opera and ballet and, as a national stage, it shall maintain the highest standards in terms of development, renewal, artistic quality and craftsmanship in its studios and workshops. Operan is to operate in an international operatic and dance context, initiating partnerships and promoting intercultural exchange.

Operan's opera and ballet repertoire shall include both innovation and breadth. Operan shall offer a varied repertoire with a good balance between traditional works, innovative interpretations and modern works that transcend genre boundaries. Operan shall also support innovative Swedish opera and ballet art by commissioning and performing new works by Swedish and international composers, librettists and choreographers.

Operan shall reach the widest and largest audience possible, targeting adults as well as children and young people. At the same time, Operan shall be of interest for a nationwide audience in Sweden. Operan shall strive to reach new audience groups and to enhance its accessibility in different ways.

#### 2013

- Visitor numbers are maintaining a high and consistent level, with an attendance rate of nearly 100 per cent.
- Efforts to reach new audience groups and to enhance accessibility are continuing.

The state appropriation for 2013 amounted to SEK 435 million. Profit for the year was SEK 5.4 million and equity continued to strengthen, amounting to SEK 32.6 million.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Kristina Rennerstedt CEO: Birgitta Svendén

Chair: Kristina Rennerstedt Board: Anna-Karin Celsing, Michael Christiansen, Dag Hallberg, Leif Jakobsson, Lotta Lekvall, Lennart Läftman, Mira Helenius Martinsson Employee reps: Johan Edholm, Pierre Gylbert, Thomas Nylander Deputy employee reps: Gunilla Markström, Daniel Norgren-Jensen, Martin Säfström (co-opted) Auditor: Kerstin Sundberg, Deloitte

Remuneration to the Chairman of the Board is SEK 60,000 (60,000). Remuneration to board members elected by the Annual General Meeting is SEK 30,000 (30,000).

#### PERFORMANCE REVIEW

During 2013, Operan's repertoire was varied and included two first performances and six premieres. Previously performed works were revived. Opera gave a total of 347 performances that were attended by 239,504 people. Operan works actively to reach new audience groups through changed opening hours and new communication channels. Efforts to improve conditions for people with different disabilities are ongoing. Operan's productions achieve international acclaim and a number of internationally recognised singers, dancers, choreographers and authors visit Operan in Stockholm.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	507	508
Operating profit/loss	4	-6
Profit/loss before tax	5	-4
Net profit/loss	5	8
- of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	203	167
Fixed assets	49	23
Equity	33	27
- of which, minority interests	0	0
Net debt	-113	-109
Operating capital	-80	-82

KEY RATIOS	2013	2012
Operating margin, %	0.8	neg
Return on equity (average), %	16.7	34.9
Return on operating capital (average), %	neg	7.1
Net debt/equity ratio, multiple	-3.4	-4.0
Equity/assets ratio, %	16.3	16.2
Gross investments, SEKm	31	12
Appropriation, SEKm	435	423
Dividend, SEKm	0	0
Average no. of employees	536	552

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

## TARGETS

#### FINANCIAL TARGETS

- Equity shall provide a solid financial foundation for the operations.

#### STRATEGIC SUSTAINABILITY TARGETS

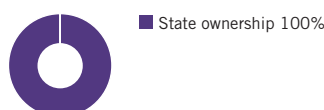
- Operan fosters human needs including creativity, identity and artistic expression, as well as favourable working conditions and methods that afford employees the conditions in which they can develop.
- Operan is working towards a modern resource-based approach and ethical responsibility for people and the environment.
- Operan is open to the entire community and all age groups. Operan fosters diversity and equality.
- Operan nurtures cultural heritage, engages with the surrounding community and reflects societal challenges.

Read the targets in full in the company's annual report.

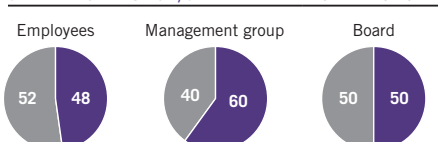
#### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

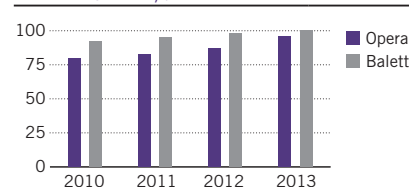
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### ATTENDANCE RATE, %





Orio AB, formerly Saab Automobile Parts AB, supplies spare parts for motor vehicles and has been wholly owned by the Swedish state since December 2012. The company was established in 2009 when Saab Automobile AB filed for a loan from the European Investment Bank (EIB), with the Swedish state guaranteeing the loan. The subsidiary Saab Automobile Parts AB was pledged as collateral for this loan, and the Swedish state assumed control of the company from the liquidator a year after the company filed for bankruptcy.

#### OPERATIONS

Orio's operations include developing, producing, acquiring and selling parts and accessories for motor vehicles, and to developing and selling logistics services.

Today, the company's principal business is providing spare parts, accessories and service accessories for the 1.5 million Saab cars in use in more than 60 markets. Sales to end customers, car owners, are made through a global network of some 1,200 authorised workshops.

The US, Sweden and the UK are markets with large Saab fleets and combined account for about 70 per cent of the company's sales of spare parts and related products.

Orio has subsidiaries in nine of the largest markets and in others the company is represented by importers.

The company has a contractual right to manufacture all spare parts for Saab vehicles using original tools and has about 1,600 suppliers globally.

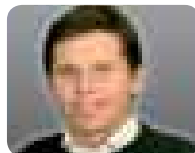
#### 2013

- Increased net turnover, mainly due to re-establishment in the North American market.
- Tax decisions had a positive effect of about SEK 103 million on profit.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Håkan Erixon



CEO: Jonas Tegström

**Chair:** Håkan Erixon **Board:** Johan Formgren, Charlotte Hansson, Hans Krondahl, Monica Lingegård, Michael Thorén, Helene Vibbleus (Helene Vibbleus was elected at an Extraordinary General Meeting in November 2013) **Employee reps:** Jan Jakobsen, Ingemar Sandberg **Auditors:** PwC

Remuneration to the Chairman of the Board is SEK 200,000 (200,000). Remuneration to board members elected by the Annual General Meeting is SEK 100,000 (100,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Saab Automobile's gradual cessation of car production in 2011 impacted the network of retailers, importers and subsidiaries hard. When Saab Automobile AB was declared bankrupt at the end of 2011, the effect on the subsidiary Saab Automobile Parts was significant.

Net turnover for 2013 rose by 9 per cent compared with the preceding year, mainly due to the re-establishment in the US market but also as a result of the broadening of the customer base, resulting in increased market share. Excluding the US, however, net turnover decreased slightly. Profit for the year increased, influenced by positive non-recurring effects of approximately SEK 103 million relating to tax decisions in 2013.

#### PERFORMANCE REVIEW

The company recently adopted sustainability targets that will be followed up in 2014.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	1,044	960
Operating profit/loss	139	137
Profit/loss before tax	139	135
Net profit/loss	177	120
– of which attributable to minority interests	0	0
BALANCE SHEET, SEKm	2013	2012
Total assets	872	807
Fixed assets	104	85
Equity	720	559
– of which, minority interests	0	0
Net debt	0	0
Operating capital	720	559
KEY RATIOS	2013	2012
Operating margin, %	13.3	14.3
Return on equity (average), %	27.7	23.5
Return on operating capital (average), %	21.7	28.3
Net debt/equity ratio, multiple	0.0	0.0
Equity/assets ratio, %	80.7	73.0
Gross investments, SEKm	5	6
Appropriation, SEKm	0	0
Dividend, SEKm	55	50
Average no. of employees	364	340
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

## TARGETS

### FINANCIAL TARGETS

- No financial targets have been determined by the owner.

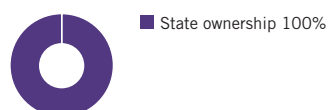
### STRATEGIC SUSTAINABILITY TARGETS

- The company's total carbon dioxide emissions from procured transport are to be cut by 20 per cent by 2020.
- By 2020, the company shall have an annual growth of 6 per cent.
- By 2020, 80 per cent of the company's total turnover will derive from new business initiatives.

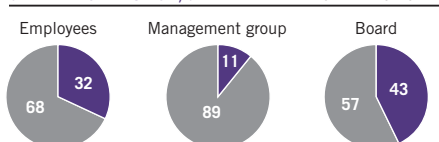
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

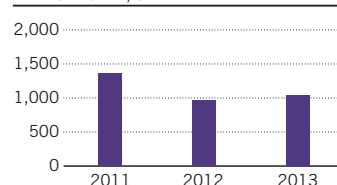
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### NET TURNOVER, SEKm



# postnord

PostNord AB was formed through the merger of Post Danmark A/S and Posten AB in 2009. The group offers communications and logistics solutions to, from and within the Nordic region, and has a net turnover of almost SEK 40 billion and 39,000 employees. The parent company, PostNord AB, which owns the subsidiaries Post Danmark A/S and Posten AB, is a Swedish public limited company owned 39.3 per cent by the Danish state and 60.7 per cent by the Swedish state. Votes are allocated 50/50 between the owners.

## OPERATIONS

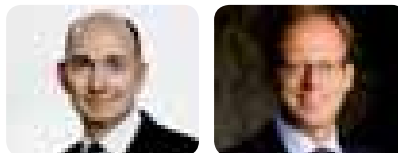
Through the merger of Posten AB and Post Danmark A/S in 2009, PostNord AB became the Nordic region's largest company in communications and logistics services. Markets range from flows of physical letters and parcels to partially or fully electronic services. PostNord provides nationwide postal service to millions of households and businesses in Sweden and Denmark. PostNord handles some 27 million dispatches every day and is a world leader in terms of quality of delivery. Corporate customers account for more than 90 per cent of turnover. Via its network of subsidiaries and partners, PostNord delivers letters and parcels to the other Nordic countries and the rest of the world.

## 2013

- Increased profit despite falling volumes in messages and letters, thanks to efficiency improvements and lower restructuring costs.
- Need for improved operating profit in all areas of the company.

Digitisation and substitution by other means of communication continues to pressure PostNord's profits. The continuing decline in volumes of messages and letters has been offset by acquisitions in Logistics but also through organic growth, particularly in e-commerce and B2C parcels. Operating profit for the full year improved somewhat, particularly due to continued efficiency improvements in operations and lower restructuring costs. To respond to the market trend and improve profitability, the company implemented key changes during the year, including a new organisation to increase clarity towards customers, increased focus on e-commerce, as well as greater potential for synergies in operations.

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Jens Moberg

CEO: Håkan Ericsson

**Chair:** Jens Moberg **Board:** Mats Abrahamsson, Gunnel Duveblad, Christian Ellegaard, Sisse Fjeldstad Rasmussen, Torben Janholt, Magnus Skåniger, Anitra Steen, (Magnus Skåniger was elected at the 2014 Annual General Meeting. Jonas Iversen stepped down in February 2014).

**Employee reps:** Lars Chemnitz, Alf Mellström, Ann-Christin Fällén **Deputy employee reps:** Johan Lindholm, Peder Madsen, Isa Merethe Rogild

**Auditor:** Helene Willberg, KPMG AB

Remuneration to the Chairman of the Board is SEK 600,000 (600,000). Remuneration to board members elected by the Annual General Meeting is SEK 250,000 (250,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

## PERFORMANCE REVIEW

As a result of changed market conditions since the merger in 2009, the company's financial targets were revised at the 2014 Annual General Meeting. For a long time, profitability and return have been significantly below the previous target of a 10 per cent return on equity. The new targets reflect a lower expected return than previously. To improve profitability, it is important that the company continues to implement the processes of realignment, co-production development and efficiency enhancement in messages and letters that have been initiated. This is to safeguard profitability despite declining letter volumes. At the same time, profitability in Logistics and the subsidiary Strålfors also needs to be improved.

The 2014 Annual General Meeting adopted new financial targets whereby profitability shall correspond to a return of at least 10.5 per cent on operating capital, the average debt/equity ratio should be 10-50 per cent and dividends shall amount to 40-60 per cent of net profit. The targets are to be achieved long term over a business cycle.

INCOME STATEMENT, SEKm		2013	2012
Net turnover		39,533	38,920
<b>Operating profit/loss</b>		<b>676</b>	<b>511</b>
<b>Profit/loss before tax</b>		<b>468</b>	<b>367</b>
<b>Net profit/loss</b>		<b>322</b>	<b>247</b>
- of which attributable to minority interests		3	2
<b>BALANCE SHEET, SEKm</b>		<b>2013</b>	<b>2012</b>
<b>Total assets</b>		<b>25,718</b>	<b>26,806</b>
Fixed assets		16,124	16,253
<b>Equity</b>		<b>9,063</b>	<b>7,533</b>
- of which, minority interests		4	3
<b>Net debt</b>		<b>4,215</b>	<b>4,092</b>
<b>Operating capital</b>		<b>12,163</b>	<b>11,526</b>
<b>KEY RATIOS</b>		<b>2013</b>	<b>2012</b>
Operating margin, %		1.7	1.3
Return on equity (average), %		3.8	2.5
Return on operating capital (average), %		5.7	4.2
Net debt/equity ratio, multiple		0.5	0.5
Equity/assets ratio, %		35.2	28.1
Gross investments, SEKm		2,729	3,789
Appropriation, SEKm		0	0
Dividend, SEKm		129	103
Average no. of employees		39,305	39,713

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: Return on equity 10 per cent.
- Capital structure: Equity/assets ratio at least 35 per cent.
- Dividend: 40 per cent of net profit for the year.

*Targets 2013. New financial targets were adopted by the 2014 Annual General Meeting.*

### STRATEGIC SUSTAINABILITY TARGETS

- The group has a long-term target of reducing carbon dioxide emissions by 40 per cent by 2020, with 2009 as the base year.

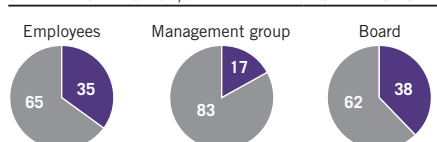
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment. However, associated with its permit to conduct postal operations, the company is assigned with providing a postal service for all areas of society.

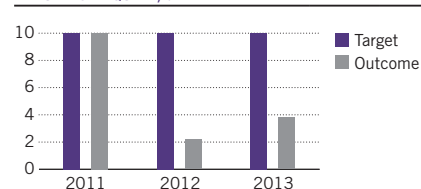
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## RETURN ON EQUITY, %





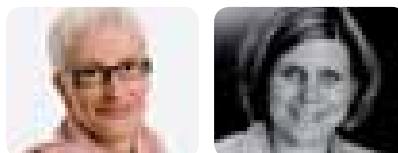
RISE Research Institutes of Sweden AB (RISE) is a wholly state-owned company tasked with promoting a coherent Swedish institute sector and cross-sector cooperation between the industrial research institutes under RISE. The company was formed in 2009 with the purpose of bringing together the state's ownership of the institutes under a common brand. RISE belongs to the group of state-owned companies with public policy assignments specifically adopted by the Riksdag.

#### OPERATIONS

RISE's assignment is to gather the Swedish institute sector and strengthen its role in the innovation system through efficient governance and work on matters of structure, effect and financing. The overall objective of the institutes in the RISE group is for them to be internationally competitive and to promote sustainable growth in Sweden by strengthening industrial competitiveness and renewal.

Through research and innovation, the RISE group generates benefit, growth and competitiveness in coordination with higher education, the business sector and society. The Group includes subsidiaries SP Sveriges Tekniska Forskningsinstitut AB (100 per cent) and Swedish ICT Research AB (60 per cent) and the associated companies Swerea AB (42.8 per cent) and Innventia AB (29 per cent). The joint ventures are owned jointly with the business sector. When all of the companies are reported in their entirety, regardless of ownership interests, they are referred to as the RISE Group. RISE works to promote an expedient structure for the institutes under a common brand. The state provides RISE with annual funding for strategic skills development, to be invested in all companies in the RISE Group, that is, SP, Swedish ICT, Swerea and Innventia. The funds are invested based on the same investment criteria, regardless of the state's ownership.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Pia Sandvik

CEO: Cecilia Driving

**Chair:** Pia Sandvik (was elected in August 2013 when Yngve Ståde stepped down) **Board:** Anna Hultin Stigenberg, Thomas Johannesson, Richard Reinius, Ulf Säter, Marie Westrin (Richard Reinius was elected at an Extraordinary General Meeting in December 2013 when Jenny Lahrin stepped down. Ulf Säter was elected at the 2014 Annual General Meeting when Akbar Seddigh stepped down.) **Auditor:** Olof Enerback, PwC

Remuneration to the Chairman of the Board is SEK 120,000 (120,000). Remuneration to board members elected by the Annual General Meeting is SEK 60,000 (60,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

#### 2013

- Continued favourable growth in the RISE Group.
- Discussions on the RISE structure to enhance customer value.

The RISE Group's turnover (Group and associated companies) has risen 5–6 per cent annually over the past four years. The lower profit in 2012 was burdened by restructuring costs in Innventia and Swedish ICT Research. Strategic skills development funds amounted to approximately 18 (17) per cent of the RISE Group's turnover. The Group's combined financial position is strong, with an equity/assets ratio of 48 per cent.

RISE exercised active corporate governance over the group in accordance with a corporate governance model approved by the board. Alongside issues of corporate governance, some of the company's key tasks in 2013 involved work on the monitoring of effects and matters of structural development. RISE worked on matters of strategic importance for the future corporate governance, including the allocation and monitoring of funds granted for strategic competence development and increased customer benefit by responding to and meeting industry's need for relevant research. By promoting research and innovation in close cooperation with industry, the company contributed to increased growth and strengthened competitiveness.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	1,807	1,676
Operating profit/loss	33	16
Profit/loss before tax	41	25
Net profit/loss	30	11
– of which attributable to minority interests	–9	–15

BALANCE SHEET, SEKm	2013	2012
Total assets	1,807	1,431
Fixed assets	793	508
Equity	875	806
– of which, minority interests	65	34
Net debt	155	0
Operating capital	1,030	806

KEY RATIOS	2013	2012
Operating margin, %	1.8	0.9
Return on equity (average), %	4.9	3.5
Return on operating capital (average), %	3.5	2.0
Net debt/equity ratio, multiple	0.2	0.0
Equity/assets ratio, %	48.4	56.3
Gross investments, SEKm	0	0
Appropriation, SEKm	300	280
Dividend, SEKm	0	0
Average no. of employees	1,587	1,449

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- RISE is not profit-driven and does not pay dividends. The institutes within the RISE Group (subsidiaries and associates) are profit-driven but do not pay dividends.

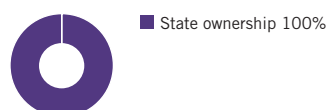
### STRATEGIC SUSTAINABILITY TARGETS

- The RISE group's research and innovation generate value, meeting needs and demands from the business sector and society.
- The RISE group strives to contribute to sustainable growth, to use its resources responsibly and to contribute to solutions to the major global challenges.
- The RISE group is an employer able to both recruit and retain employees while actively contributing to the supply of knowledge and expertise in the business sector.

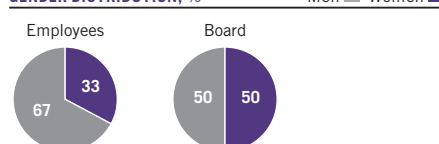
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RISE GROUP'S TURNOVER IN 2013, %



# samhall

In 1992 the Riksdag resolved that the then Samhall foundation should be reorganised as a limited company. As part of Swedish labour market policy, Samhall Aktiebolag's assignment is to produce goods and services, thereby providing meaningful and developing jobs for people with disabilities that entail diminished work capacity. With a strong focus on the individual, combined with a profitable business structure, Samhall shall offer a varied range of tasks. In this way, the company can overcome social exclusion and contribute to a sustainable society.

## OPERATIONS

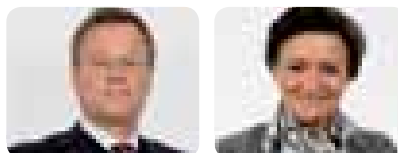
Today, Samhall holds a leading position in Sweden when it comes to work-based development for people with disabilities. The company has some 22,000 employees at about 250 locations in Sweden. Samhall supplies goods and services to customers in several industrial and service sectors, including industrial production in, for example, wood products, electronics, wiring and packaging, as well as services in, for example, cleaning and property services. Production is conducted in-house or at customer facilities.

At the 2014 Annual General Meeting, an owner instruction was adopted regarding the following:

- at least 29.4 million payroll hours are to be offered to people with disabilities.
- at least 40 per cent of those recruited shall be from priority groups (people with psychological disabilities, individuals with developmental impairment or neurological disabilities, people with multiple disabilities and people with disabilities at the employment phase).
- Of employees with disabilities, 1,100 should leave the company to work for another employer (previously, this target was expressed as at least 6 per cent of employees).
- In its core assignment, Samhall should avoid terminating employees with disabilities due to redundancy.
- If possible, Samhall should take regional policy into account in connection with any restructuring and it should avoid closing operations in areas where the labour market is weak.

During 2014, Samhall is tasked with offering development positions to at least 1,000 people in the employment phase and to individuals with disabilities.

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Erik Strand

CEO: Monica Lingegård

**Chair:** Erik Strand **Board:** Bertil Carlsén, Helen Fasth Gillstedt, Kenneth Johansson, Hans Kilsved, Maria Nilsson, Magnus Skäninger, Gunnel Tolfes **Employee reps:** Hans Abrahamsson, Ann-Christin Andersson, Pia Litbo **Deputy employee reps:** Evy Henriksson, Hans Janeman, Simone Öhrner **Auditor:** Peter Ekberg, Deloitte

Remuneration to the Chairman of the Board is SEK 310,000 (310,000). Remuneration to board members elected by the Annual General Meeting is SEK 130,000 (130,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

## 2013

- The number of jobs grew by 15 per cent, which had a positive effect on turnover.
- The degree of employment increased for 1,100 existing employees due to increased business.
- The target was not achieved in terms of transitions to work outside Samhall.

Samhall's net turnover rose by approximately SEK 140 million, or about 5.7 per cent. It was mainly the services business area that grew, with cleaning services accounting for most of the increase. Increased turnover also meant a higher degree of employment for 1,100 existing employees. Although operating earnings improved somewhat due to higher gross profit and costs being kept at a low level, they nonetheless amounted to a loss. Earnings after tax amounted to a profit, mainly due to positive net financial items, although these decreased compared with the preceding year.

## PERFORMANCE REVIEW

For 2013, Samhall achieved all of the owner's targets except the transition target. Samhall has achieved the financial targets viewed over a business cycle. In 2013, Samhall employed 846 people within the framework of development positions. The number of payroll hours was 29.5 (29.5) million. Recruitment from prioritised groups was 43 (43) per cent. Of the employees with disabilities, 5.0 (5.2) per cent left the company for other work.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	6,955	6,817
Operating profit/loss	-44	-77
Profit/loss before tax	17	23
Net profit/loss	12	47
- of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	3,357	3,384
Fixed assets	143	144
Equity	1,572	1,560
- of which, minority interests	0	0
Net debt	-2,363	-2,343
Operating capital	-791	-783

KEY RATIOS	2013	2012
Operating margin, %	neg	neg
Return on equity (average), %	0.8	3.1
Return on operating capital (average), %	5.6	8.8
Net debt/equity ratio, multiple	-1.5	-1.5
Equity/assets ratio, %	46.8	46.1
Gross investments, SEKm	32	49
Appropriation, SEKm	4,405	4,405
Dividend, SEKm	0	0
Average no. of employees	17,401	16,789

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

## TARGETS

### FINANCIAL TARGETS

- Profitability: Return on equity 7 per cent.
- Capital structure: Equity/assets ratio at least 30 per cent.
- Dividend: None. Any profits generated are to be carried forward to a new account for the benefit of the company's continued operations.

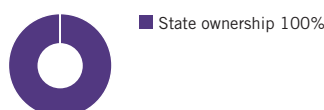
### STRATEGIC SUSTAINABILITY TARGETS

- Employees in work.
- Committed employees.
- Increased degree of self-financing.
- Reduced carbon dioxide emissions.

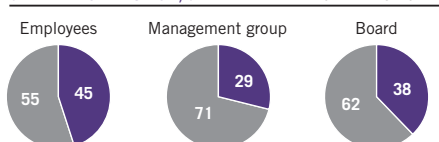
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

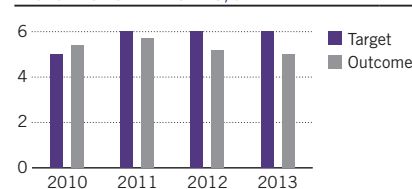
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## PROPORTION OF TRANSFERS, %





SAS Group

SAS AB was formed in 1946 when the national airlines of Sweden, Norway and Denmark agreed to operate as a consortium. In order to operate under the same conditions as other airlines in the international market, the ownership structure was changed in 2001. Shares in the national companies were exchanged for shares in a new, integrated parent company, SAS AB. Since then, the Swedish state owns 21.4 per cent of the shares in SAS.

#### OPERATIONS

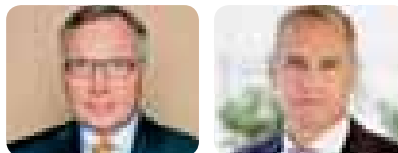
SAS's airline operations, which consist of Scandinavian Airlines, and the production company Blue1, transported 27.7 million passengers (including charter passengers) in 2012/2013. Scandinavian Airlines is the Nordic region's largest airline in terms of destinations, passengers and flights. In 2012/2013, the airline flew to 120 destinations, with 791 daily flights. Beyond that, Scandinavian Airlines offered a larger network through its partners and the Star Alliance. Scandinavian Airlines also includes SAS Cargo and SAS Ground Handling (90 per cent). SAS is listed on the Stockholm, Copenhagen and Oslo exchanges.

#### 2012/2013<sup>1)</sup>

- Successful progress with the 4XNG change programme.
- Divestment of 80 per cent of Widerøe and 10 per cent of Ground Handling.
- Initiated a plan for the renewal of the aircraft fleet.

The 2012/2013 fiscal year was characterised by a sweeping process of change to strengthen SAS's financial preparedness and market position. Rigorous measures resulted in improved financial stability and a more competitive cost structure, in turn enabling aggressive ventures and investments in SAS's customer offering. Thanks to markedly improved productivity, SAS was also able to increase capacity. Despite the extremely tough market situation, particularly towards the end of the year, SAS delivered a profit and reduced its net debt/equity ratio.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Fritz H. Schur

CEO: Rickard Gustafson

**Chair:** Fritz H. Schur **Board:** Monica Caneman, Carsten Dilling, Lars-Johan Jarnheimer, Birger Magnus, Dag Mejdell, Sanna Suvanto-Harsaae, Jacob Wallenberg (Carsten Dilling was elected at the 2014 Annual General Meeting) **Employee reps:** Sven Cahler, Jens Lippestad, Bo Nielsen **Deputy employee reps:** Erik Bohlin, Kim Kalsås-Carlson, Janne Wegeberg **Auditors:** Bo Hjalmarsson and Christine Rankin, PwC

Remuneration to the Chairman of the Board is SEK 410,000 (585,000) and to the first and second Vice Chairmen SEK 242,000 (390,000/345,000). Remuneration to board members elected by the Annual General Meeting is SEK 207,000 (295,000).

In conjunction with the launch of SAS's realignment programme, updated financial targets were adopted. The new targets aim to reflect operations with lower fixed costs, improved profitability and strengthened cash flow. Towards the end of the 2012/2013 fiscal year, the market was characterised by reduced growth and considerably increased capacity, while the Norwegian krone was weak relative to the Swedish krona. Since these conditions are expected to persist, SAS estimates that the financial targets, which were previously expected to be achieved in 2014/2015, will now be achieved in 2015/2016.

#### PERFORMANCE REVIEW

In 2012/2013 SAS achieved its target for financial preparedness, but not its profitability target or target equity/assets ratio. Planned measures aim at these targets being achieved in 2015/2016.

INCOME STATEMENT, SEKm	2013 <sup>1)</sup>	2012 <sup>1)</sup>
Net turnover	42,182	42,419
<b>Operating profit/loss</b>	<b>1,381</b>	<b>-660</b>
<b>Profit/loss before tax</b>	<b>433</b>	<b>-3,255</b>
<b>Net profit/loss</b>	<b>179</b>	<b>-3,010</b>
- of which attributable to minority interests	1	0
<b>BALANCE SHEET, SEKm</b>	<b>2013<sup>1)</sup></b>	<b>2012<sup>1)</sup></b>
<b>Total assets</b>	<b>35,628</b>	<b>36,754</b>
Fixed assets	27,415	29,692
<b>Equity</b>	<b>11,103</b>	<b>11,156</b>
- of which, minority interests	16	0
<b>Net debt</b>	<b>-7,940</b>	<b>-5,683</b>
<b>Operating capital</b>	<b>3,163</b>	<b>5,473</b>
<b>KEY RATIOS</b>	<b>2013<sup>1)</sup></b>	<b>2012<sup>1)</sup></b>
Operating margin, %	3.3	neg
Return on equity (average), %	1.6	neg
Return on operating capital (average), %	32.0	neg
Net debt/equity ratio, multiple	-0.7	-0.5
Equity/assets ratio, %	31.2	30.4
Gross investments, SEKm	1,877	3,136
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	14,127	14,897

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

1) Fiscal year, November 2012-October 2013

## TARGETS

#### FINANCIAL TARGETS

- Profitability: EBIT margin of at least 8 per cent.
- Capital structure: The equity/assets ratio shall exceed 35 per cent. The target for financial preparedness is for cash and cash equivalents and unutilised credit facilities to exceed 20 per cent of fixed costs.
- Dividend: 30-40 per cent of consolidated profit after standard tax. To safeguard the group's financial position, no dividend is normally paid when earnings are negative.

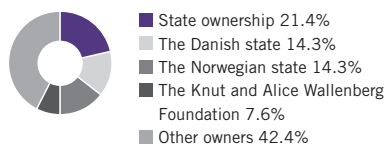
#### STRATEGIC SUSTAINABILITY TARGETS

- Reduce emissions from flight operations by 20 per cent in 2015 compared with 2005.

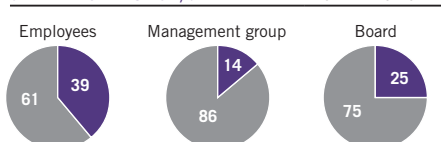
#### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

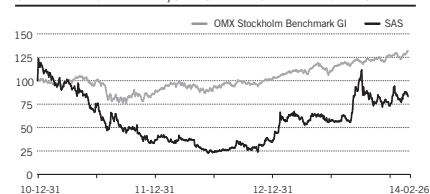
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### SHARE PRICE TREND, JANUARY 2011-MARCH 2014





# SBAB!

SBAB was formed in 1985 with the purpose of financing residential mortgages from the state. In 1989, SBAB took over the management of the state's residential mortgages from the National Housing Board. Following the approval of the 2009 Annual General Meeting, the company applied to Finansinspektionen (Swedish Financial Supervisory Authority) for a permit to conduct banking operations, and the product range has been expanded to include more than mortgages.

## OPERATIONS

SBAB offers mortgages and loans to companies and tenant-owner housing associations, that own properties, as well as private savings and loans. Operations are organised into three business areas: Retail Market, Corporate Clients and Tenant-owner Associations, and Collaboration Market. Retail Market offers both loans and savings products targeting private individuals. Corporate Clients and Tenant-owner Associations was formed through the merger of two businesses areas in 2013, and offers loans and savings products targeting companies and tenant-owner housing associations that own properties. Through Collaboration Market, SBAB provides its products to banks, estate agents and insurance companies, who in turn mediate these to their customers, either under SBAB's brand or their own brands.

## 2013

- Improved profit as a result of positive net financial items.
- The volume of deposits increased by 66 per cent due to attractive savings accounts.
- Continued pressure on margins in the residential mortgage market pervaded the year.

The year was marked by continued price pressure on SBAB's core product, residential mortgages, which reduced the Group's interest income from SEK 10.5 billion to SEK 8.1 billion in 2013. However, SBAB's interest expense decreased as a consequence of low interest rates, resulting in a virtually unchanged net interest expense. During the year, the company's cost base also increased by about SEK 90

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Bo Magnusson Acting CEO: Per-Anders Fasth

Chair: Bo Magnusson Vice Chair: Jakob Grinbaum Board: Lars Börjesson, Kristina Ekengren, Ebba Lindsö, Jane Lundgren Ericsson, Karin Moberg (Lars Börjesson was elected at the 2014 Annual General Meeting when Christer Åberg stepped down. Per-Anders Fasth stepped down in January 2014) Employee rep: Helen Vallin, Anders Heder Auditor: Hans Åkervall, KPMG

Remuneration to the Chairman of the Board is SEK 430,000 (350,000). Remuneration to board members elected by the Annual General Meeting is SEK 215,000 (175,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

million to SEK 815 million, mainly due to amortisation, depreciation and impairment, as well as higher HR and IT costs associated with the development of the bank's offering. Over the year, 50,000 savings accounts were opened, which brought 66 per cent growth in deposits and gave SBAB a market share of 22 per cent in new lending. Since the spring of 2013, the company has focused on streamlining its lending to companies and tenant-owner housing associations, focusing on multi-family dwellings and new production of housing. At the end of the year, SBAB's market share for residential mortgages amounted to 7.3 per cent, for the total private loan portfolio (unsecured loans) to 0.6 per cent, and for deposits to 2.9 per cent. The market share for loans to tenant-owner housing associations was 15 per cent at the end of the year.

## PERFORMANCE REVIEW

SBAB's targets are designed to ensure that the bank is financially stable and profitable over the long term. Although SBAB achieved its target regarding capital structure, the profitability target was not achieved and no dividend was paid for the year.

INCOME STATEMENT, SEKm	2013	2012
Net interest income	1,963	1,941
Net commission	-109	-95
Net profit from financial items	39	-601
Other operating income	0	3
<b>Total income</b>	<b>1,893</b>	<b>1,248</b>
Operating profit/loss	1,085	500
Profit/loss before tax	1,085	500
Net profit/loss	873	360
- of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
Total assets	335,058	334,428
Lending to the public	279,006	274,215
Equity	9,681	8,768
- of which, minority interests	0	0
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Loan loss level, %	0.0	0.0
Return on equity (average), %	9.5	4.2
Core Tier I capital ratio, %	23.3	16.4
capital adequacy ratio, %	35.6	27.4
Dividend, SEKm	0	0
Average no. of employees	449	413

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: Return on equity of at least 10 per cent.
- Capital structure: Core Tier I capital ratio, 18–20 per cent.
- Dividend: At least 40 per cent of net profit for the year.

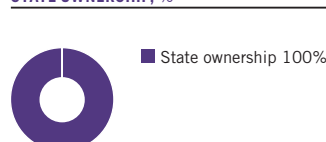
### STRATEGIC SUSTAINABILITY TARGETS

- Sound finances: Agree with the financial targets set by the Annual General Meeting.
- Responsibility and transparency: Responsibility and transparency in sales and marketing; responsibility as an employer.
- Sustainable housing: Financing of new housing production, social commitment in relation to housing, the use of energy in Swedish homes.

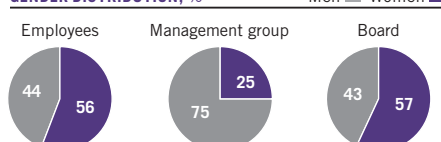
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

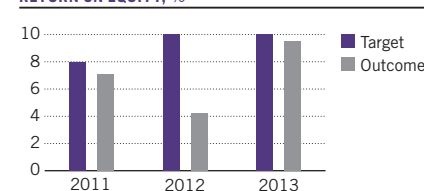
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## RETURN ON EQUITY, %



# SEK

Aktiebolaget Svensk Exportkredit (SEK) was established by the state and the commercial banks in 1962 to give Swedish industry better access to long-term financing and to increase its competitiveness. Since 2003, the state has been the sole owner. SEK's main task is to secure access on commercial grounds to sustainable financial solutions for the Swedish export industry.

## OPERATIONS

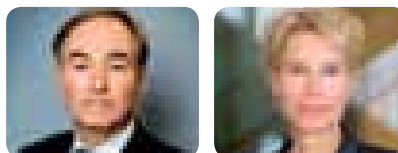
SEK is a complementary and independent niche company that collaborates with financial companies around the world to ensure that Swedish export companies obtain optimum financing for their international transactions. SEK is one of the Nordic region's largest borrowers in the international capital markets and offers financing for Swedish export companies through direct loan or end-customer financing. SEK can assist companies and their customers with financing if there is a Swedish interest and exports are involved, provided the transaction takes place on commercial terms, is financially attractive and sustainable in the long term. Sustainability is an integrated part of the business process and in credit assessments, social and environmental risks are ascribed the same weight as financial risks. The Swedish state tasks SEK with the administration of its system of state-supported export and concessional loans (collectively referred to as the S-system).

## 2013

- Continued high level of new lending to Swedish export industry at SEK 55.7 billion.
- Lower net interest, partly due to higher borrowing costs.
- Improved net profit from financial transactions.

The volume of SEK's new lending to Swedish export companies and their customers was one of the highest to date. In particular, it was demand for financing for the export companies' customers that was high, amounting to SEK 39 billion. The combined volume of financing directly to the export companies amounted to SEK 16.7 billion. Although demand for the financing offering was good, new regulations require adjustments to the system and additional venture capital, negatively affecting profitability. Volatility in profits is also increasing through unrealised changes in value. SEK's long-term debt rating is AA+ from Standard & Poor's and Aa1 from Moody's. In 2013, SEK had an SEK 100 billion loan facility with the

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Lars Linder-Aronson CEO: Catrin Fransson

Chair: Lars Linder-Aronson Board: Cecilia Ardröm, Jan Belfrage, Lotta Mellström, Ulla Nilsson, Jan Roxendal, Eva Walder (Åke Svensson stepped down at the 2014 Annual General Meeting) Auditor: Erik Åström, EY

Remuneration to the Chairman of the Board is SEK 380,000 (300,000). Remuneration to board members elected by the Annual General Meeting is SEK 155,000 (120,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Swedish National Debt Office and the opportunity to buy government guarantees on commercial terms for borrowings of up to SEK 250 billion. SEK has not utilised these facilities.

## PERFORMANCE REVIEW

In 2013, SEK came close to meeting or met in full the financial targets set by the Annual General Meeting. The profitability target, measured as return on equity, corresponded to 8.3 per cent for 2013. The outcome was 7.4 per cent. The capital target, measured as the Common Equity Tier I capital ratio was exceeded, and amounted to 19.5 per cent. A dividend of SEK 327 million was paid for 2013, which is in accordance with the dividend policy.

The proportion of customers who perceive SEK as imposing sustainability requirements in connection with lending was 76 per cent in 2013. The sustainable financing target was updated during the year from 80 per cent to 100 per cent and pertains to 2016. Among customers and sub-suppliers, 5 per cent have undertaken to comply with SEK's anti-corruption guidelines. However, dissemination of the Code of Conduct did not commence until the end of 2013. The gender distribution among management positions was 44 per cent women and 56 per cent men, and the proportion of employees with foreign backgrounds was 29 per cent.

INCOME STATEMENT, SEKm	2013	2012
Net interest income	1,555	1,880
Net commission	-5	0
Net profit from financial items	408	-508
Other operating income	0	20
<b>Total income</b>	<b>1,958</b>	<b>1,392</b>
<b>Operating profit/loss</b>	<b>1,408</b>	<b>824</b>
<b>Profit/loss before tax</b>	<b>1,408</b>	<b>824</b>
<b>Net profit/loss</b>	<b>1,090</b>	<b>709</b>

- of which attributable to minority interests

BALANCE SHEET, SEKm	2013	2012
<b>Total assets</b>	<b>306,554</b>	<b>313,136</b>
Lending to the public	211,330	195,452
<b>Equity</b>	<b>14,990</b>	<b>14,380</b>
- of which, minority interests	0	0

KEY RATIOS	2013	2012
Loan loss level, %	0.0	0.0
Return on equity (average), %	7.4	5.0
Core Tier I capital ratio, %	19.5	19.8
capital adequacy ratio, %	21.8	23.0
Dividend, SEKm	327	213
Average no. of employees	243	231

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: In the long term, return on equity shall correspond to the risk-free interest plus 5 percentage points. Risk-free interest = the average ten-year government bond rate over the past ten years.
- Capital structure: Core Tier I capital ratio 16 per cent, but not less than 12 per cent.
- Dividend: 30 per cent of profit for the year, taking the target for capital structure, future capital requirements and investments into account.

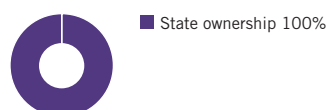
### STRATEGIC SUSTAINABILITY TARGETS

- Sustainable financing: More than 80 per cent of customers should perceive that sustainability demands are imposed in connection with lending.
- Business ethics: 100 per cent of SEK's customers and sub-suppliers shall have undertaken to comply with SEK's anti-corruption guidelines.
- Equality and diversity: There should be 40-60 per cent women/men in managerial positions and the number of employees with foreign backgrounds should exceed 25 per cent.

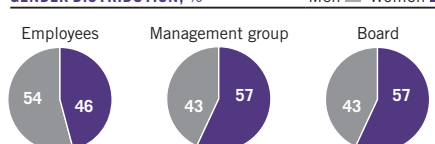
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment regarding the S system, although the existing targets have not been developed in accordance with the process for performance indicators.

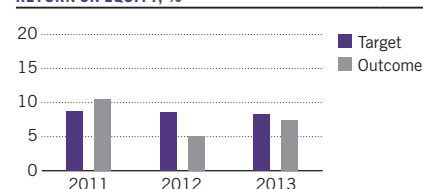
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## RETURN ON EQUITY, %





SJ AB, which is wholly owned by the Swedish state, was formed in 2001 in conjunction with the corporatisation of the Swedish State Railways public enterprise. On corporatisation, SJ took over all of public enterprise's passenger rail services. SJ is a modern, customer-oriented transport company, focused on punctuality.

#### OPERATIONS

SJ is the largest operator of passenger rail services in Sweden. The group's rail services are operated primarily by the parent company SJ AB and its subsidiaries Stockholmståg, SJ Norrlandståg and SJ Götalandståg. The operations of the other subsidiaries and associated companies are closely related to the core business.

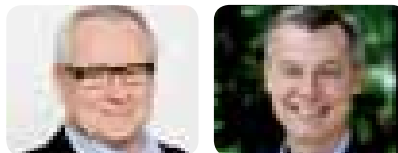
SJ operates mainly in the market for inter-regional and long-distance travel. The company operates two types of services, commercial services and contract services (which is competitively procured by the Swedish Transport Administration or by regional transport authorities). SJ operates both commercial services and contract services on a commercial basis in competition with other train operators, and with car, airline and bus transport.

SJ accounts for about 55 per cent of total rail traffic in Sweden. SJ's single most important task is to continue improving punctuality. With regard to punctuality, SJ works alongside the entire Swedish rail industry to achieve improvement, thus contributing to a more sustainable society. The railway companies and the Swedish Transport Administration are interdependent and are now working together on the "Together for trains on time" project, in which the long-term goal is 95 per cent punctuality by 2020. However, during 2013, the rail sector experienced several challenges and the punctuality of both SJ's long-distance and regional trains fell. For SJ's long-distance trains punctuality fell from 81 per cent to 78 per cent, and for SJ's regional trains it fell from 90 per cent to 89 per cent.

#### 2013

- Increased income, primarily due to expanded operations in subsidiaries.
- The production of SJ's new high-speed trains entailed increased costs.
- SJ's ownership in Botnietåg AB (40 per cent) impacted profit negatively.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Jan Sundling

CEO: Crister Fritzon

**Chair:** Jan Sundling **Board:** Ulrika Dellby, Lena Olving, Mikael Staffas, Mikael Stöhr, Siv Svensson, Michael Thorén, Gunilla Wikman (Ulrika Dellby and Mikael Stöhr were elected at the 2014 Annual General Meeting when Eivor Andersson stepped down)

**Employee reps:** Per Hammarqvist, Erik Johansson, Hans Pilgard **Auditor:** Hans Warén, Deloitte

Remuneration to the Chairman of the Board is SEK 400,000 (400,000). Remuneration to board members elected by the Annual General Meeting is SEK 150,000 (150,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Although consolidated turnover rose, profits decreased compared to last year. The increased costs entailed by the production and launch of the SJ 3000 trains have not brought a corresponding effect on sales. SJ's commitment in the associated company Botnietåg AB impacted earnings negatively. This derived partly from estimated costs for future losses of SEK 84 million and partly from SJ's participation of SEK 46 million in the loss for 2013.

In June, SJ's board adopted a new long-term strategy to respond to market changes and customer needs. As a consequence, an improvement programme was developed that will reduce SJ's costs by SEK 1 billion over three years. SJ also decided to refurbish its SJ 2000 trains. The upgrade includes both technology and comfort, and the cost for the total refurbishment is estimated at about SEK 3.5 billion.

#### PERFORMANCE REVIEW

The Group's equity/assets ratio was 53.3 per cent and return on equity was 5.1 per cent. Consequently, the target for the equity/assets ratio was achieved, but not the target return on equity.

The 2014 Annual General Meeting adopted new financial targets whereby the return on operating capital shall be at least 7 per cent, the average debt/equity ratio over the long term should be a multiple of 0.5–1.0 and, in the long term, dividends shall amount to between 30 and 50 per cent of net profit.

INCOME STATEMENT, SEKm		
	2013	2012
Net turnover	9,024	8,504
Operating profit/loss	298	467
Profit/loss before tax	288	498
Net profit/loss	220	471
– of which attributable to minority interests	0	0
BALANCE SHEET, SEKm		
	2013	2012
Total assets	9,312	9,565
Fixed assets	7,231	7,606
Equity	4,961	4,886
– of which, minority interests	0	0
Net debt	4,273	5,337
Operating capital	9,234	10,223
KEY RATIOS		
	2013	2012
Operating margin, %	3.3	5.5
Return on equity (average), %	5.1	10.1
Return on operating capital (average), %	3.1	5.6
Net debt/equity ratio, multiple	0.9	1.1
Equity/assets ratio, %	53.3	51.1
Gross investments, SEKm	527	803
Appropriation, SEKm	0	0
Dividend, SEKm	73	157
Average no. of employees	4,953	4,299

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

#### TARGETS

##### FINANCIAL TARGETS

- Profitability: The return on average equity shall be 10 per cent.
  - Capital structure: The equity/assets ratio should exceed 30 per cent.
  - Dividend: At least one third of profit for the year.
- Targets 2013 New financial targets were adopted by the 2014 Annual General Meeting.*

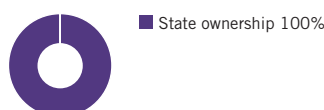
##### STRATEGIC SUSTAINABILITY TARGETS

- Punctuality: Long distance trains, 5 minutes (95 per cent).
- Proportion of annually completed delivery and partnership assessments.
- SJ Volunteer – an opportunity for employees to engage in voluntary work during working hours.

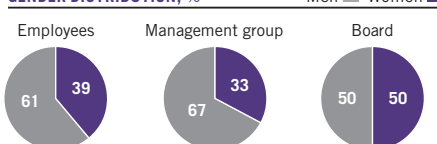
##### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

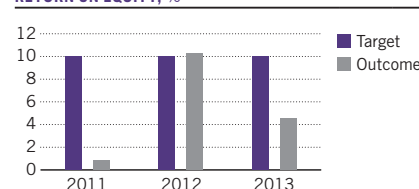
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RETURN ON EQUITY, %





SOS Alarm Sverige AB (SOS Alarm) was formed in 1974. The company is owned 50 per cent by the Swedish state and 50 per cent by the Swedish Association of Local Authorities and Regions.

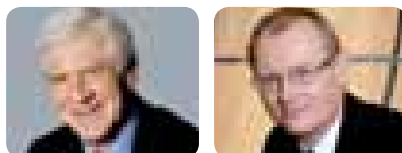
SOS Alarm's principal mission is to be responsible, on assignment from the state, for the emergency response service in Sweden by receiving and mediating calls via the emergency number 112 and offering municipalities and county councils routing and prioritisation of ambulance and fire services for example. SOS Alarm can also function as a coordination centre for response teams and can, given adequate capacity, receive and process alerts from automatic alarm facilities.

#### OPERATIONS

SOS Alarm's business concept is to develop, provide and perform services for a safer society. The company's central role in emergencies makes SOS Alarm a vital link in society's emergency preparedness. The company is responsible for the emergency number 112 in Sweden and operations are regulated by a contract with the state. Through its 14 SOS centres in Sweden, the company manages incoming alarms, directs response measures in cooperation with ambulance services, municipal fire and rescue services, the police, sea, air and mountain rescue services, and others. In 2013, SOS Alarm received some 3.3 million emergency calls. The number of call requiring immediate assistance was about 1.7 million. Most emergency calls are requests for medical assistance in cases of sudden illnesses and accidents (851,471), or for police response in connection with crimes in progress (617,173), for example. The need for response by municipal emergency services often involves large events, although the number of calls is not as great (102,449). In 2013, more than 103,815 calls were diverted to on-call clergy. Needs for assistance from state rescue services, such as the sea, air and mountain rescue services and the Coast Guard, etc. comprise a smaller part.

SOS Alarm is also responsible for prioritising and routing most of the country's emergency ambulances. Besides this, SOS Alarm also offers other security and emergency services that can be combined with the SOS service, including the reception and processing of automatic alarms, personal alarms and mediation of calls to on-call services. The 112 emergency number, crisis preparedness and rescue and medical services account for around 70 per cent of turnover, and security and alarm services for the remainder.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Johnny Magnusson CEO: Johan Hedensjö

Chair: Johnny Magnusson Board: Bo Anderson, Tommy Bernevång Forsberg, Lars Erik Fredriksson, Maria Khorsand, Ingrid Lennerwald, Maria Nilsson, Ewa Ståldal, Håkan Sörman Employee reps: Fredrik Pettersson, Bengt Norberg Deputy employee reps: Claes Johansson, Johan Magnusson Auditor: Magnus Fagerstedt, EY

Remuneration to the Chairman of the Board is SEK 100,000 (100,000). Remuneration to board members elected by the Annual General Meeting is SEK 60,000 (60,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

According to its contract with the state, SOS Alarm shall respond to 112 calls within an average eight seconds, and no more than 8 per cent of 112 calls should have an average response time exceeding 15 seconds. No one calling the common emergency number should have to wait longer than 30 seconds for a response. Each year, a report shall be delivered to the Ministry of Defence regarding the quality of the 112 service.

#### 2013

- Improved profit as a result of an ongoing efficiency programme.
- Impairment of 17.7 million was recognised in fixed assets.
- An increase in job vacancies temporarily improved profit.

The increased turnover is primarily attributable to the new agreement with the state on compensation for the build-out and implementation of a new public warning system and indexed price increases. Operating profit improved due to measures implemented in the ongoing efficiency programme, which led to transition costs of SEK 30 million in 2012, but also due to reduced personnel costs due to vacancies. Operating profit was affected negatively by impairment of fixed assets by SEK 17.7 million. The average response time in 2013 was 11.5 (7.7) seconds, meaning that the target of eight seconds was reached.

#### PERFORMANCE REVIEW

The financial targets were not achieved. The equity/assets ratio was 28 per cent and return on equity was a negative 0.4 per cent. Implemented measures have begun to have an effect.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	869	854
Operating profit/loss	-2	-30
Profit/loss before tax	0	-26
Net profit/loss	0	-15
- of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
Total assets	556	537
Fixed assets	230	270
Equity	155	155
- of which, minority interests	6	6
Net debt	-111	-58
Operating capital	44	97
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Operating margin, %	neg	neg
Return on equity (average), %	neg	neg
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	-0.7	-0.4
Equity/assets ratio, %	27.8	28.9
Gross investments, SEKm	32	48
Appropriation, SEKm	194	193
Dividend, SEKm	0	0
Average no. of employees	819	878

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

#### TARGETS

##### FINANCIAL TARGETS

- Profitability: Return on equity 8 per cent.
- Capital structure: Equity/assets ratio of 40–50 per cent, adjusted to 30 per cent due to a change in accounting principle.
- Dividend: 5 per cent of equity, taking external changes, operating conditions and capital structure into account.

##### STRATEGIC SUSTAINABILITY TARGETS

- Has four strategic targets:
  - Employee target (employee satisfaction index)
  - Trade mark target (confidence/awareness)
  - Turnover target
  - Profitability target

##### PERFORMANCE INDICATORS

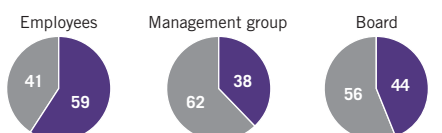
- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

#### STATE OWNERSHIP, %

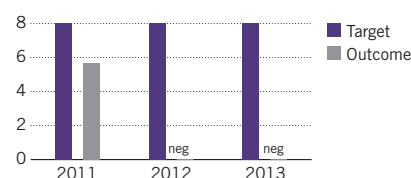


State ownership 50%  
Share owned by the Swedish Association of Local Authorities and Regions (SALAR) 50%

#### GENDER DISTRIBUTION, %



#### RETURN ON EQUITY, %





Specialfastigheter Sverige Aktiebolag (Specialfastigheter) was formed in 1997. Specialfastigheter was established to separate the state's property management operations from the utilisation of premises and land. In addition, this would provide a fairer view of the costs for land and premises in the central government budget with regard to the income statements and balance sheets of the property management operations, and those of the tenant authorities and other bodies. Property management is to be conducted applying a market-based return requirement.

#### OPERATIONS

Specialfastigheter's mission is to provide customised facilities and specialised services to public sector operations throughout Sweden that have stringent security requirements. Long-term property ownership, long-term leases and close cooperation with tenants form the basis for secure and efficient property management. Specialfastigheter owns and manages properties built for specific purposes, such as correctional facilities, courts and police buildings, and juvenile institutions. Effective from 2013, the organisation has been changed to better track customers' development and premises needs, with operations being conducted in three business areas: correctional services, defence and judiciary, institutional care and other special operations. The three largest tenants are the Prison and Probation Service, the National Police Board and the National Board of Institutional Care.

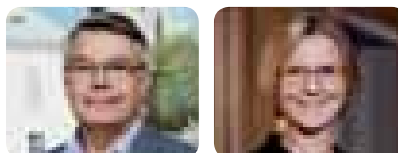
#### 2013

- Increased rental income and improved operating surplus.
- Excluding the non-recurring income item from 2012, profit increased by SEK 297 million in 2013.
- The market value of the properties rose by 4 per cent to SEK 19,455 million.

The year 2013 can be summed up as a strong one. Specialfastigheter's operations are characterised by long-term contracts, which generates stable financial outcome. The focus on properties and operations with stringent security requirements has entailed properties that no longer fit the business concept being divested during the year. A small number of properties remain to be sold during 2014.

In the autumn, the Swedish Security Service moved into its new headquarters in Solna. This is an additional property of national security interest that is suited to the company's portfolio.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Bo Lundgren

CEO: Åsa Hedenberg

**Chair:** Bo Lundgren **Board:** Jan Berg, Carin Götblad, Eva Landén, Nina Linander, Mikael Lundström, Lotta Mellström (Eva Landén was elected at the 2014 Annual General Meeting when Christel Armstrong-Darvik stepped down) **Employee reps:** Masoomeh Antonsson, Lena Nibell, Roger Törngren **Deputy employee reps:** Tomas Edström **Auditor:** Clas Tegedius, EY

Remuneration to the Chairman of the Board is SEK 240,000 (240,000). Remuneration to board members elected by the Annual General Meeting is SEK 120,000 (120,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

A green lease has been signed that expires in 25 years with, among other things, the parties pledging to work actively on issues of sustainability. S&P affirmed the company's AA+ rating at the end of the year.

#### PERFORMANCE REVIEW

The return and the equity/assets ratio for 2013 exceeded the new long-term targets, which are to be implemented over time. A dividend of SEK 481 million was paid for 2013, which is in accordance with the dividend policy.

In late 2013, the company launched its Code of Responsibility for suppliers, which will gradually be implemented in all partnership agreements. High efficiency with a surplus rate of 78 per cent. Agreement loyalty was assessed at 78 per cent. The year's CSI survey resulted in a CSI score of 70, which is below the target, but of the same level as the previous survey in 2011. A reduction of CO<sub>2</sub> by 9.3 per cent was reported for the year and average total energy consumption was 213 kWh/m<sup>2</sup>. Electricity and heat consumption decreased by 3.3 and 5.3 per cent respectively. A photovoltaic system was installed at Norrtälje facility fossil fuels continue to be phased out. The employee satisfaction index was 73, and 17 per cent of the company's leaders were women. No cases of corruption, bribery or damage occurred.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	1,858	1,767
Changes in value	435	362
Operating profit/loss	1,921	1,651
Profit/loss before tax	1,673	1,381
Net profit/loss	1,301	1,328
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	19,857	19,383
Fixed assets	19,511	18,780
Equity	7,564	6,628
– of which, minority interests	0	0
Net debt	9,415	9,887
Operating capital	16,979	16,515

KEY RATIOS	2013	2012
Operating margin, %	103.4	93.4
Return on equity (average), % (in acc. with defined financial target)	14.9	19.2
Return on operating capital (average), %	11.5	10.5
Net debt/equity ratio, multiple	1.2	1.5
Equity/assets ratio, %	38.1	34.2
Gross investments, SEKm	497	1,118
Appropriation, SEKm	0	0
Dividend, SEKm	481	365
Average no. of employees	122	117

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: 8 per cent return on equity, based on net profit after adding back changes in value and deferred tax.
- Capital structure: Equity/assets ratio 25–35 per cent.
- Dividend: 50 per cent of net profit for the year, after adding back the year's changes in value and associated deferred tax, taking future investment needs and financial position into account.

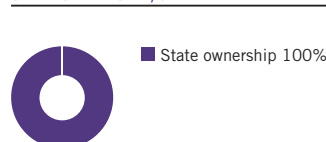
### STRATEGIC SUSTAINABILITY TARGETS

- Efficiency: The surplus rate should be at least 75 per cent and contractual compliance should be 90 per cent.
- Customers: CSI shall not be lower than 75.
- Environment: CO<sub>2</sub> is to decline by 8 per cent annually. Average total energy consumption, max. 170 kWh/m<sup>2</sup> until 2018.
- Employees: The employee satisfaction index should be at least 76. The number of women leaders, 25 per cent. No form of corruption, paying or accepting bribes is accepted.
- Safety: Incidents should be discovered, managed and reported such that no damage is incurred.

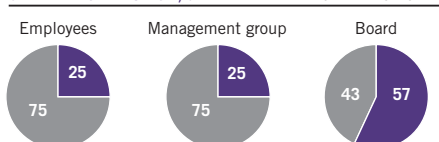
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

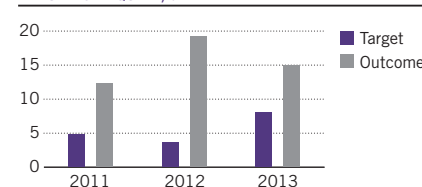
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RETURN ON EQUITY, %





The Swedish Space Corporation (SSC) is responsible for the operation of the Esrange Space Center, providing advanced space services to the global space market, conducting technological development in the field of space operations and managing the operation and development of testing at the Vidsel test site. The company was founded in 1972 and is wholly owned by the Swedish state.

#### OPERATIONS

SSC is a group that operates globally, with more than 600 employees in 11 countries, half of them in Sweden. Operations are conducted in four divisions:

##### Science Services

The Esrange Space Center, north of Kiruna, is used for rocket launches and the release of balloons by the Science Services division. The base has an internationally unique position as a civilian space centre through its extensive infrastructure, access to a large rocket landing area and restricted airspace for rocket launches and balloon flights.

##### Satellite Management Services (SaMS)

The division provides ground station services for communications with satellites and, in addition to the Swedish operations, also includes the wholly owned subsidiaries, Universal Space Network Inc. in the US, SSC Chile SA in Chile and SSC Space Australia Pty Ltd in Australia. Most of the communication antennas are located at the Esrange Space Center north of Kiruna.

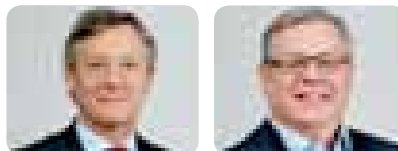
##### Engineering Services

The division works with engineering services for the planning and development of satellite missions, satellite control and ground station services with operations in Sweden, Germany, the Netherlands and the United Arab Emirates. Operations include the wholly-owned subsidiaries LSE Space GmbH, LSE Space Middle East JLT and Aurora Technology B.V.

##### Technology

Technology encompasses Aerospace Test Systems, which manages the operation and development of test operations at the Vidsel test site. The division also includes the subsidiaries ECAPS AB and NanoSpace AB.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Hans Karlander CEO: Stefan Gardefjord

Chair: Hans Karlander Board: Fredrik Brunell, Åsa Hedin, Hanna Lagercrantz, Lars Leijonborg, John Stuart, Håkan Syrén, Fredrik Wilhelmsson

Employee reps: Ylva Houltz, Lennart Jonasson Deputy employee reps: Anders Andersson, Britt-Marie Åslund Auditor: Stefan Holmström, KPMG

Remuneration to the Chairman of the Board is SEK 230,000 (230,000). Remuneration to board members elected by the Annual General Meeting is SEK 115,000 (115,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

#### 2013

- Strongest operating profit in 11 years (since 2003).
- Increased focus on advanced space services for the global space market.

Sales rose 3 per cent through increased sales within SaMS. In 2013, focus was maintained on advanced space services for the global space industry and the development of operations at the Esrange Space Center. SSC aims to develop the unique asset that the Esrange Space Center constitutes, creating a more modern facility with new services for space research and new and improved services for civilian access to space. The aim is for the Esrange Space Center to be a "green" launch site for rockets and small satellites and to continue to play a central role in European space research.

#### PERFORMANCE REVIEW

SSC did not achieve its return target for 2013. On the other hand, SSC did meet its dividend target, distributing a normal dividend to the owner.

The 2014 Annual General Meeting adopted new financial targets whereby profitability shall correspond to a return of at least 6 per cent on operating capital, the net debt/equity ratio should be 0.3–0.5 given stable earnings, and dividends shall amount to 30 per cent of net profit. The targets are to be achieved long term over a business cycle.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	863	840
Operating profit/loss	30	27
Profit/loss before tax	22	16
Net profit/loss	11	8
– of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
Total assets	898	900
Fixed assets	528	535
Equity	446	438
– of which, minority interests	0	0
Net debt	–37	–10
Operating capital	410	428
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Operating margin, %	3.5	3.2
Return on equity (average), %	2.4	1.8
Return on operating capital (average), %	7.2	6.6
Net debt/equity ratio, multiple	–0.1	0.0
Equity/assets ratio, %	49.7	48.6
Gross investments, SEKm	71	113
Appropriation, SEKm	0	0
Dividend, SEKm	3	0
Average no. of employees	577	602
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes	

## TARGETS

#### FINANCIAL TARGETS

- Profitability: Return on equity at least 10 per cent.
- Dividend: 30–50 per cent of net profit.

Targets 2013 New financial targets were adopted by the 2014 Annual General Meeting.

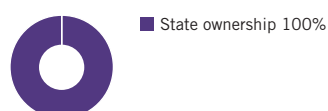
#### STRATEGIC SUSTAINABILITY TARGETS

- All SSC employees are trained in, understand and work according to the ethical and environmental standards established by the company.

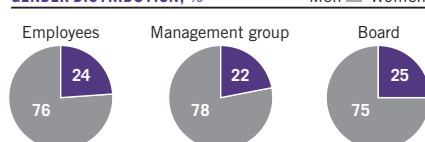
#### PERFORMANCE INDICATORS

- For Science Services: 1) utilisation level and 2) quality index.
- For SSC: By means of a special stakeholder dialogue, the company shall ensure that activities designed to promote Swedish interests in the best way possible.

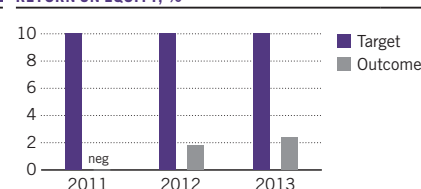
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RETURN ON EQUITY, %



# Sbo

## Statens Bostadsomvandling AB



Statens Bostadsomvandling AB, Sbo, is a wholly state-owned company that was established in 2004. The company has a public policy assignment to participate practically in bringing balance to the housing market in communities where the population is declining. Sbo acquires, owns, manages, develops and liquidates properties taken over from municipalities or municipal housing companies. Restructuring through the remodelling of existing housing holdings provides conditions for a better functioning housing market.

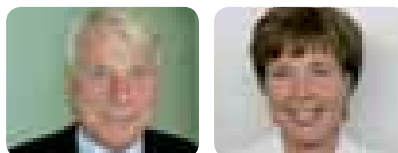
### OPERATIONS

The government's housing policy objectives include long-term well-functioning housing markets with a range of homes that meet needs and consumer demand. The company's operations focus on assisting the restructuring process needed to achieve balance in the housing market in communities where the population is declining. In these communities, there is often considerable need for housing that is accessible for elderly people and adapted to their needs. These homes are also workplaces for home-help, home healthcare and management personnel. Well-adapted homes for the elderly enhance residents' well-being while also providing a good working environment. The restructuring process generates chains of people moving home within the housing market. Once a balance has been achieved in the local housing market, the company divests the properties it has developed on the open market. The public policy assignment is followed up through analyses of home moving chains in connection with investments, of the number of flats repurposed by the company, and the number of flats adapted for the elderly in terms of accessibility and improved standard. The remodelled, adapted and modern properties are attractive and easily leased.

### 2013

- Increased investment in remodelling of properties that will provide 100 accessibility-adapted homes for the elderly.
- Commenced the sale of eight properties in the municipality of Hällefors.

### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Rolf Åbjörnsson CEO: Ann Eriksson

Chair: Rolf Åbjörnsson Board: Sophie Ahlstrand, Cathrine Holgersson, Brita Saxton, Björn Sundström  
Auditor: Lars Magnusson, Deloitte

Remuneration to the Chairman of the Board is SEK 70,000 (70,000). Remuneration to board members elected by the Annual General Meeting is SEK 35,000 (35,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

The company's income and profits are mainly influenced by the number of properties leased per year on completion of remodelling and adaptation, as well as by property sales. During 2013, the company's operations focused largely on meeting demand for accessibility-adapted modern homes for the elderly in cooperation with the active municipality. This creates positive home moving chains in the municipality.

In 2013, approximately 60 per cent of project costs were recovered following the impairment of completed development projects. Up until 2013, the company's operations have involved properties containing a total of about 950 flats. During 2013, remodelling and accessibility-adaptation work was carried out in five different development projects. In 2013, five new preliminary studies were initiated regarding properties containing about 110 flats. Customer satisfaction is monitored through survey questionnaires. The year's results show most respondents to have given very positive ratings on all of the questions in the survey.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	18	26
Operating profit/loss	-17	-16
Profit/loss before tax	-5	0
Net profit/loss	-7	-15
- of which attributable to minority interests	0	0
BALANCE SHEET, SEKm	2013	2012
Total assets	551	565
Fixed assets	211	169
Equity	534	542
- of which, minority interests	0	0
Net debt	-334	-387
Operating capital	200	155
KEY RATIOS	2013	2012
Operating margin, %	neg	neg
Return on equity (average), %	neg	neg
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	-0.6	-0.7
Equity/assets ratio, %	96.9	95.9
Gross investments, SEKm	61	44
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	5	7
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

## TARGETS

### FINANCIAL TARGETS

- At least 37 per cent of the combined project costs shall have been recovered when the projects are completed.
- For at least 80 per cent of the projects, to implement the restructuring of the properties and to sell them on the open market and on market terms within eight years.

### STRATEGIC SUSTAINABILITY TARGETS (A SELECTION)

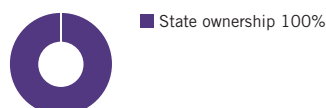
- Acquired and remodelled properties leased 100 per cent on transfer of ownership.
- At least a 90 per cent occupancy rate in the company's properties adapted for the elderly, with flats being leased by the municipality or a municipal company/foundation.
- The living space in all of the remodelled properties has been brought up to current requirements for accessibility and usability.

Read the targets in full in the company's annual report.

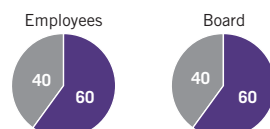
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

### STATE OWNERSHIP, %

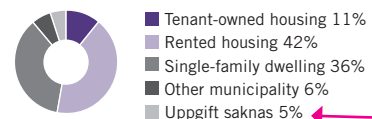


### GENDER DISTRIBUTION, %



### HOME MOVING CHAINS

- follow-up of those moving to sheltered housing, %



# SVEASKOG

Sveaskog AB has its origins in the corporatisation of Domänverket (Swedish Forestry Service) in 1992. Today, the company is Sweden's largest forest owner, managing a total of 4.1 million hectares of land. Sveaskog is to act as an independent company in the timber market with forestry as its core operations. The operations are to be conducted on a commercial basis.

## OPERATIONS

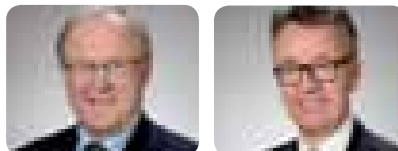
Sveaskog manages 3.1 million hectares of productive forest land, which constitutes 14 per cent of Sweden's forest land. The company's forest holdings are spread throughout Sweden but are concentrated in the northern part of the country. The forest plays an important role in providing raw materials for the forest industry and generating employment and recreational opportunities. Sveaskog primarily sells timber, pulpwood and biofuel to customers. The company conducts long-term sustainable forestry by, for example, setting aside 20 per cent of its productive forest land for nature conservation and the establishment of a total 36 ecoparks. A programme of land sales is also in progress in which the company is selling forest land to individuals to facilitate purchasing and re-planting opportunities, particularly in sparsely populated areas. In the long term, the aim of Sveaskog's land sales programme is to sell 10 per cent of the company's proprietary landholdings (based on the holdings in 2002) to private individuals.

## 2013

- Decreased sales due to falling prices on forest raw materials.
- Increased operating profit due to increased volumes from proprietary landholdings and lower felling costs.
- Changes in the value of standing forest contributed positively to profits.

Income for 2013 fell by 4 per cent as a result of lower prices for forest raw materials despite delivery volumes increasing somewhat. Prices for forest raw materials fell by an average 6 per cent. Operating profit rose to SEK 978 (848) million. The improvement is explained by increased volumes and lower felling costs. Associate company Setra Group AB reported improved operating profit, with this amounting to SEK 107 (loss 80) million for 2013.

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Göran Persson

CEO: Per Olof Wedin

**Chair:** Göran Persson **Board:** Helene Biström, Eva Färnstrand, Thomas Hahn, Johan Hallberg, Birgitta Johansson-Hedberg, Anna-Stina Nordmark-Nilsson, Mats Ringesten (Helene Biström was elected at the 2014 Annual General Meeting) **Employee reps:** Eva-Lisa Lindvall, Sture Persson **Deputy employee reps:** Lars Djerf, Per Eriksson **Auditor:** Martin Johansson, PwC

Remuneration paid to the Chairman of the Board amounts to SEK 400,000 (400,000). Remuneration to board members elected by the Annual General Meeting is SEK 150,000 (150,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

## PERFORMANCE REVIEW

In 2013, direct return rose to 3.9 per cent, falling short of the long-term targets. The return on equity amounted to 8.8 per cent, exceeding the targets. Among other factors, the outcome was affected by demand in the wood mechanical sector and the Swedish pulp and paper industry, which constitute Sveaskog's principal customers. Reported profit for 2012 was affected favourably by the lowered corporate tax rate. For the 2013 fiscal year, the Board has proposed a dividend of SEK 450 million in line with policy. During 2013, the company conducted 23 transactions, comprising 8,853 hectares, within the land sales programme. Sveaskog has now sold a total of 7.44 per cent of its forest holdings under the land sales programme.

The 2014 Annual General Meeting adopted new financial targets for the company, entailing a direct return of more than 4.5 per cent, a net debt to equity ratio of a multiple of 0.3–0.6 and a dividend of 65–90 per cent.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	6,056	6,307
<b>Changes in value</b>	<b>1,046</b>	<b>503</b>
<b>Operating profit/loss</b>	<b>2,214</b>	<b>1,422</b>
<b>Profit/loss before tax</b>	<b>1,941</b>	<b>1,128</b>
<b>Net profit/loss</b>	<b>1,475</b>	<b>2,155</b>
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
<b>Total assets</b>	<b>35,827</b>	<b>34,745</b>
Fixed assets	32,487	31,467
<b>Equity</b>	<b>17,397</b>	<b>16,271</b>
– of which, minority interests	0	0
<b>Net debt</b>	<b>9,689</b>	<b>9,834</b>
<b>Operating capital</b>	<b>27,086</b>	<b>26,105</b>

KEY RATIOS	2013	2012
Operating margin, %	36.6	22.5
Return on equity (average), %	8.8	12.3
Return on operating capital (average), %	8.3	5.6
Net debt/equity ratio, multiple	0.6	0.6
Equity/assets ratio, %	48.6	46.8
Gross investments, SEKm	212	172
Appropriation, SEKm	0	0
Dividend, SEKm	450	435
Average no. of employees	899	949

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Dividend yield: at least 5 per cent.
- Profitability: Return on equity > 7 per cent.
- Capital structure: Equity/assets ratio 35–40 per cent.
- Dividend: At least 60 per cent of net profit, excluding value changes not affecting cash flow in accordance with IFRS, taking consolidation needs and financial position into account.

*Targets 2013 New financial targets were adopted by the 2014 Annual General Meeting.*

### STRATEGIC SUSTAINABILITY TARGETS

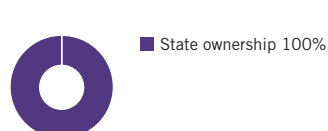
- Increased profitability.
- Customers' foremost partner.
- A leader in innovation.
- A leader in sustainable forestry.
- Attractive employer.

*Read the targets in full in the company's annual report.*

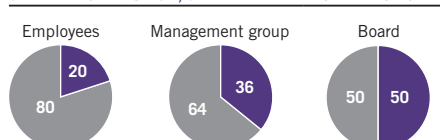
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment regarding the land sale programme, although the target has not been developed in accordance with the process for performance indicators.

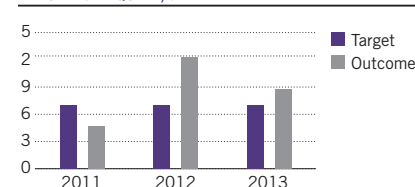
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## RETURN ON EQUITY, %





# SVEDAB

Through its holding in Öresundsbrokonsortiet (the Öresund Bridge Consortium), Svedab Aktiebolag (the Swedish-Danish Bridge Link) owns and manages the Swedish 50-per cent ownership share of the Öresund Bridge. The consortium owns the 16km toll-financed coast-to-coast link, including both road and rail traffic. Svedab also owns and manages the land connections to the bridge on the Swedish side. The company was set up by the Swedish state in 1992 prior to the building of the bridge.

## OPERATIONS

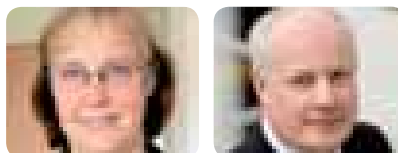
The Öresund Bridge helps strengthen the Öresund region by facilitating the transit of labour, leisure travel and goods across the border.

Svedab operations essentially focus on the management of assets in the form of roads and railways as well as the holdings in Öresundsbrokonsortiet. The consortium is responsible for the financing, pricing, operations and maintenance, customer service, and marketing of the facility. Through its participation in the Consortium, Svedab shall actively work for the sound and commercial development of the Öresund Bridge. Svedab shall ensure that the operation and maintenance of the Swedish land connections are cost-efficient and achieved subject to the same environmental and safety requirements that apply to the rest of Sweden's infrastructure.

The costs for the building and operation of the Öresund link are covered by tolls paid by road users and fees paid by the railways. The fees paid by the railways are regulated by an indexed fixed-price contract, in accordance with an agreement between the Swedish and the Danish states. Svedab finances its operations through loans from the National Debt Office, while the consortium borrows on the open market.

The Riksdag's target is for Svedab to have repaid its loans by 2040. The operation of the fixed road and rail link between Malmö and Copenhagen is to provide both private travellers and the business sector with good accessibility and safe and environmentally friendly transport.

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Lena Erixon

CEO: Ulf Lundin

Chair: Lena Erixon Board: Hans Brändström, Kerstin Hessius, Jan Olson Auditor: Mats Åkerlund, PwC

Remuneration to the Chairman of the Board is SEK 132,000 (132,000). Remuneration to board members elected by the Annual General Meeting is SEK 66,000 (66,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

## 2013

- Net profit for the year grew strongly due to a positive change in the value of financial instruments in Öresundsbrokonsortiet.
- Öresundsbrokonsortiet's net debt is decreasing according to plan.

Income was lower and the operating loss greater than in 2012, primarily due to the company having received payments in 2012 for previously non-allowed deductions for opening VAT balances. Net financial items were somewhat better due to low interest rates. Öresundsbrokonsortiet had a very strong profit trend, explained by changes in value arising on the market valuation of the debt portfolio and that significantly helped improve profit for the year.

During the year, ISO 26000 was implemented in the operational governance model, resulting in a Code of Conduct that has been published on the company's website.

## PERFORMANCE REVIEW

Following the financial crisis, the traffic trend has been stagnant. Commuter traffic in particular has declined. Lorry traffic, on the other hand, continued to increase. Leisure travel also developed favourably. The projections show that the consortium's loans are expected to be repaid before 2035 and Svedab's loans before by 2040.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	5	3
Operating profit/loss	1,130	-11
Profit/loss before tax	1,066	-77
Net profit/loss	831	-251
- of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
Total assets	5,400	5,430
Fixed assets	5,345	5,384
Equity	-1,021	-2,008
- of which, minority interests	0	0
Net debt	3,085	3,000
Operating capital	2,063	992
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Return on equity (average), %	neg	13.1
Return on operating capital (average), %	74.0	neg
Net debt/equity ratio, multiple	-3.0	-1.5
Equity/assets ratio, %	-18.9	-37.0
Gross investments, SEKm	239	45
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	4	4
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes	

## TARGETS

### FINANCIAL TARGETS

- The Riksdag's target is for Svedab to have repaid its loans by 2040.

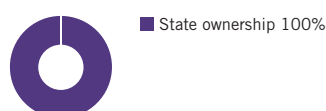
### STRATEGIC SUSTAINABILITY TARGETS

- Environmental focus: Map environmental impacts and, based on the results, set short and long-term targets.
- Social focus: Implement social commitment locally by acting as an enabler, which means that the company shall facilitate growth in the Öresund region. The opportunities for social responsibility in the supply chain should be mapped.

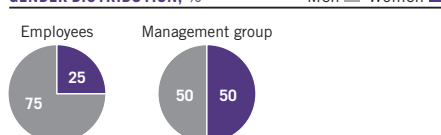
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

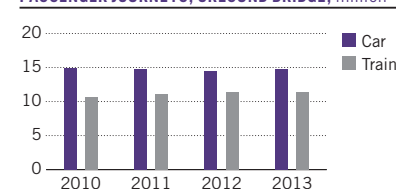
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## PASSENGER JOURNEYS, ÖRESUND BRIDGE, million



## SVENSKA SKEPPSHYPOTEK

Svenska Skeppshypotekskassan (The Swedish Ships Mortgage Bank) was established in 1929 with the task of making financing easier for Swedish shipping companies and to assist in the rejuvenation of the Swedish merchant fleet.

Svenska Skeppshypotekskassan is not a limited company but an association under public law. The government appoints the board and auditors and discharges the board from liability.

### OPERATIONS

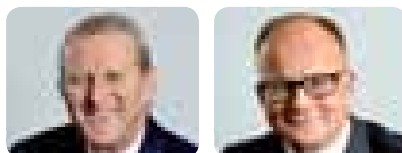
Svenska Skeppshypotekskassan is assigned with assisting in the rejuvenation and modernisation of the Swedish merchant fleet. Svenska Skeppshypotekskassan finances Swedish-owned shipping operations, or foreign-owned shipping operations with substantial Swedish interests, and mainly provides long-term loans solely against collateral in Swedish or foreign vessels. Operations are conducted on commercial terms and in competition with other credit institutions. On behalf of the Swedish Transport Administration, Svenska Skeppshypotekskassan also administers the Board for Shipping Support. The operations of Svenska Skeppshypotekskassan are governed by the Swedish Ships Mortgage Bank Act (1980:1097). According to the Capital Adequacy and Large Exposures Act (2006:1371) for credit institutions and securities companies, Svenska Skeppshypotekskassan is exempt from the regulations limiting large exposures, but is subject to the regulations on capital adequacy.

The law stipulates that Svenska Skeppshypotekskassan annual profits shall be paid into a reserve fund (equity) that can be used to cover any losses incurred in the operations. Consequently, profits are to be reinvested in full into the operations and there is no dividend policy.

### 2013

- Continued low demand for loans but higher credit margins.
- Improved credit quality and the reversals of earlier provisions.
- Weaker returns on investments.

### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Michael Zell

CEO: Lars Johanson

**Chair:** Michael Zell **Vice Chair:** Lars Höglund **Board:** Tomas Abrahamsson, Anna Fröhlander-Öberg, Elizabeth Kihlbom, Anders Källsson, Jan-Eric Nilsson (Anna Fröhlander-Öberg was elected in July 2013 when Kristina Ekengren stepped down) **Deputies:** Karin Barth, Rolf Mählkvist, Ann-Catrine Zetterdahl **Auditors:** Harald Jagner and Henrik Nilsson, Deloitte

Remuneration to the Chairman of the Board is SEK 120,000 (120,000). Remuneration to elected board members is SEK 48,000 (48,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Net interest income decreased compared with the preceding year. The change is primarily due to weaker returns on investments. Following the reversal of provisions for loan losses by SEK 7 billion, profit amounted to SEK 87 million, the highest since the commencement of operations in 1929. Over the year, Svenska Skeppshypotekskassan disbursed loans amounting to SEK 401 million and, at the end of the year, loans approved the board but not yet disbursed amounted to approximately SEK 747 million. The total amount of outstanding loans receivable decreased compared with the preceding year, partly due to the year's amortisations having exceeded new lending. Cash and cash equivalents, including investments amounted to SEK 1,425 (1,327) million. In accordance with the Basel II regulations, Svenska Skeppshypotekskassan's capital requirement amounted to SEK 474 (460) million and its capital adequacy quota was 3.67 (3.59).

INCOME STATEMENT, SEKm		
	2013	2012
Net turnover	148	166
<b>Operating profit/loss</b>	<b>87</b>	<b>77</b>
<b>Profit/loss before tax</b>	<b>87</b>	<b>77</b>
<b>Net profit/loss</b>	<b>87</b>	<b>77</b>
– of which attributable to minority interests	0	0
BALANCE SHEET, SEKm		
	2013	2012
<b>Total assets</b>	<b>6,234</b>	<b>6,376</b>
Fixed assets	5,672	6,036
<b>Equity</b>	<b>1,743</b>	<b>1,655</b>
– of which, minority interests	0	0
<b>Net debt</b>	<b>–1,196</b>	<b>–1,641</b>
<b>Operating capital</b>	<b>547</b>	<b>14</b>
KEY RATIOS		
	2013	2012
Operating margin, %	58.8	46.4
Return on equity (average), %	5.1	4.8
Return on operating capital (average), %	31.0	641.7
Net debt/equity ratio, multiple	–0.7	–1.0
Equity/assets ratio, %	28.0	26.0
Gross investments, SEKm	2	0
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	8	8

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

## TARGETS

### FINANCIAL TARGETS

- Operations are governed by the Swedish Ships Mortgage Bank Act (1980:1097) and therefore have no financial targets.

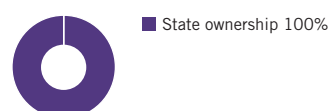
### STRATEGIC SUSTAINABILITY TARGETS

- Ship financing
- Business ethics
- Environment

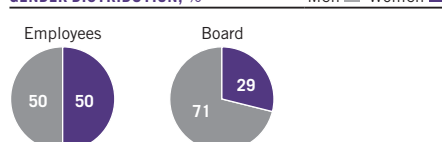
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

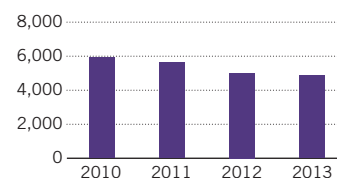
### STATE OWNERSHIP, %



### GENDER DISTRIBUTION, %



### LENDING TO SHIPPING COMPANIES, SEKm





## SVENSKA SPEL

Svenska Spel was formed in 1997 following the merger of AB Tiptjänst and Svenska Penninglotteriet AB. The company's assignment from the state is, on license from the Government, to arrange gaming and lotteries in a socially responsible manner.

### OPERATIONS

Svenska Spel's operations are based on four permits issued by the Government for: lotteries and betting on sporting events, slot machines, casino games, and online poker. The public policy assignment involves fostering social protective interests and meeting demand for gaming in controlled formats – in other words, promoting a sound and secure gaming market. Concern for the customer and the endeavour to minimise the negative effects of gambling are always ascribed greater importance than the motive of making a profit. The company's market share is about 48 (49) per cent of the total known Swedish gaming market, with the trend being a continued decline in this market share.

In 2013, the group was organised according to three profit centres: Sports gaming and lotteries, Casino Cosmopol and Vegas.

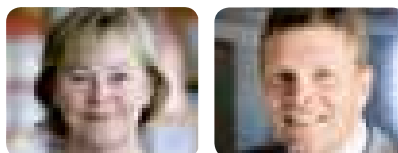
Svenska Spel is certified in accordance with the European Lotteries (EL) and World Lottery Associations' (WLA) standards for responsible gaming.

### 2013

- Best operating profit to date and improved operating margin, mainly due to a changed product mix and lower costs.
- Net turnover from gaming decreased by 0.9 per cent.

A new strategy was adopted for Svenska Spel in 2013. The objective is for the company to be a leader with regard to responsible gaming and for its measures to help reduce gambling addiction in society in general, not only among Svenska Spel's customers. An important decision that has been taken is that all gambling through Svenska Spel is to be subject to compulsory registration effective from the summer of 2014, with the exception of physical lottery cards and gambling inside Casino Cosmopol locations. Over the year, all bonuses and discounts were removed from the company's customer offerings.

### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Anitra Steen

CEO: Lennart Käll

**Chair:** Anitra Steen **Board:** Hans Bergenheim, Catarina Fritz, Eva-Britt Gustafsson, Cecilia Marlow, Michael Thorén, Christer Åberg, Frank Åkerman **Employee reps:** Patrik Lindell, Jenny Bengtsson, Martina Ravn **Deputy employee reps:** Yvonne Lovén, Jonas Ringqvist, Anders Andersson **Auditor:** Lars Egenäs, Deloitte

Remuneration to the Chairman of the Board is SEK 280,000 (280,000). Remuneration to board members elected by the Annual General Meeting is SEK 120,000 (120,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Net turnover from gaming decreased by 0.9 per cent, mainly due to tools for responsible gaming having been introduced for Vegas slot machines. However, thanks to a good product mix and a comprehensive cost-efficiency programme, the company delivered its highest operating profit to date. The company's new strategy and the consequent measures to strengthen consumer protection, will affect the company's income and profits in future years.

### PERFORMANCE REVIEW

The operating margin for 2013 amounted to 22.6 (22) per cent, which is in line with the company's goals.

During the year, an independent review was initiated tasked with measuring the impact of the company's work with responsible gaming and to propose new measures to further strengthen consumer protection.

In the allocation of the company's profits, SEK 5,269 million was allocated to the state and SEK 138,931 was allocated for cultural purposes.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	8,067	8,022
<b>Operating profit/loss</b>	<b>5,202</b>	<b>5,083</b>
<b>Profit/loss before tax</b>	<b>5,268</b>	<b>5,138</b>
<b>Net profit/loss</b>	<b>5,268</b>	<b>5,138</b>
– of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
<b>Total assets</b>	<b>8,574</b>	<b>8,559</b>
Fixed assets	3,081	2,812
<b>Equity</b>	<b>5,269</b>	<b>5,138</b>
– of which, minority interests	0	0
<b>Net debt</b>	<b>-339</b>	<b>-2,065</b>
<b>Operating capital</b>	<b>4,930</b>	<b>3,073</b>
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Operating margin, %	22.6	22.0
Return on equity (average), %	101.2	101.3
Return on operating capital (average), %	130.0	154.3
Net debt/equity ratio, multiple	-0.1	-0.4
Equity/assets ratio, %	61.5	60.0
Gross investments, SEKm	3,163	6,643
Appropriation, SEKm	0	0
Dividend, SEKm	5,269	5,137
Average no. of employees	1,582	1,631

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: Operating margin at least 22 per cent. (Operating margin is calculated as operating profit in relation to all income, i.e. gross gaming income and other operating income).

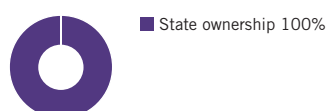
### STRATEGIC SUSTAINABILITY TARGETS

- A leader in responsible gaming.
- A substantial impact on problem gambling.
- Appreciated responsibility measures.

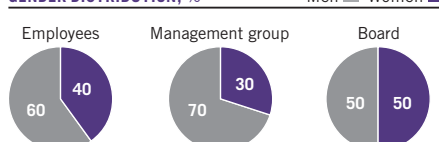
### PERFORMANCE INDICATORS

- Although the company has a specifically adopted public policy assignment, no quantifiable targets for that assignment have been formulated by the owner.

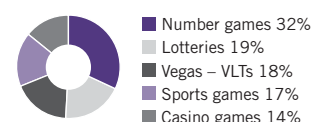
### STATE OWNERSHIP, %



### GENDER DISTRIBUTION, %



### NET GAMING INCOME PER BUSINESS AREA 2013, %



# SVEVIA

Svevia was formed in 2009 in connection with the corporatisation of the former Swedish Road Administration's production unit, and has since then been a state-owned company. The Riksdag's reasons for the corporatisation were mainly to enhance conditions for competition neutrality, to eliminate the basis for suspicions of cross-subsidisation and to increase productivity in the market. Svevia's business concept is to build and operate Sweden's roads and infrastructure.

## OPERATIONS

Svevia conducts contracting, service and rental operations in the areas of traffic, land improvement, building and civil engineering.

In 2013, the Swedish civil engineering market was valued at about SEK 100–110 billion, with new building and renovation accounting for about SEK 80 billion while the remainder consists of repairs, maintenance and operation. Half the market is private, while public investment accounts for the other half. In the operation and maintenance of roads, Svevia is the market leader in Sweden with a market share of slightly less than 50 per cent of the national road network. In civil engineering (new building and rebuilding of roads), Svevia is number four in the market, behind Skanska, Peab and NCC.

## 2013

- Process of change is strengthening earnings.
- Continued cuts in forecasts, albeit to a lesser extent.
- Improved earnings in all areas of operations.

Net turnover was largely unchanged. At the same time, operating earnings improved by SEK 496 million, primarily due to lower impairments on civil engineering projects, but also improved cost-efficiency.

Order intake rose and the order backlog improved over the year, amounting to SEK 7,383 (6404) billion. In the third quarter,

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Olof Ehrlén



CEO: Torbjörn Torell

**Chair:** Olof Ehrlén **Board:** Börje Bengtsson, Pia Gideon, Marie Hallander Larsson, Richard Reinius, Ola Salmén, Johan Trouvé, Ann-Catrine Zetterdahl **Employee rep:** Christer Dahlberg **Deputy employee rep:** Moody Israelsson **Auditor:** Peter Ekberg, Deloitte

Remuneration to the Chairman of the Board is SEK 400,000 (400,000). Remuneration to board members elected by the Annual General Meeting is SEK 200,000 (200,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

Svevia won its largest assignment to date, which contributed to the increase. Cash flow remained strong and net interest-bearing receivables rose 53 per cent to SEK 1,261 billion.

A major and far-reaching programme of measures was initiated in early 2012 and continued in 2013. The development programme encompasses measures to increase specialisation, reduce cost levels, improve production efficiency, improve project control and risk management, strengthen leadership and to improve decision-making processes.

## PERFORMANCE REVIEW

Despite improvements, Svevia did not achieve its financial targets in 2013. In accordance with policy, since the company did not achieve its target equity/assets ratio, no dividend was paid. Sustainability targets were adopted in 2013 and will start being measured and assessed in 2014.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	7,180	7,158
Operating profit/loss	35	-461
Profit/loss before tax	75	-423
Net profit/loss	57	-320
- of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	3,860	3,766
Fixed assets	2,128	1,861
Equity	985	923
- of which, minority interests	0	0
Net debt	-1,260	-821
Operating capital	-275	102

KEY RATIOS	2013	2012
Operating margin, %	0.5	neg
Return on equity (average), %	6.0	neg
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	-1.3	-0.9
Equity/assets ratio, %	25.5	24.5
Gross investments, SEKm	1,426	1,048
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	2,113	2,472

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: Return on equity 13 per cent.
- Capital structure: Equity/assets ratio at least 30 per cent.
- Dividend: 50–75 per cent of net profit, taking the target equity/assets ratio in to account.

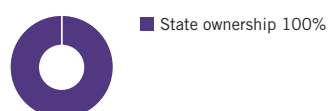
### STRATEGIC SUSTAINABILITY TARGETS

- Safety: No work-related injuries in the workplace.
  - Long-term: No injuries.
  - Short-term: The workplace injury rate should fall by 1 unit per year.
- Reduced environmental impact: Continuously reduce CO<sub>2</sub> emissions.
  - Long-term: Reduce CO<sub>2</sub> by 10 per cent by 2020.
  - Short-term: Reduce CO<sub>2</sub> from proprietary equipment and asphalt plants by 1.7 per cent per year until 2020.
- Corruption: Reduce the risk of corruption by increasing the proportion of purchases made through central contracts.
  - Long-term: 100-per cent compliance with agreements in selected areas, unless otherwise authorised centrally by the purchasing function.
  - Short-term: 2014: 80 per cent, 2015: 90 per cent, 2016: 100 per cent.

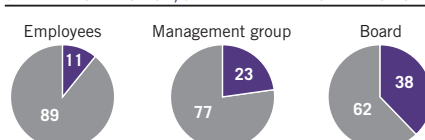
### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

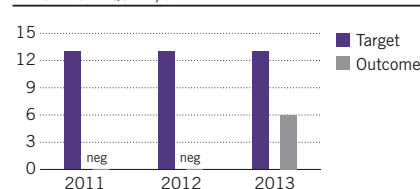
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## RETURN ON EQUITY, %





Swedavia AB, which is wholly owned by the Swedish state, owns, operates and develops airports in Sweden. In addition, Swedavia is assigned with participating actively and on commercial terms in the development of the Swedish transportation sector and contributing to the transport policy objectives adopted by the Riksdag. Swedavia was founded in the spring of 2010 with the transformation of the Swedish Civil Aviation Administration's airport operations to a corporate format.

#### OPERATIONS

Swedavia owns, operates and develops ten airports across Sweden – these ten airports have been determined by the Government to constitute Sweden's core airport offering. These are Bromma Stockholm Airport, Gothenburg Landvetter Airport, Kiruna Airport, Lulea Airport, Malmö Airport, Ronneby Airport, Stockholm Arlanda Airport, Umeå Airport, Visby Airport and Åre Östersund Airport. In addition, Swedavia owns the property at Gothenburg City Airport and is a minority shareholder in the company that operates the airport. In addition to its airport operations, Swedavia is also involved in property operations whose assignment is to own, manage and develop properties and exploitable land at and around the airports. Customer focus, sustainable development and security are the starting point for Swedavia's activities, both in its own operations and in society in general. Swedavia is a world leader in the development of airports with the least possible climate impact and in 2013, all ten airports were recertified in accordance with the highest level of Airport Carbon Accreditation (ACA).

#### 2013

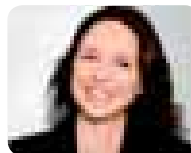
- Improved profits due to property acquisitions and an increased number of travellers.
- Positive development in terms of airline connections and traveller satisfaction.
- Continued high rate of investment to meet growing demand.

In 2013, Swedavia's net turnover rose by 5.4 per cent, while operating profit rose by 13.8 per cent. Development was mainly driven by favourable growth in the number of passengers, which rose by 1.1 million, up 3.5 per cent on the previous year. The profit trend can also be attributed to the acquisitions made in the property operations. To meet future demand for airport capacity, Swedavia has conducted a significant investment programme. The new international hall at Gothenburg Landvetter Airport and the upgraded Terminal 2 at Stockholm Arlanda Airport were inaugurated during the year. Invest-

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Ingemar Skogö



CEO: Torborg Chetkovich

**Chair:** Ingemar Skogö **Board:** Karin Apelman, Adine Grate Axén, Lars Backemar, Anna Elgh, Hans Jeppsson, Jenny Lahrin, Lars Mydland, Lottie Svedenstedt (Lars Mydland was elected at the 2014 Annual General Meeting. Anders Ehrling stepped down in October 2013.)

**Employee reps:** Lars Andersson, Robert Olsson

**Deputy employee reps:** Mats Abrahamsson, Agne Lindbom **Auditor:** Magnus Fagerstedt, EY

Remuneration to the Chairman of the Board is SEK 440,000 (440,000). Remuneration to board members elected by the Annual General Meeting is SEK 220,000 (220,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

ments amounted to SEK 2,413 million, of which the largest-single investment was the acquisition of the remaining shares in the property company Nordic Airport Properties (NAP). During the year, Sundsvall Härnösand Airport was sold to the municipalities of Sundsvall and Timrå.

#### PERFORMANCE REVIEW

Swedavia shall be a driving force in sustainable societal development and will steer its operations in that direction by means of a number of specific targets. With a return on equity of 10.9 per cent, the profitability target was achieved in 2013. The equity/assets ratio was 30.5 per cent, meaning that no dividend was paid. One of Swedavia's key objectives is to increase traveller satisfaction. The investments and other measures undertaken yielded the desired results in the form of the highest level of traveller satisfaction measured since Swedavia's inception. Traveller satisfaction rose to 73 per cent. Satisfied and committed employees are a prerequisite for Swedavia's development. During the year, the employee satisfaction target of 80 per cent was achieved. Swedavia targets zero fossil carbon dioxide emissions from its own operations by 2020 and, to date, the trend has surpassed the defined targets.

The 2014 Annual General Meeting adopted new financial targets whereby the return on operating capital should not be less than 7 per cent, the debt/equity ratio shall be a multiple of 1.0–1.5 and the ordinary dividend should be between 30 and 50 per cent of net profit. The Annual General Meeting also adopted performance indicators within the framework of the functional and health, environment and safety objectives of the national transport policy.

INCOME STATEMENT, SEKm		
	2013	2012
Net turnover	5,233	4,965
<b>Operating profit/loss</b>	<b>954</b>	<b>850</b>
<b>Profit/loss before tax</b>	<b>686</b>	<b>554</b>
<b>Net profit/loss</b>	<b>501</b>	<b>447</b>
– of which attributable to minority interests	10	10
BALANCE SHEET, SEKm		
	2013	2012
<b>Total assets</b>	<b>16,133</b>	<b>14,788</b>
Fixed assets	15,122	13,708
<b>Equity</b>	<b>4,915</b>	<b>4,300</b>
– of which, minority interests	11	10
<b>Net debt</b>	<b>9,221</b>	<b>8,329</b>
<b>Operating capital</b>	<b>14,136</b>	<b>12,629</b>
KEY RATIOS		
	2013	2012
Operating margin, %	18.2	17.1
Return on equity (average), %	10.9	10.6
Return on operating capital (average), %	7.1	7.3
Net debt/equity ratio, multiple	1.9	1.9
Equity/assets ratio, %	30.5	29.1
Gross investments, SEKm	2,413	3,418
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	2,369	2,380

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: 9 per cent return on equity.
- Capital structure: Equity/assets ratio at least 35 per cent.
- Dividend: 30–50 per cent of profit for the year, taking the target equity/assets ratio into account.

*Targets 2013 New financial targets were adopted by the 2014 Annual General Meeting.*

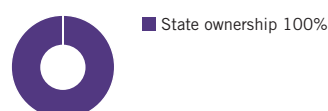
### STRATEGIC SUSTAINABILITY TARGETS

- 80 per cent satisfied customers (ASQ) 2014.
- 80 per cent employee satisfaction (ESI) 2014.
- 9 per cent return on equity over a business cycle and an equity/assets ratio of at least 35 per cent.
- 0 fossil carbon emissions from proprietary operations by 2020.

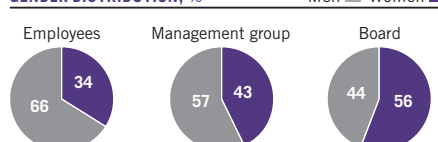
### PERFORMANCE INDICATORS

- Functional targets: Customer satisfaction among travellers, passenger numbers, number of international destinations with direct connections.
- Health, environment and safety targets: Number of accidents and serious incidents, carbon dioxide footprint.

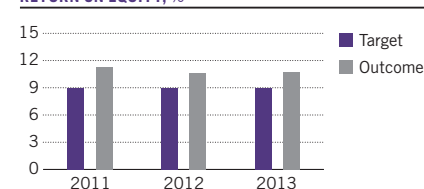
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RETURN ON EQUITY, %





Swedesurvey Aktiebolag provides expertise and experience in property management and geographic information in the international market, in close collaboration with the public agency Lantmäteriet (National Land Survey of Sweden). The company will pursue sustainable development and the fight against poverty, while stimulating economic growth. Swedesurvey is a company that is wholly owned by the Swedish state and was established in the early 1980s.

#### OPERATIONS

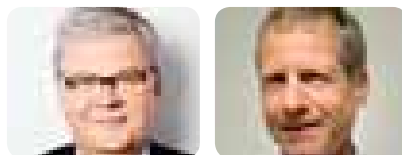
Swedesurvey mainly works with public sector organisations in developing countries and most of its projects seek to support the development of their capacity through advisory services and training. Operation encompasses issues of fundamental political and legal conditions, the development of systems, etc. for land parcelling, property registration, records, valuation and geodesic surveying. Services are provided on commercial terms with financing directly from the customer or through international financial institutions and aid agencies. These operations are to be conducted with financial efficiency, continuously striving towards improved productivity.

#### 2013

- A weak year from a financial point of view.
- Sweeping process of change to make the company viable.
- Risk management a clearly integrated part of the company's operations.

Operating income was lower than budgeted, which had a negative impact on the financial results. The principal causes are the procurements of several major projects that were delayed and postponed until 2014, high extraordinary expenses for partly incomplete transactions made several years ago and high non-

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Bengt Kjellsson CEO: Fredrik Zetterquist

Chair: Bengt Kjellsson Board: Lars Jansson, Monica Lagerqvist Nilsson Auditor: Pär Månsson, PwC

Remuneration to the Chairman of the Board is SEK 60,000 (60,000). Remuneration to board members elected by the Annual General Meeting is SEK 35,000 (35,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

recurring pension provisions. Over the year, a radical process of change was implemented, which, among other things, involved the introduction of efficient processes for finance and administration, increased cost control and more efficient coordination with Lantmäteriet. Overhead costs in the company have fallen by 26 per cent.

The market for international consultant services in the property sector and geographic information services remains extensive and is growing. This is mainly because the importance of land issues for sustainable development has been noted by a growing number of countries.

#### PERFORMANCE REVIEW

From a financial point of view, 2013 was also a weak year for Swedesurvey and the company showed a negative result. Although the company's favourable equity/assets ratio decreased, it nonetheless remains at a high level, despite the year's negative results.

The 2014 Annual General Meeting adopted new financial targets, according to which the equity/asset ratio should be at least 30 per cent and the profit margin should be positive on a sustained basis.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	21	37
Operating profit/loss	-8	-7
Profit/loss before tax	-8	-7
Net profit/loss	-8	-7
- of which attributable to minority interests	0	0
BALANCE SHEET, SEKm	2013	2012
Total assets	24	28
Fixed assets	1	1
Equity	6	14
- of which, minority interests	0	0
Net debt	-18	-11
Operating capital	-13	2
KEY RATIOS	2013	2012
Operating margin, %	neg	neg
Return on equity (average), %	neg	neg
Return on operating capital (average), %	164.4	neg
Net debt/equity ratio, multiple	-3.2	-0.8
Equity/assets ratio, %	23.6	48.6
Gross investments, SEKm	0	0
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	6	10
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

#### TARGETS

##### FINANCIAL TARGETS

- Profitability: Operating margin at least 5 per cent in one year's time.
- Capital structure: Equity/assets ratio at least 40 per cent.

Targets 2013 New financial targets were adopted by the 2014 Annual General Meeting.

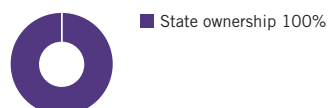
##### STRATEGIC SUSTAINABILITY TARGETS

- Anti-corruption: Responsibility to behave in accordance with business ethics in proprietary operations and to impose the same demands on suppliers and counterparties. Contribute to long-term anti-corruption measures in the recipient country.
- Risk hedging: Risk management will be a prioritised and integrated part of the operations, thereby safeguarding profits and preventing unfinished transactions.
- Transfer of expertise: In addition to the customer's delivery requirements being met, the company's consulting activities in developing countries will be characterised by a transfer of expertise being ensured. Consequently, the results achieved will be made sustainable for the long term and can be owned and further developed by the recipient of the services.

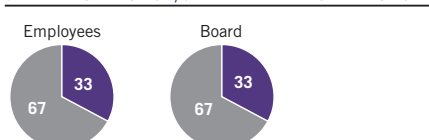
##### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

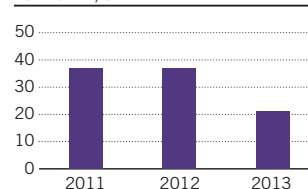
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### TURNOVER, SEKm





Swedfund International AB (Swedfund) is a wholly state-owned company whose funds development and plays a role in aid operations. The company contributes venture capital, start-up support and expertise for investments in low and middle-income countries. Since its formation in 1979, the company has contributed to the reduction of poverty through sustainable business.

Investments shall be economically, environmentally and socially sustainable and contribute to achieving the objectives of the Swedish Policy for Global Development (PGD) and Sweden's international development assistance.

#### OPERATIONS

Alongside strategic partners, Swedfund shall establish viable and commercially driven companies through venture capital investments in the form of shares, loans and/or guarantees, primarily in connection with direct investments. Investments are to be made in countries qualifying for development financing according to the OECD/DAC's definition. The focus shall be on the poorest countries and post-conflict countries. The commitments shall be such that it is not deemed possible to achieve them through commercial financing alone. The mission of the company's operations correspond to the objectives of Swedish international assistance, to help create conditions for improved conditions of life for people living in poverty and oppression.

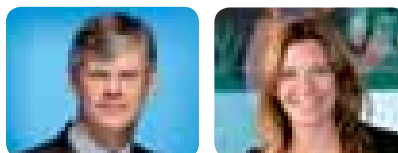
At the end of 2013, Swedfund had operations in 30 (33) countries and 96 (91) contracted commitments. Around 54 per cent of the portfolio pertains to investments in Africa. Approximately 41 per cent of the portfolio consists of direct equity investments, 36 per cent of loans and guarantees, and 23 per cent of fund investments. The normal period of holding is 7-10 years.

Since 2009, Swedfund has been responsible for start-up support through Swedpartnership. Operations are financed through an annual appropriation for the Legal, Financial and Administrative Services Agency of a maximum SEK 34 million, of which SEK 4 million is for administration. In 2013, assistance totalling SEK 32.3 million was granted to small and medium-sized companies.

#### 2013

- Increased focus on sub-Saharan Africa.
- Considerable impairment recognised in the investment portfolio.
- Capital injection of SEK 400 million and continued increased investments.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Claes Ekström

CEO: Anna Ryott

Chair: Claes Ekström Board: Renée Andersson, Pernilla Bard, Björn Börjesson, Stefan Isaksson, Bengt Kvarnäck, Lotta Mellström, Charlotte Salford, Per Östensson (Charlotte Salford and Lotta Mellström were elected at the 2014 Annual General Meeting, Anna Ryott stepped down in May 2013) Auditor: Peter Nilsson, PwC

Remuneration to the Chairman of the Board is SEK 0,000 (0,000). Remuneration to board members elected by the Annual General Meeting is SEK 90,000 (90,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

During 2013, Swedfund increased its focus on sub-Saharan Africa and countries where poverty is most prevalent. The company has also significantly strengthened its internal expertise on ESG issues (Environment, Social and Governance) to ensure long-term sustainability and positive developmental effects in its investments.

The company remains in a phase of expansion. During the year the company received a capital injection of SEK 400 (400) million intended to enable continued expansion of its investment activities. New investments in shares are not expected to yield returns until in about six to ten years' time. In companies engaged in venture capital operations, earnings vary greatly from year to year depending on the results achieved from divestments and what investment phase the company currently finds itself in.

Swedfund received SEK 34 million in state appropriations, of which SEK 30 million pertains to so-called depreciation loans to Swedpartnership and SEK 4 million to the administration of those loans within Swedfund.

#### PERFORMANCE REVIEW

Over the past five years, the company has reported negative financial results. The loss for the year means that the company no longer reaches the return target. The average return over the past seven-year period was -1.93 per cent, compared with the average interest on one-year government bonds of 1.76 per cent. The losses are mainly attributable to sizeable impairments in the investment portfolio with an emphasis on one particular investment.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	90	196
Changes in value	-96	-258
Operating profit/loss	-117	-253
Profit/loss before tax	-93	-218
Net profit/loss	-93	-224
- of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	4,014	3,698
Fixed assets	37	37
Equity	3,448	3,141
- of which, minority interests	0	0
Net debt	-1,831	-1,681
Operating capital	1,617	1,460

KEY RATIOS	2013	2012
Operating margin, %	neg	neg
Return on equity (average), %	neg	neg
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	-0.5	-0.5
Equity/assets ratio, %	85.9	84.9
Gross investments, SEKm	0	0
Appropriation, SEKm <sup>1)</sup>	34	34
Dividend, SEKm	0	0
Average no. of employees	34	36

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

1) Allocation for the Legal, Financial and Administrative Services Agency intended for Swedpartnership's operations.

## TARGETS

#### FINANCIAL TARGETS

- Profitability: The return on equity before tax shall exceed the average interest on one-year government bonds. Return is to be measured over rolling seven-year periods.

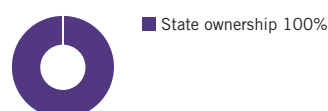
#### STRATEGIC SUSTAINABILITY TARGETS

- Societal development: Compliance with the ILO's core conventions by each portfolio company within a period of three years from the time of financing. The number of jobs shall increase each year, calculated as an average for all investments.
- Sustainability: Implementation of a management system for sustainability issues in Swedfund and all portfolio companies within a period of three years from the time of financing.
- Anti-corruption: Implementation of a management system for corruption issues in Swedfund during 2014, and within a period of three years from three years from the time of financing for the portfolio companies.

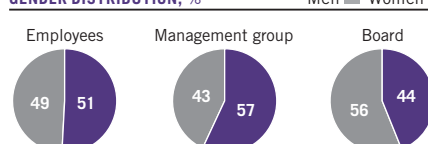
#### PERFORMANCE INDICATORS

- Although the company has a specifically adopted public policy assignment, no quantifiable targets for that assignment have been formulated by the owner.

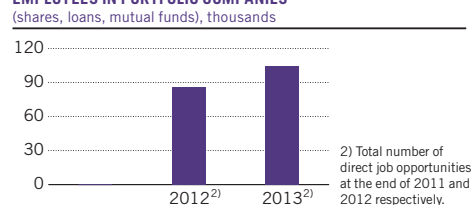
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### EMPLOYEES IN PORTFOLIO COMPANIES





Holding the sole rights to do so, Systembolaget Aktiebolag's principal assignment is to conduct retail sales of alcoholic beverages to the public with the socio-political purpose of restricting access to alcohol. Systembolaget's national retail chain was established in 1955 with the merger of a number of local monopolies. Operations are regulated by the Swedish Alcohol Act, in an agreement between the company and the state as well as in an owner instruction.

#### OPERATIONS

According to the Alcohol Act (2010:1622), Systembolaget has exclusive responsibility for retail sales of spirits, wine and strong beer and other fermented alcoholic beverages. In 1997 the European Court of Justice of the day determined that a state retail monopoly for alcoholic beverages designed and adapted as is the case with Systembolaget in Sweden does not contravene EU law.

Systembolaget restricts access to alcohol by controlling shop openings and opening hours and by ensuring that alcoholic beverages are not dispensed to people below the age of 20, those who are noticeably under the influence of alcohol or to those suspected of unlawful redistribution. Systembolaget is to be a modern, efficient retail company that sells alcoholic beverages responsibly and promotes a sound drinking culture.

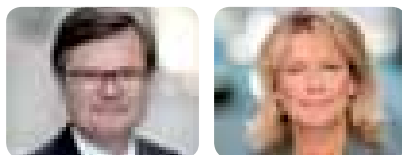
#### 2013

- Support for Systembolaget's exclusive right to sell alcoholic beverages is its strongest to date.
- Increased sales and higher financial income gave increased profit.
- The financial targets are currently being reviewed.

The special Opinion Index (OPI) that measures support for Systembolaget's exclusive retail rights, reached a record high of 72 per cent in 2013. The fact that Systembolaget also lived up well to customers' expectations was reflected in the Customer Satisfaction Index (CSI), which rose to a high 82. The age verification rate of 96 per cent exceeded the target by a percentage point. The new strategic key figure, the Alcohol Index, which is a measure of people's attitudes towards alcohol reached 66, exceeding the target of 62.

Net turnover rose to SEK 25,709 (25,099) million, primarily due to increased sales volumes and a higher average price per litre. Profit rose to SEK 287 million. The increase is due to increased sales and higher

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Kenneth Bengtsson CEO: Magdalena Gerger

Chair: Kenneth Bengtsson (was elected at the 2014 Annual General Meeting when Cecilia Schelin Seidegård stepped down) Board: Thord Andersson, Viveca Bergstedt Sten, Pia Fagerström, Crister Fritzon, Carl B Hamilton, Håkan Leifman, Mona Sahlén, Kerstin Wigzell (Viveca Bergstedt Sten, Pia Fagerström and Håkan Leifman were elected at the 2014 Annual General Meeting when Sven Andréasson and Johan Gernandt stepped down) Employee reps: Anna Holgersson, Berit Morén Deputy employee reps: Karin Larsson, Jenny Svensson Auditor: Åsa Lundvall, EY

Remuneration to the Chairman of the Board is SEK 230,000 (210,000). Remuneration to board members elected by the Annual General Meeting is SEK 100,000 (100,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

financial income, but the profit also includes an increase in personnel costs due to higher pension expenses. During 2013, 468 (462) million litres of beverages were sold, an increase of 1.4 per cent. Sales volumes for non-alcoholic beverages rose by more than 9.6 per cent, wine rose by 1.7 per cent, strong beer by 1.7 per cent, while spirits were down 2.1 per cent.

#### PERFORMANCE REVIEW

The age verification target for 2013 was exceeded by one percentage point and amounted to 96. Highest annual CSI value to date at 82 per cent, exceeding the target of 81 per cent. At 72 per cent, the proportion of the population with confidence in the retail monopoly and who would like it to be maintained exceeded the target of 70 per cent, which is a significant increase compared to 49 per cent when the measurements commenced in 2001. The equity/assets ratio was 31.5 (28.6) per cent, the return on equity was 18 (12.6) per cent, the retail margin was 21.2 (21.3) per cent and the dividend was set at 100 per cent of profit for the year.

Effective from 1 January 2012, Systembolaget no longer submits consolidated accounts. Consequently, the financial targets were reviewed by the owner in 2013 and the 2014 Annual General Meeting adopted amended targets. The financial targets will be further reviewed during 2014. The targets are to be achieved long term over a business cycle.

INCOME STATEMENT, SEKm		
	2013	2012
Net turnover	25,709	25,099
Operating profit/loss	168	270
Profit/loss before tax	375	329
Net profit/loss	287	180
– of which attributable to minority interests	0	0
BALANCE SHEET, SEKm		
	2013	2012
Total assets	5,463	5,143
Fixed assets	2,258	1,921
Equity	1,610	1,411
– of which, minority interests	0	0
Net debt	–3,355	–3,083
Operating capital	–1,746	–1,673
KEY RATIOS		
	2013	2012
Operating margin, %	0.7	1.1
Return on adjusted equity (average), %	18.0	12.6
Return on operating capital (average), %	neg	neg
Net debt/equity ratio, multiple	–2.1	–2.2
Equity/assets ratio (adj. equity/total assets), %	31.5	28.6
Gross investments, SEKm	1,234	985
Appropriation, SEKm	0	0
Dividend, SEKm	287	90
Average no. of employees	3,280	3,172
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes	

## TARGETS

#### FINANCIAL TARGETS

- Profitability: Return on equity shall correspond to the ten-year government bond rate plus 4 percentage points.
  - Capital structure: Equity/assets ratio of approximately 35 per cent.
  - Dividend: 50–100 per cent of profit for the year.
- Targets 2013 New financial targets were adopted by the 2014 Annual General Meeting.

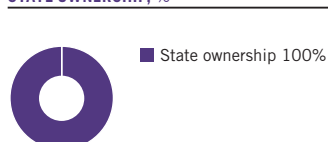
#### STRATEGIC SUSTAINABILITY TARGETS

- Help reduce the harmful effects of alcohol in society.
- Reduced climate impact by 14,000 tonnes CO<sub>2</sub>e (Carbon dioxide equivalents) by 2020.

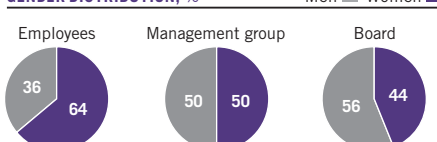
#### PERFORMANCE INDICATORS

- Although the company has a specifically adopted public policy assignment, no quantifiable targets for that assignment have been formulated by the owner in accordance with the methodology for performance indicators.

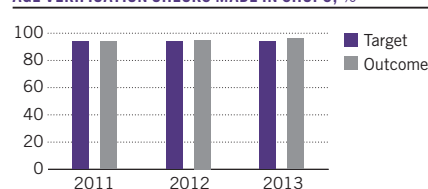
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### AGE VERIFICATION CHECKS MADE IN SHOPS, %







TeliaSonera Aktiebolag is a telecommunications company whose operations include fixed and mobile telephony, Internet and data communications. The company has its origins partly in the Swedish company Telia, which was formed in 1993 through the corporatisation of the former Swedish Telecommunications Administration (Televerket), which was listed publicly in 2000, and partly in the Finnish company Sonera. The Swedish state's ownership stake in TeliaSonera is 37.3 per cent.

#### OPERATIONS

TeliaSonera is the leading telecommunications company in the Nordic region and the Baltic states, with strong positions in mobile communications in Eurasia. The TeliaSonera Group has operations in 17 countries. At the end of the year, the Group had 189 million subscribers, including both consolidated operations and associated companies. TeliaSonera has approximately 26,000 employees worldwide. The company's shares are listed on the stock exchanges of both Stockholm and Helsinki.

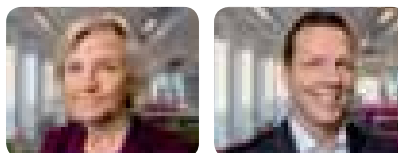
#### 2013

- Unchanged turnover.
- Strong cash flow and stable financial position.
- New country-based model of operations.

For TeliaSonera, 2013 was an eventful and challenging year. Financial development was affected by moderate economic growth and a rapid change in customer behaviour. Net turnover in local currencies was in principle unchanged, while costs rose somewhat and net profit attributable to the owners of the parent company fell by 24.7 per cent. However, unrestricted cash flow rose to SEK 14,370 (12,014) million. As a result of the strong cash flow and stable financial position, the board proposed a dividend of SEK 3.00 for 2013, an increase of 5.3 per cent, representing 87 per cent of profit per share.

The serious allegations of bribery levelled against the company in 2012 have resulted in an increased focus on sustainability issues in the company and steps have been taken to

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Marie Ehrling

CEO: Johan Dannelind

**Chair:** Marie Ehrling **Board:** Mats Jansson, Olli-Pekka Kallasvuo, Mikko Kosonen, Nina Linander, Martin Lorentzon, Kersti Strandqvist, Per-Arne Sandström  
**Employee reps:** Agneta Ahlström, Stefan Carlsson, Peter Wiklund **Auditor:** Jan Palmqvist, Deloitte

Remuneration to the Chairman of the Board is SEK 1,240,000 (1,200,000) and to the Vice Chairman SEK 750,000 (750,000). Remuneration to board members elected by the Annual General Meeting is SEK 470,000 (450,000).

strengthen corporate governance. The company is continuing to roll out a training course in the company's code of ethics and conduct, focusing on anti-corruption. The board has adopted a new policy regarding freedom of expression in the telecommunications industry, which will be a tool in addressing these issues in the markets where TeliaSonera operates. During the year, a committee for governance, risk, ethics and compliance, was established, with the entire group management being included.

In December, a new business model was presented – a country-based structure that will be introduced on 1 April 2014. The purpose of this change was to reduce complexity generally within the group, strengthen customer focus and clarify the distribution of responsibilities.

#### PERFORMANCE REVIEW

The outcome in terms of turnover growth in local currencies in 2013 was in accordance with the company's expectations at the beginning of the year (unchanged). The outcome in terms of EBITDA margin was also as expected, that is, slightly higher than last year.

INCOME STATEMENT, SEKm		2013	2012
Net turnover		101,700	104,898
<b>Operating profit/loss</b>		<b>24,462</b>	<b>28,400</b>
<b>Profit/loss before tax</b>		<b>21,368</b>	<b>24,482</b>
<b>Net profit/loss</b>		<b>16,767</b>	<b>21,168</b>
– of which attributable to minority interests		1,797	1,282
<b>BALANCE SHEET, SEKm</b>		<b>2013</b>	<b>2012</b>
<b>Total assets</b>		<b>252,828</b>	<b>253,046</b>
Fixed assets		193,866	195,673
<b>Equity</b>		<b>112,934</b>	<b>109,106</b>
– of which, minority interests		4,610	3,956
<b>Net debt</b>		<b>74,931</b>	<b>77,060</b>
<b>Operating capital</b>		<b>142,435</b>	<b>141,314</b>
<b>KEY RATIOS</b>		<b>2013</b>	<b>2012</b>
Operating margin, %		24.1	27.1
Return on equity (average), %		14.0	18.0
Return on operating capital (average), %		17.2	18.6
Net debt/equity ratio, multiple		0.7	0.7
Equity/assets ratio, %		44.7	43.1
Gross investments, SEKm		17,793	17,590
Appropriation, SEKm		0	0
Dividend, SEKm		13,000	12,340
Average no. of employees		25,321	26,793

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

#### FINANCIAL TARGETS

- Capital structure: Solid long-term credit rating of (A– to BBB+)
- Dividend: At least 50 per cent of profit.

#### STRATEGIC SUSTAINABILITY TARGETS

TeliaSonera has prioritised targets in the following areas:

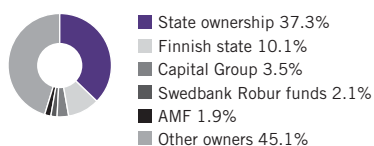
- Freedom of expression
- Customer integrity
- Sustainability in the supply chain
- Environmental responsibility
- Work environment, health and safety

The company is working to further develop the targets. The board has yet to reach a decision regarding strategic sustainability targets for the company.

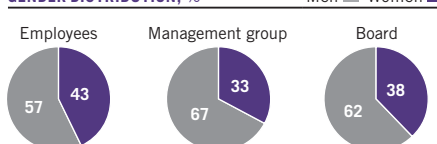
#### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

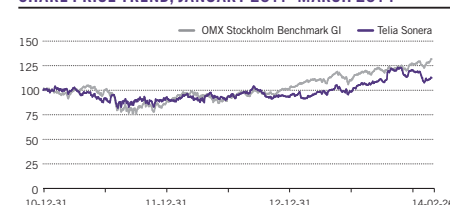
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### SHARE PRICE TREND, JANUARY 2011–MARCH 2014



# TERACOM BOXER GROUP

Teracom Boxer Group AB is one of the Nordic region's leading radio and television operators, with operations in pay television, television and radio transmissions, connecting services, placement of equipment and service. The group maintains pay-television operations in Sweden and Denmark and owns and operates the digital terrestrial networks in these countries. Teracom AB was formed from the Swedish Telecommunications Administration (Televerket) in 1992.

## OPERATIONS

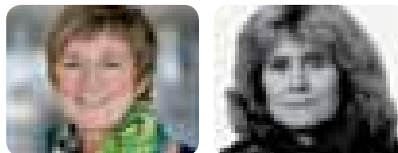
Teracom Boxer Group's four market companies distribute and sell radio and television to households in Sweden and Denmark. Customers are primarily consumers, but also companies such as television and radio broadcasters, telecom companies for placement of equipment in the group's networks and different connecting services. The group comprises the network companies Teracom Sverige (Sweden) and Teracom Danmark (Denmark) and the pay-television companies, Boxer Sverige, and Boxer Danmark. The operations cooperate closely to maximise the competitiveness of their offerings. The number of pay-television subscribers amounted to slightly less than one million at the end of 2013. The new group structure was formed in the spring of 2011, following a decision by the Swedish Parliament (Bill 2010/11:1, bet. 2010/11:NU1, rskr. 2010/11:132).

## 2013

- Strong improvement in profit due to increased profitability in Boxer Danmark.
- Intensive efforts to meet changes in the media market.
- The company's Finnish pay-television operations were sold.

Over the year, consolidated turnover declined by one per cent to SEK 3,875 million for the remaining operations. Competition in the pay-television markets in Sweden and Denmark remains fierce. A drastic shift in customers' media consumption and demands for greater freedom of choice are challenging the industry. During 2013, work continued to develop an Internet-based television solution for receivers such as tablets and mobile phones. Continued strong content was negotiated. In Denmark, Boxer established its brand, achieved a market

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Kia Orback Pettersson CEO: Åsa Sundberg

Chair: Kia Orback Pettersson Board: Jeanette Almberg, Maria Curman, Johan Hallberg, Urban Lindskog, Fredrik Rystedt, Nils-Petter Tettie (Ingrid Engström stepped down at the 2014 Annual General Meeting)

Employee reps: John-Olof Blomkvist, Jan Ossfeldt Deputy employee reps: Stig-Arne Celin, Anna-Stina Strömbäck Auditor: Bo Hjalmarsson, PwC

Remuneration to the Chairman of the Board is SEK 240,000 (240,000). Remuneration to board members elected by the Annual General Meeting is SEK 120,000 (120,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

share of 14 per cent and, for the first time, showed an operating profit. In Sweden, Boxer slowed the decline in customer numbers in the second half of the year, by measures including systematic efforts to increase customer satisfaction. The network companies in Sweden and Denmark are reporting stable earning levels. On the whole, the consolidated operating margin rose to 16 (13) per cent. Over the year, Teracom Group reduced its interest-bearing liabilities to SEK 1.3 billion. During the spring of 2013, the company signed an agreement to sell the Finnish pay-television company PlusTV.

## PERFORMANCE REVIEW

Teracom Boxer Group's equity/assets ratio rose to 45 (33) per cent and the return on equity was 29 (14) per cent, partly as a result of a positive profit trend in the newly-established business, Boxer Danmark, in 2013. The board proposes a dividend of SEK 290 (125) million, which is in accordance with the policy and reflects the group's capital structure and expected profit trend. Over the longer term, the company's return on equity has exceeded the set targets.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	3,837	3,869
Operating profit/loss	638	501
Profit/loss before tax	607	459
Net profit/loss	586	233
– of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
Total assets	5,060	5,267
Fixed assets	3,964	4,398
Equity	2,259	1,728
– of which, minority interests	0	0
Net debt	945	1,656
Operating capital	3,204	3,384
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Operating margin, %	16.6	12.9
Return on equity (average), %	29.4	13.8
Return on operating capital (average), %	19.4	14.5
Net debt/equity ratio, multiple	0.4	1.0
Equity/assets ratio, %	44.6	32.8
Gross investments, SEKm	348	317
Appropriation, SEKm	0	0
Dividend, SEKm	290	125
Average no. of employees	710	672

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

### FINANCIAL TARGETS

- Profitability: Return on equity 17 per cent.
- Capital structure: Equity/assets ratio 30 per cent.
- Dividend 40–60 per cent of net profit.

### STRATEGIC SUSTAINABILITY TARGETS

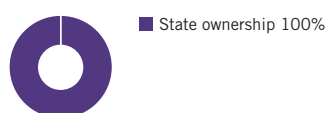
- Work with sustainable suppliers: 80 per cent of purchasing volumes are delivered by suppliers who take Teracom's sustainability policy into account.
- Foster diversity: At least 40 per cent of each gender.
- Reduced environmental impact: –3 per cent annual decrease.

For further information on the sustainability targets, see the company's annual report.

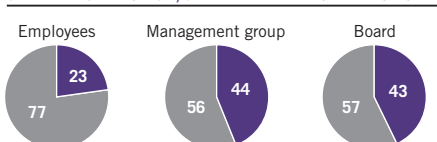
### PERFORMANCE INDICATORS

- Although the company has a specifically adopted public policy assignment, no quantifiable targets for that assignment have been formulated by the owner.

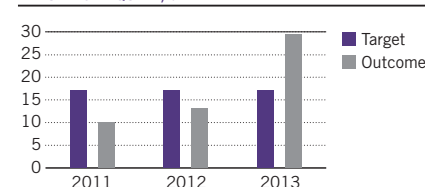
### STATE OWNERSHIP, %



### GENDER DISTRIBUTION, %



### RETURN ON EQUITY, %





Vasallen AB was established in 1997 to develop and improve closed regiments and other military properties in cooperation with municipalities and local business – transforming them into attractive and vibrant neighbourhoods with new purposes – and ultimately divesting them. In 2009, the assignment was extended to include other types of properties to increase Vasallen's attractiveness on the market in preparation for future sales.

#### OPERATIONS

Vasallen is a property development company working with development projects in the following locations: Luleå, Kristinehamn, Sollefteå, Strängnäs and Vaxholm. Its headquarters are located in Örebro.

The company has acquired a total of 24 property holdings throughout Sweden. Of these, 20 have today been developed and sold. These include Campus Östersund, formerly the A4 regiment, the former I4/A1 in Linköping, which is now the Rättscentrum (legal centre) and the old Lv4 in Ystad which is now tenant-owned homes, a school, a cinema among others.

Since May 2009, Vasallen has an extended assignment that, in brief, means the company has the opportunity to make complementary acquisitions of properties other than former defence-related properties for development (Bill 2008/09:172, bet. 2008/09:FiU41, rskr. 2008/09:263).

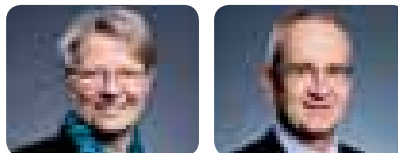
#### 2013

- Following major divestments in 2012, development efforts have concentrated on homes in the communities where Vasallen remains.
- The profit for the year is attributable to unrealised gains in value and a favourable operating net.

During 2013, some smaller divestments were implemented, including land at Rindö harbour (Vaxholm) and in Sollefteå. Following the divestment of large parts of the property holdings in 2012, development has focused on creating different types of housing in the communities where Vasallen remains.

The fiscal year 2013 generated a net profit of SEK 53 million, which was attributable to unrealised gains in value and a favourable operating net.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Charlotte Axelsson CEO: Leif Rytter

Chair: Charlotte Axelsson Board: Agneta Kores, Daniel Kristiansson, Biljana Pehrsson, Tomas Werngren  
Employee rep: Mats Sundqvist Auditor: Ingemar Rindstig, EY

Remuneration to the Chairman of the Board is SEK 138,000 (138,000). Remuneration to board members elected by the Annual General Meeting is SEK 69,000 (69,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

The increase in the value of the property holdings is attributed to the operating net having improved significantly in some locations, certain infrastructure issues have been resolved, particularly in Kristinehamn, and the market for properties with certain types of leases having improved over the year. In terms of project development, the year can be characterised as a transitional year with relatively small divestment volumes and limited investments, pending the approval of detailed development plans.

#### PERFORMANCE REVIEW

For the past five years, the return has averaged 6.5 per cent, which is above the target. The return for 2013 was 6.0 per cent. The equity/assets ratio was 91 per cent, which clearly exceeds the target. The interest coverage ratio exceeds 2, which is in line with the target. The dividend of SEK 100 million exceeds the dividend target.

CSI was 88 (86) per cent, surpassing the target of 80 per cent. Sickness absence was 0.7 per cent, meaning the target was met by a good margin. Energy consumption for 2013 was 136 kWh per square metre, which was unchanged from the previous year. Consequently, the target of 100 kWh per square metre was not achieved. During 2011 and 2012, Vasallen divested a large proportion of the properties where development had been completed and that had good energy performance, which explains the relatively high energy consumption in the current portfolio. Energy declarations were issued for all building as required.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	79	97
Changes in value	54	25
Operating profit/loss	64	23
Profit/loss before tax	65	14
Net profit/loss	53	56
– of which attributable to minority interests	0	0

BALANCE SHEET, SEKm	2013	2012
Total assets	1,000	958
Fixed assets	846	754
Equity	914	891
– of which, minority interests	0	0
Net debt	-122	-167
Operating capital	792	724

KEY RATIOS	2013	2012
Operating margin, %	81.0	23.7
Return on equity (average), %	6.0	6.5
Return on operating capital (average), %	8.4	2.5
Net debt/equity ratio, multiple	-0.1	-0.2
Equity/assets ratio, %	91.4	93.0
Gross investments, SEKm	56	166
Appropriation, SEKm	0	0
Dividend, SEKm	100	30
Average no. of employees	17	27

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

#### FINANCIAL TARGETS

- Profitability: Return on equity should correspond to the risk-free interest plus 4 percentage points.
- Capital structure: Equity/assets ratio at least 50 per cent; interest coverage ratio shall exceed 2.
- Dividend: 30–50 per cent of net profit.

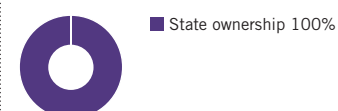
#### STRATEGIC SUSTAINABILITY TARGETS

- Customer satisfaction index (CSI) should be at least 80.
- Sickness absence shall not exceed 3 per cent.
- Energy consumption should be less than 100 kWh per square metre and year.

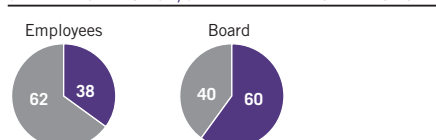
#### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

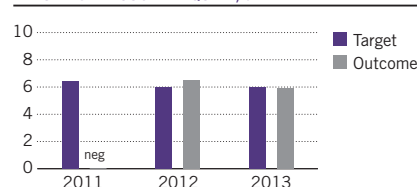
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RETURN ON ADJUSTED EQUITY, %





Vattenfall AB, which is wholly owned by the Swedish state, was formed in 1992 in connection with the corporatisation of Statens Vattenfallsverk (Swedish state public policy energy company). Vattenfall produces, distributes and sells electricity, heat and gas primarily in the Nordic region, Germany and the Netherlands.

The Riksdag has resolved that Vattenfall shall generate market returns by conducting energy operations on commercial terms and being one of the companies leading development in environmentally sustainable energy production.

#### OPERATIONS

Vattenfall is one of Europe's largest producers of electricity and the largest producer of heat. The production mix consists of hydroelectric, nuclear, coal, natural gas, wind and biomass power. In 2013, Vattenfall had 6.2 million electricity customers, 4.3 million electricity network customers and 1.9 million gas customers. On 1 January 2014, Vattenfall transitioned from a functional organisation structure to a geographical one. It was divided into two regions, Nordic Region and Continental Europe/UK which will improve Vattenfall's opportunities to manage national differences and changes in the energy market while also increasing the company's strategic and financial flexibility.

#### 2013

- Increased underlying operating profit.
- Negative net outcome due to large-scale impairments.
- Increased electricity production.

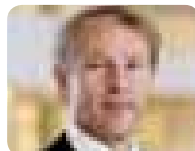
As a result of poorer market conditions and increased business risks in the sector, impairments were recognised in production assets and goodwill totalling SEK 30.1 billion. Excluding these impairments and other items affecting comparability, underlying operating profit increased by 1.3 per cent to SEK 27.9 billion. To address the deteriorated market conditions, Vattenfall announced in March 2013 that its labour force would be reduced by about 2,500 by the end of 2014 and cost savings of SEK 4.5 billion were approved for 2014–2015. In 2013, annual operating expenses were reduced by SEK 3.2 billion, entailing a reduction in the cost base of 18 per cent compared to the cost base in 2010.

The investment programme for the five-year period 2014–2018 has been reduced to SEK 105 billion, compared to 123 billion for the period 2013–2017. The difference is mainly attributed to decreased investment in growth.

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Lars G Nordström



CEO: Øystein Løseth (Magnus Hall new CEO effective from October 2014)

Chair: Lars G Nordström Board: Eli Arnstad, Fredrik Arp, Gunilla Berg, Håkan Buskhe, Håkan Erixon, Åsa Söderström Jerring, Jenny Lahrin (Jan-Åke Jonsson stepped down in June 2013. Jenny Lahrin and Åsa Söderström Jerring were elected at an Extraordinary General Meeting in December 2013 when Patrik Jönsson stepped down. Fredrik Arp was elected at the 2014 Annual General Meeting.) Employee reps: Carl-Gustaf Angelin, Johnny Bernhardsson, Ronny Ekwall Deputy employee reps: Lennart Bengtsson, Christer Gustafsson, Jeanette Regin Auditor: Hamish Mabon, EY

Remuneration to the Chairman of the Board is SEK 580,000 (580,000). Remuneration to board members elected by the Annual General Meeting is SEK 280,000 (280,000). No remuneration is payable to members who are employed by the Swedish Government Offices. Nor is remuneration payable to employee representatives.

A decision was made to build two new wind farms in the UK and to build out the offshore wind farm Kentish Flats. In Denmark, the building of the Bajlum wind farm commenced and in Sweden the building of Hjulberga which will be the largest onshore wind farm in southern Sweden. Both are to enter operation in 2014. In the Netherlands, the Princess Alexia wind farm entered into operation.

#### PERFORMANCE REVIEW

In 2013, the debt/equity ratio target was achieved but not the target for FFO in relation to the net debt/equity ratio. Due to the impairments, the profitability or dividend targets were not achieved. The return on capital employed was negative in 2013, although based on underlying operating profit it amounted to 9.2 per cent. As a consequence of the net loss, no dividend was paid for 2013.

Vattenfall's carbon dioxide exposure amounted to 88.4 million tonnes compared to 85 million tonnes in 2012. The increase was mainly explained by new production facilities approved in 2006/2007 becoming operational. In 2010, when the CO<sub>2</sub> target was formulated, the exposure was 93.7 million tonnes, and the increase is within the plan to reduce the level to 65 million tonnes by 2020. In 2013, Vattenfall's growth in renewable energy was 9.5 per cent. A complete follow-up of the growth target is provided in Vattenfall's 2014 half-year report. The energy efficiency target will be assessed after 2014.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	171,684	167,313
Operating profit/loss	-6,453	25,958
Profit/loss before tax	-15,211	18,118
Net profit/loss	-13,543	17,047
- of which attributable to minority interests	125	288

BALANCE SHEET, SEKm	2013	2012
Total assets	486,426	528,364
Fixed assets	375,866	394,381
Equity	130,718	149,372
- of which, minority interests	10,348	8,608
Adjusted net debt	162,597	154,335
Capital employed, average	303,000	313,124

KEY RATIOS	2013	2012
Operating margin, %	neg	15.5
Return on equity (average), %	neg	12.3
ROCE, return on capital employed (average), %	neg	8.3
Debt/equity ratio, %	81.8	74.9
Equity/assets ratio, %	26.9	28.3
Gross investments, SEKm	27,761	29,581
Appropriation, SEKm	0	0
Dividend, SEKm	0	6,774
Average no. of employees	32,374	33,059

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## TARGETS

#### FINANCIAL TARGETS

- Profitability: Return on capital employed 9 per cent.
- Capital structure: Internally generated funds (FFO)/adjusted net debt 22–30 per cent, debt-equity ratio of 50–90 per cent.
- Dividend: 40–60 per cent of net profit for the year.

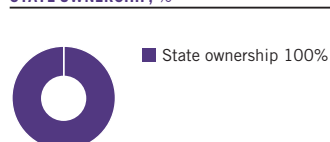
#### STRATEGIC SUSTAINABILITY TARGETS

- To reduce CO<sub>2</sub> exposure to 65 million tonnes by 2020.
- Have a higher growth rate than the market in newly installed renewable capacity by 2020 thereby contributing to the transition to more sustainable energy systems.
- To increase energy efficiency. Short-term targets for 2014: Reduce energy consumption by an average 1 GWh per day through internal and external measures, totalling 365 GWh for 2014. Subsequently, a target for 2020 will be adopted.

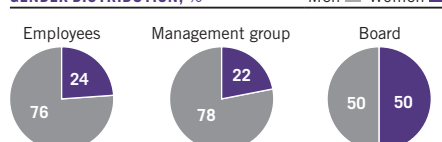
#### PERFORMANCE INDICATORS

- Has no specifically adopted public policy assignment.

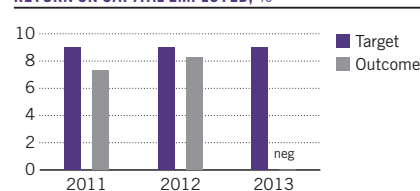
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### RETURN ON CAPITAL EMPLOYED, %





V.S. VisitSweden AB is a communications company responsible for marketing Sweden abroad as a tourist destination, as well as for Sweden as a brand and for Sweden's image. The tourism industry is of importance both socio-economically and in terms of growth policy and is an area of state involvement in most countries.

VisitSweden AB is owned equally by the state and the tourism industry through Svensk Turism AB. The jointly owned company was formed in 1995 under the name Sveriges Rese- och Turistråd (Sweden's travel and tourism board). In 2006, the company changed name to VisitSweden.

#### OPERATIONS

The overarching objective of the Government's policy on tourism is that Sweden shall have a high degree of attraction as a tourist destination with a long-term competitive tourism industry that contributes to sustainable growth and increased employment in all parts of the country. VisitSweden's principal assignment is to assume responsibility abroad for the overarching marketing of Sweden as a tourist destination, both through image marketing of Sweden as a brand and through marketing of Swedish experiences and destinations. Through its work, VisitSweden shall help increase tourism.

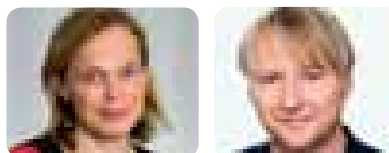
The state finances the company's core operations and the overall marketing of Sweden as a brand, while the tourism industry finances targeted activities and product marketing in connection with the company's operations. The company applies targeted marketing, prioritising the following 12 markets in 2013: Denmark, Finland, France, Italy, China, the Netherlands, Norway, Russia, Spain, the UK, Germany and the US.

#### 2013

- Net turnover decreased by SEK 28 million.
- A cost-cutting programme was implemented, resulting in overheads being reduced by SEK 12 million.
- The company contributed to articles and broadcast items in international media with a value of SEK 2 billion.

Net turnover decreased by SEK 28 million in 2013, with state funding decreasing by SEK 20 million, and income from the tourism industry decreasing by SEK 8 million. In 2013, state appropriations amounted to SEK 120 million

#### BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Elisabeth Gauffin CEO: Thomas Brühl

**Chair:** Elisabeth Gauffin **Board:** Peter Clason, Anders Eslander, Mats Forslund, Magnus Nilsson, Inga Thoresson-Hallgren, Jari Virtanen, Eva Östling

**Deputies:** Elisabet Jansson-Strömberg, Patric Sjöberg (Elisabeth Jansson-Strömberg and Jari Virtanen were elected at the 2014 Annual General Meeting when Mikael Alerup and Hans Gerremo stepped down)

**Auditor:** Therese Kjellberg, Deloitte

Remuneration to the Chairman of the Board is SEK 100,000 (100,000). Remuneration to members elected by the Annual General Meeting is SEK 50,000 (50,000) and to deputy members elected by the Annual General Meeting SEK 24,000 (24,000). No remuneration is payable to members who are employed by the Swedish Government Offices.

(basic appropriation of SEK 90 million/year and a two-year temporary investment of 30 million/year in 2013-2014). The company also received special funding of SEK 4.3 million for the Government's drive "Sweden – the new culinary nation".

In the autumn of 2012, the company implemented a cost-cutting programme, which resulted in overheads being reduced by SEK 12 million in 2013.

The company is targeting larger and more focused business partnerships, and larger and fewer marketing campaigns and activities. In 2013 VisitSweden entered its largest campaign to date with the Swedish tourism industry "Swedish Moments", which is to last three years and attract more visitors to stay at campsites and in leisure homes.

#### PERFORMANCE REVIEW

For Swedish tourism, 2013 was a good year, with the number of nights spent by foreign guest rising to 12.9 million, which represents 136,000 more overnight stays than in the preceding year. The company's target group analyses show that great potential remains to be realised in order to increase the number of visits to Sweden, with 28 million travellers indicating that they plan to travel to Sweden within the next three years.

VisitSweden has conducted its operations in accordance with the direction determined by the owners.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	254	282
Operating profit/loss	1	-8
Profit/loss before tax	0	-7
Net profit/loss	0	-8
- of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
Total assets	67	93
Fixed assets	5	6
Equity	25	25
- of which, minority interests	0	0
Net debt	0	0
Operating capital	25	25
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Operating margin, %	0.2	neg
Return on equity (average), %	0.4	neg
Return on operating capital (average), %	2.4	neg
Net debt/equity ratio, multiple	0.0	0.0
Equity/assets ratio, %	37.0	26.6
Gross investments, SEKm	1	2
Appropriation, SEKm	120	140
Dividend, SEKm	0	0
Average no. of employees	79	88

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

#### TARGETS

##### FINANCIAL TARGETS

- No financial targets have been determined by the owner.

##### STRATEGIC SUSTAINABILITY TARGETS

- Employees and equality: At least 40 per cent women in senior positions and 95 per cent implementation of development interviews in 2014.
- Environment: Reduce CO<sub>2</sub> emissions by 10 per cent compared with 2010 to 525 tonnes CO<sub>2</sub> in 2014.

##### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

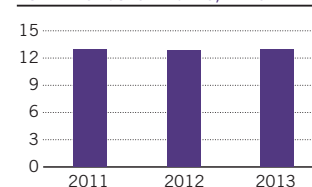
#### STATE OWNERSHIP, %



#### GENDER DISTRIBUTION, %



#### NUMBER OF GUEST NIGHTS, million



# Voksenåsen Oslo

Voksenåsen AS, which is a course and conference centre in Oslo, is Norway's national gift to Sweden. The gift was presented in 1955 and the facility opened in 1960. Voksenåsen was managed by the Swedish-Norwegian Cooperation Fund until 1976 but, since its corporatisation in 1977, it has been a Norwegian limited company (aksjeselskap) that is wholly owned by the Swedish state. Through its programme operations, Voksenåsen shall foster Swedish-Norwegian cooperation and reflect Sweden and Norway's international commitments.

## OPERATIONS

Through various forms of outreach activities, Voksenåsen shall strengthen the affinity between Swedes and Norwegians, increasing mutual understanding of the two countries' social life, language and culture. Voksenåsen is to be a natural meeting place and a well-used forum for debate on culture and society in Sweden and Norway and shall therefore hold a high proportion of events in partnership with agencies and organisations in both Sweden and Norway and have a varied programme. Several activities are aimed at young people and students, such as SommerAkademiet (the summer academy), which is arranged in partnership with universities in Oslo and Stockholm, language and cultural courses for students of education and journalism, and cultural courses for younger non-Nordic writers and other artists.

Voksenåsen shall offer its guests accommodation that measures up well in competition with similar facilities in the Oslo area, and achieve profitability while maintaining respect for Voksenåsen's fundamental purpose. Any surpluses are to be used for activities that promote Voksenåsen's purpose.

## BOARD AND AUDITORS ELECTED FOR 2014/2015



Chair: Eva Eriksson

CEO: Karl Einar Ellingsen

**Chair:** Eva Eriksson **Board:** Jan Andréasson, Azka Baig, Åsa Bergenheim, Thomas Fürth, Jørn Holme, Sverre Jervell, Christina Mattson, Ellen Marie Saethre-McGuirk **Auditor:** RSM Hasner Kjelstrup & Wiggen AS, Auditor authorised by the Norwegian state: Anders Alvem

Remuneration to the Chairman of the Board is SEK 44,000 (44,000). Remuneration to board members elected by the Annual General Meeting is SEK 10,000 (10,000).

## 2013

- Varied programme operations targeting both adults and youths.
- Increased occupancy, but continued commercial challenges in the hotel industry.

The state appropriation from the Swedish state for 2013 amounted to SEK 10.3 million. In addition, a contribution was made by the Norwegian state amounting to NOK 1.5 million. Voksenåsen reported a profit that was primarily attributable to increased occupancy.

## PERFORMANCE REVIEW

Programme operations are varied and include themes relevant to both countries. Surpluses from the hotel and conference operations demonstrate that the facility is measuring up well in competition with similar facilities and have entailed increased resources for courses and seminars.

INCOME STATEMENT, SEKm	2013	2012
Net turnover	45	46
<b>Operating profit/loss</b>	<b>1</b>	<b>0</b>
<b>Profit/loss before tax</b>	<b>1</b>	<b>0</b>
<b>Net profit/loss</b>	<b>0</b>	<b>0</b>
– of which attributable to minority interests	0	0
<b>BALANCE SHEET, SEKm</b>	<b>2013</b>	<b>2012</b>
<b>Total assets</b>	<b>20</b>	<b>23</b>
Fixed assets	12	23
<b>Equity</b>	<b>10</b>	<b>9</b>
– of which, minority interests	0	0
<b>Net debt</b>	<b>4</b>	<b>4</b>
<b>Operating capital</b>	<b>13</b>	<b>13</b>
<b>KEY RATIOS</b>	<b>2013</b>	<b>2012</b>
Operating margin, %	2.4	0.0
Return on equity (average), %	0.0	0.0
Return on operating capital (average), %	8.3	0.0
Net debt/equity ratio, multiple	0.4	0.4
Equity/assets ratio, %	47.3	39.1
Gross investments, SEKm	1	0
Appropriation, SEKm	10	10
Dividend, SEKm	0	0
Average no. of employees	48	47
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

## TARGETS

### FINANCIAL TARGETS

- No financial targets have been determined by the owner.

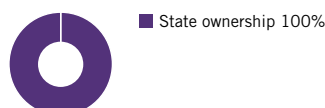
### STRATEGIC SUSTAINABILITY TARGETS

- Voksenåsen shall continue to be a leading Nordic course and conference centre, even when considered from an international perspective.
- The unique nature of Voksenåsen as an institution makes it particularly well suited as an arena for development, innovation, conflict resolution and other processes in the areas of culture, politics, business and social responsibility.

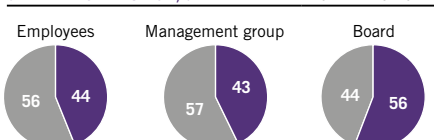
### PERFORMANCE INDICATORS

- Has a specifically adopted public policy assignment. Operations within the framework of the public policy assignment funded through state appropriations are followed up. Targets have not yet been developed in accordance with the process for performance indicators.

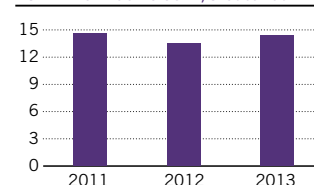
## STATE OWNERSHIP, %



## GENDER DISTRIBUTION, %



## NUMBER OF ROOMS SOLD, thousands



## Liquidated companies

### INNOVATIONSBRON AB 556667-8412

Innovationsbron AB was formed in 2005 by the state, the Industrifonden foundation and the Teknikbrostiftelserna foundations. The company worked with the commercialisation of knowledge-intensive concepts, both research-based and experience-based. Innovationsbron AB's operations were divided into two main areas, seed funding and incubation. In seed financing, the company made 95 equity capital investments in 2012, of which approximately SEK 60 million involved 35 new investments and approximately SEK 43 million involved 60 follow-up investments. In incubation, 2,700 concepts were evaluated in

2012, with 285 new projects ultimately being adopted. During the first half of 2012, 84 companies in the incubators attracted investment of SEK 147 million. To better harness the potential for innovation and growth among companies throughout the country, in its Budget Bill for 2012, the Government announced a reform of the state venture capital system. In the Spring Budget Bill for 2012 (Bill 2011/12:99, bet. 2011/12:FiU21, rskr. 2011/12:282) the Government was authorised to transfer its shares in Innovationsbron to Almi Företagspartner AB. On 1 January 2013, Innovationsbron AB became a subsidiary of Almi Företagspartner AB.

## Companies being liquidated

### APOTEKENS SERVICE AKTIEBOLAG 556763-4778

Apotekens Service Aktiebolag was formed in 2008 with the principal task of assuming responsibility for the infrastructure that all pharmacies need access to in the form of registers and databases. Since 26 March 2010, the company has been owned directly by the state. In 2013, the Government submitted a bill to the Riksdag proposing a new agency for health and care infrastructure. In this bill, the Government made the assessment that a new agency should be formed and that the state should retain the authority to perform the tasks that previously comprised the operations of Apotekens Service Aktiebolag. The proposal

implies the liquidation of Apotekens Service Aktiebolag. The Riksdag's resolution was in line with the Government's proposal (Bill 2012/13:128, bet. 2012/13:SoU26, rskr. 2012/13:279).

The eHealth Agency commenced its operations on 1 January 2014. An Extraordinary General Meeting in Apotekens Service Aktiebolag on 13 December 2013 resolved to enter the company into voluntary liquidation. Apotekens Service Aktiebolag is under the administration of an official receiver tasked with implementing the liquidation.

### ERSÄTTNINGSMARK I SVERIGE AB 556820-8499

On 23 June 2010, the Riksdag resolved, in accordance with the Government's proposal, that Sveaskog should transfer 100,000 hectares of productive forest land from Sveaskog to the state, to subsequently be used as substitute land in connection with state appropriations of other properties. This transfer was to take place through the distribution of properties or of shares in a subsidiary owned by Sveaskog AB. In April 2011, the Annual General Meeting in Sveaskog AB resolved to approve the Board's proposal for the distribution of shares in the company Ersättningsmark i Sverige AB. The company owned 100,000 hectares of productive forest land at a book value of SEK 59 million and received a shareholders contribution of SEK 100 million from Sveaskog. The distribution was executed on 29 April 2011. The Swedish Environ-

mental Protection Agency is responsible for exchanging the productive forest land for forest land worthy of conservation. During 2012, Ersättningsmark i Sverige AB transferred the 100,000 hectares to the state (the Swedish Environmental Protection Agency) which took possession of the properties on 31 December 2012. The company had thereby fulfilled its assignment. The Riksdag has authorised the Government to wind up Ersättningsmark i Sverige AB by means of liquidation (Bill 2013/14:1, bet. 2013/14:NU1, rskr. 2013/14:103). On 10 April 2014 the Annual General Meeting resolved to enter the company into voluntary liquidation. Since 9 May 2014, Ersättningsmark i Sverige AB is under the administration of an official receiver tasked with implementing the liquidation.

## State ownership in modern times

Since 1969, the management of the state-owned companies has mainly been gathered within the Government Offices. The reasons for companies being set up or gaining state ownership have changed over time. The review below briefly summarises the most important corporate events among the companies owned by the Swedish state.



**1969** The Ministry of Industry is formed and the management of most of the state-owned companies are allocated to it.

**1970** Statsföretag is founded to coordinate major limited companies in sectors including mining, steel, forestry, and petrochemicals. Apoteksbolaget is formed.

**1974** PK-banken is formed through the merger of Postbanken and Sveriges Kreditbank.

**1977** Svenska Varv is formed in conjunction with the state taking over Salén-Invest's shares in Götaverken. The group also includes Arendal, Cityvarvet, Finnboda Varf, Karlskronavarvet, Uddevallarvet and Öresundsvävarvet. An extensive restructuring programme is initiated.

**1978** SSAB, Scandinavia's leading steel producer is formed in the reorganisation of Sweden's three largest producers of commercial steel. The state and Statsföretag own 75 per cent of SSAB and Gränges 25 per cent.

**1979** Kockums is incorporated into Svenska Varv.



**1980** Combined, SSAB and Statsföretag account for 20 per cent of the country's industrial investments.

**1981** The state transfers its half share in ASEA-ATOM to ASEA. The JAS industrial group is formed, with the government being a shareholder through Förenade Fabriksverken (FFV).

**1982** SvenskaVarv is reconstructed. Closures of major shipyards continue.

**1984** Nokia acquires 70 per cent of satellite and television manufacturer Luxor, which had been taken over by the state five years previously.

**1985** Statsföretag changes name to Procordia. Procordia is restructured through divestments and acquisitions of companies.

**1986** The state-owned Sveriges Petroleum (SP) merges with the Swedish oil consumers' association (OK) to form OK Petroleum, with the Finnish state-owned company Neste as part owner. The first partial privatisation of SSAB is implemented through the acquisition of Gränges' shareholding and the sale of one-third of the shares in SSAB to a small number of institutions.

**1987** Procordia is listed on the stock exchange in conjunction with a new share issue. The state takes over Grängesbergs Gruvor from SSAB.

**1988** Statens Järnvägar (SJ), a public enterprise, is demerged. Banverket, the Swedish National Rail Administration, is made responsible for the railway network and SJ for train services.



**1989** Procordia, Pharmacia and Volvo's food company Provendör merge to form the new Procordia group with Volvo and the Swedish state as the largest owners, each with 42.5 per cent of the votes. SSAB shares are listed on the A List of the Stockholm Stock Exchange.

**1990** PK-banken acquires Nordbanken. The holding company Fortia is formed.

**1991** The Riksdag resolves to wholly or partially privatise 35 companies and to liquidate Fortia. Celsius Industrier, formerly Svenska Varv reorganises as a defence group when merged with Telub and FFV, becoming a limited company, and acquires Bofors.





**1992** The Swedish Forest Service (Domänverket) becomes Domän AB. Statens Vattenfallsverk becomes Vattenfall AB, in conjunction with which the Swedish electricity grid and foreign connections are separated to form a new public enterprise, Svenska Kraftnät. A public offering is made of the state's shareholding in SSAB in the form of a rights issue combined with a government bond. Statens Bostadsfinansieringsaktiebolag (SBAB) is fully exposed to competition. SAS acquires 50 per cent of Linjeflyg to form a fully integrated domestic airline. Gota Bank is declared bankrupt and is acquired by the state. Securum is set up to deal with the problem loans incurred by Nordbanken as a consequence of the financial crisis.



**1993** The National Board of Public Buildings ceases to exist and government agencies and public enterprises are permitted to operate freely in the property market. Vasakronan takes over the state's commercial properties. Volvo and the Swedish Government agree to work to divide Procordia into two parts. The state becomes the majority

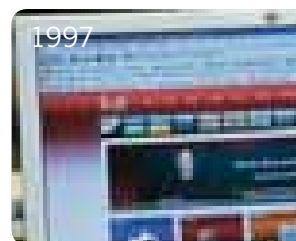
shareholder in Pharmacia AB, focusing on pharmaceuticals, and Volvo becomes the majority shareholder in AB Procordia, which operates in sectors including food and tobacco. The Government sells 75 per cent of the state's shares in the defence group Celsius but retains the majority of the voting rights and the shares are listed on the A List of the Stockholm Stock Exchange. Assi AB and Domän AB are merged into AssiDomän AB, which bids for NCB. Securum contributes SEK 10 billion to save Nordbanken. Televerket is reformed to make Telia AB. The AMU group is incorporated.

**1994** A-Banan projekt AB is formed to build the Arlandabanan rail line. This is the first infrastructure project in Sweden to be co-financed by the state and the business sector. Posten (Swedish postal service) becomes a limited company. The state divests

its remaining shareholdings in SSAB, OKP and parts of AssiDomän AB and Pharmacia.

**1995** V&S Vin&Sprit's monopoly ends. Pharmacia and US pharmaceuticals company UpJohn merge.

**1996** The state injects SEK 600 million into AmuGruppen (later Lernia) to save the company from bankruptcy.



**1997** SBL Vaccinis is sold to Active in Malmö. Svenska Penninglotteriet and Tiptjänst AB merge and change name to Svenska Spel AB. Merita and Nordbanken announce their intention to merge and form MeritaNordbanken.

**1998** The unit for state ownership is formed at the Ministry of Enterprise, Energy and Communications and assigned administration responsibility for a large proportion of the state-owned companies.

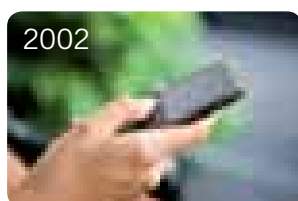
**1999** The remaining shareholding in Pharmacia & UpJohn is sold. Sveaskog AB is formed through the transfer of forest assets from AssiDomän. The state sells its shares in SAQ Kontroll (incorporated in 1995 from the Swedish Plant Inspectorate in connection with the abolition of the inspection monopoly) and Värdepapperscentralen (Swedish Securities Register).



**2000** Remaining shareholding in Celsius (25 per cent) is sold to defence group Saab. Telia is listed on the stock exchange. Vattenfall becomes one of Northern Europe's largest energy companies through the acquisition of the German energy companies VEAG and LAUBAG for SEK 14 billion.

Nordea Bank merges with UniDanmark of Denmark and Kreditkassen of Norway, becoming a Nordic bank. The state's ownership in the bank decreases to 18.2 per cent. The Swedish State Railways public enterprise is divided into six different companies. The new SJ AB is responsible for passenger traffic. The other companies are EuroMaint, Green Cargo, Jernhusen Traffic-Care and Unigrind.

**2001** Sveaskog acquires AssiDomän AB. Airline group SAS, which was previously owned by three separate national parent companies, gains a single newly-formed parent company, SAS AB, in which the former shareholders are given newly issued shares. The Swedish state subsequently owns 21.4 per cent of SAS.



**2002** Telia and the Finnish company Sonera merge to form TeliaSonera, becoming the leading telecommunications operator in the Nordic region. The Swedish state subsequently owns 46 per cent of TeliaSonera.

**2003** The state's shares in Svenska Skogsplantor are transferred to Sveaskog (also a wholly state-owned company). The state acquires ABB's holding of 35 per cent of Svensk Exportkredit (Swedish Export Credit Corporation, SEK) and becomes the sole owner of SEK following the acquisition.



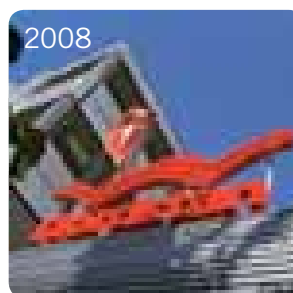
**2005** The state injects SEK 600 million into Green Cargo. The Swedish Code for Corporate Governance (the Code), which is intended to contribute to improved governance of Swedish limited companies, starts to be applied by the Stockholm Stock Exchange

and also forms part of the State's Ownership Policy. Innovationsbron is formed with the task of investing in growth companies. The Riksdag is expanding SBAB's mission to include accepting deposits from the general public.

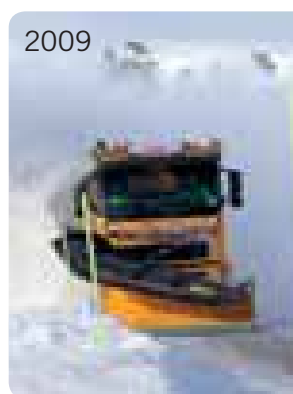
**2006** The Government sells its last share in SAKAB AB, a leftover from 1992 when the principal responsibility for the handling of hazardous waste was transferred to a private player.

**2007** The state decreases its holding in TeliaSonera, selling shares for SEK 18 billion. The Swedish state subsequently owns 37.3 per cent of TeliaSonera. The Riksdag resolves to give the Government a mandate to sell certain state-owned companies.

**2008** The state sells its holding in OMX to Borse Dubai, in Vin&Sprit to French Pernod Ricard and in Vasakronan to AP Fastigheter. These divestments provide income equivalent to



SEK 81 billion. New capital is injected into to SEK and ALMI and, in connection with this, the shares in Venantius are transferred to SEK. Fouriertransform is formed to invest in research and development in the automotive cluster. In November, through the National Debt Office, the state assumes ownership of Carnegie Investment Bank and Max Matthiessen. The takeover is conducted in accordance with the Act on Support for Banks in Crisis to foster the stability of the financial sector. The shares are divested in 2009.



**2009** Svevia and Vectura Consulting are formed from activities previously included in the National Rail Administration and the National Road Administration. The state participates in new share issues in Nordea Bank and SAS. The merger of Posten and Post Danmark is completed with a new company, PostNord, being formed. The pharmacy monopoly is discontinued and the companies Apoteksgruppen, APL and Apotekens Service are hived off from Apoteket.

**2010** Divestments of 465 pharmacies are completed as a stage in the deregulation of the pharmacy market. In addition, 150 pharmacies are transferred to Apoteksgruppen. Infranord AB is formed from the operations of Banverket Produktion. The newly formed company Swedavia AB takes over airport operations for ten nationally strategic airports from the Swedish Civil Aviation Administration. The state participates in a new share issue in SAS. ESS AB is formed with the purpose of planning and building the European Spallation Source in Lund and a data processing centre in Copenhagen. Inlandsinnovation AB is formed with the purpose of conducting financing operations to promote innovation and entrepreneurship in inland northern Sweden.



**2011** The administration of the state-owned companies is transferred from the Ministry of Enterprise, Energy and Communications to the Ministry of Finance. The state sells 255 million shares in Nordea Bank for SEK 19 billion, reducing its ownership from 19.9 per cent to 13.5 per cent. Sveaskog distributes the shares in Ersättningsmark i Sverige AB to the state. The company owns 100,000 hectares of productive forest land that will be used as replacement land for high conservation value forests. Metria, which sells analyses, services and products based on geographical information is hived off from Lantmäteriet (National Land Survey of Sweden). Arbetslivsresurs AR AB (formed in 2005 from Samhall resurs and AMS Arbetslivstjänster) is sold for SEK 145 million.



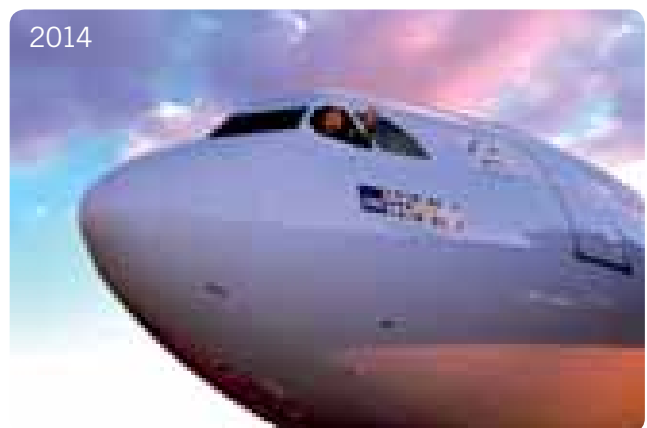
**2012** SAS tackles major profitability problems and, to safeguard the company's liquidity, the Swedish state and the other major owners and a number of banks join to provide a credit facility of SEK 3.5 billion. Bilprovningen completes its partial divestment of the station network by splitting the company into two parts. The minority shareholders take over the network of stations that had been for sale, while the majority shareholder, the state, retains the remainder of Bilprovningen, becoming the 100-per cent owner of that company.



**2013** Almi Företagspartner and Innovationsbron AB merge with the purpose of creating a joint organisation for financing in the early stages of company formation. The administration of Saab

Automobile Parts AB, the parts manufacturer that the National Debt Office took as collateral for a loan to car manufacturer Saab, is transferred to the Ministry of Finance. The state liquidates its entire remaining shareholding in Nordea (13.4 per cent) by selling shares on two occasions during the year for a total of SEK 41 billion. The state sells Vectura Consulting to engineering consultancy Sweco for slightly less than SEK 1 billion.

**2014** Having improved its profitability and strengthened its financial position through a preferential rights issue on the capital market, SAS cancels the loan commitments provided through a credit facility from the state and others. Apotekens Service is wound up as a company following the transfer of responsibilities and functions to the new eHealth Agency that was formed on 1 January 2014. Ersättningsmark i Sverige AB is placed in liquidation. In May 2014, an Extraordinary General Meeting of Bostadsgaranti resolved to divest the subsidiary Försäkringsaktiebolaget Bostadsgaranti. The divestment represents part of the liquidation of Bostadsgaranti as a whole.



# Accounting principles

Companies included in the consolidated financial statements are those limited companies in which the state's shareholding is managed by the Government Offices plus the organisation Svenska Skeppshypotekskassan. The consolidated financial statements are a summary of the financial information issued by the companies themselves. The consolidated financial statements do not include limited companies managed by authorities other than the Government Offices or by state foundations. Companies in which the state has an ownership share of less than 20 per cent or are in the process of being wound up are also not included in the consolidated financial statements. Companies in which the state has an ownership share corresponding to more than 50 per cent are recognised as subsidiaries. Associated companies, meaning companies in which the state has an ownership share equivalent to 20–50 per cent, have been included in profit or loss in relation to the ownership share.

As indicated, the consolidated financial statements are based on the financial information produced and reported by each company. These consolidated financial statements cannot be compared with ordinary consolidated financial statements. This is because the state-owned companies do not constitute a group in the ordinary sense and therefore do not produce consolidated financial statements in compliance with a formal regulatory framework. Accordingly, the compilation is intended, to provide, in the best possible way a coherent and clear picture of the administration of the state-owned companies in financial terms. To facilitate this without applying consolidation methods according to current regulatory framework, a description is provided below of the basis for the summary.

Reporting to the Government Offices from state-owned companies is based on the established form of presentation applicable in the business community. However, the income statement, balance sheet and cash flow statement have been condensed.

Certain adjustments, for which the Swedish Government Offices are responsible, have been made in the data reported for the consolidated financial statements (see below). The business descriptions presenting the various companies are primarily based on the companies' own information. Due to varying calculation methods, the key ratios reported in the consolidated financial statements may differ from the key ratios presented by the companies themselves (see definitions below).

The following is applicable to the consolidated financial statements:

- The companies included in the summary vary in character and size and apply, to some extent, differing regulatory frameworks when preparing their financial statements. Reporting to the Government Offices is based on a condensed presentation format with features of both IFRS and Swedish accounting principles, with the companies having reported in accordance with the principles adopted in their own case. To facilitate the consolidation in practical terms, a number of companies, including financial companies reporting in accordance with the Annual Accounts for Credit Institutions and Securities Act (1995:1559), adjust their reporting to the Government Office's reporting format.
- According to the Government guidelines for external financial reporting of state-owned companies, the financial statements of state-owned companies should be prepared on the basis of the requirements imposed on publicly traded companies. As of 2005, publicly traded companies in the EU are required to prepare their consolidated financial statements in accordance with IFRS as adopted by the EU.
- Associated companies have been included in accordance with the equity method. This means that profit or loss after tax in an associated company corresponding to the share owned by the state has been included in the consolidated income statement on one line in operating profit or loss. Similarly, the owner's share of the associated company's equity has been included in the consolidated balance sheet.
- Subsidiaries in which there is a minority interest have been adjusted in the income statement and balance sheet. This adjustment entails the minority owner's share of the subsidiary's profit or loss being shown as a deduction in connection with net profit or loss from shares in the associated companies. The minority owner's share of the subsidiary's equity is recognised as a separate item in shareholders' equity in the consolidated balance sheet.
- Intra-group transactions included in the consolidated financial statements have not been eliminated in the consolidation, which does not comply with the customary consolidation methods for intra-group transactions. The reason for this, as explained initially, is that the companies do not constitute a corporate group. Accordingly, the basis required to enable such elimination is not available to the reporting companies either.
- Certain key ratios have not been calculated for the financial companies. The main reason for this is that the working capital of the financial companies is of a different character compared with most other companies.

Please refer to the annual report issued by the respective company for more information about the accounting principles applied in a particular company.

# Definitions and abbreviations

**Average number of employees** – Recalculated as full-time equivalent employees.

**Gross investments** – Sum total of the company's investments in property, plant and equipment, intangible assets and financial fixed as-sets.

**Adjusted equity** – Equity plus any surplus value in, for example, properties and subsidiaries.

**Net debt** – Interest-bearing liabilities less interest-bearing assets.

**Net debt/equity ratio** – Interest-bearing net liability in relation to equity. In certain cases, the calculation is performed on the basis of adjusted equity, in which case this is specified.

**Operating capital** – Interest-bearing net liabilities plus equity.

**Return on equity (average)** – Net profit/loss attributable to shareholders in the parent company as a proportion of average equity attributable to shareholders in the parent company. In certain cases, the calculation is performed on the basis of adjusted equity, in which case this is specified.

**Return on operating capital (average)** – Operating profit/ loss in relation to average operating capital.

**Return on capital employed (average)** – Operating profit loss plus financial income in relation to average capital employed.

**Operating margin** – Operating profit/loss in relation to net turnover.

**Debt/equity ratio** – Interest-bearing liabilities in relation to equity.

**Equity/assets ratio** – Equity including minority share in relation to total assets. In certain cases, the calculation is performed on the basis of adjusted equity, in which case this is specified.

**Capital employed** – Interest-bearing liabilities plus equity.

**Dividend** – The information about the dividend for 2013 refers to the dividend decided upon at the Annual General Meeting in 2014.

## INDUSTRY-SPECIFIC KEY RATIOS

### Financial companies

**Capital adequacy ratio** – Capital base as a proportion of risk-weighted amount.

**Core Tier 1 capital ratio** – Tier 1 capital in relation to risk-weighted amount.

**Core Tier 1 capital** – Equity less certain deductible items, such as goodwill.

## ABBREVIATIONS

**EMAS** – EU Eco Management and Audit Scheme.

**EPD** – Environmental Product Declarations.

**GRI** – Global Reporting Initiative, international guidelines for sustainability reporting.

**IFRS** – International Financial Reporting Standards.

**(XX)** – Figures in parentheses after another figure refer to the preceding year.

# State-owned companies in figures

## SUMMARY TABLE FOR STATE-OWNED COMPANIES

	Income <sup>1)</sup> , SEKm		Operating profit, SEKm		Net profit/loss, SEKm		Return on equity, %		Dividend, SEKm		Number of employees	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Wholly owned, 100% ownership</b>												
Akademiska Hus	5,588	5,511	3,665	3,231	2,568	3,149	8.6	6.8	1,374	1,355	407	404
Almi Företagspartner	1,303	980	75	35	75	36	1.2	0.6	–	–	454	428
APL (Apotek Produktion & Laboratorier)	1,174	724	28	-14	19	-14	9.3	neg	3	–	537	491
Apoteket	18,972	21,524	355	138	364	232	9.8	8.1	150	31	3,899	4,540
Apoteksgruppen	181	174	-7	-12	7	36	1.8	7.9	4	–	80	203
Arlandabanan Infrastructure	67	67	0	0	0	0	0.0	0.0	–	–	1	1
Bilprovningen	787	1,903	24	325	31	362	4.6	42.9	290	70	731	1,598
Dramaten	274	277	2	15	3	16	10.4	82.3	–	–	310	307
Fouriertransform	24	7	42	66	131	194	4.1	6.4	–	–	11	11
Green Cargo	4,161	4,613	-368	-72	-382	519	neg	35.3	–	–	2,125	2,323
Göta kanalbolag	71	70	0	0	0	0	0.1	0.1	–	–	39	40
Infranord	3,811	4,542	-190	18	-162	0	neg	0.0	–	–	2,581	2,682
Inlandsinnovation	4	2	-51	-29	10	5	0.5	0.2	–	–	6	4
Jernhusen	1,104	1,161	797	523	513	564	10.8	13.2	100	100	237	244
Lernia	2,659	2,524	185	-92	146	-96	32.8	neg	58	–	3,828	4,208
LKAB	24,092	27,510	7,639	10,589	6,032	8,753	14.6	22.2	3,500	5,500	4,427	4,357
Metria	436	475	-28	13	-20	7	neg	6.9	–	–	301	305
Miljömärkning Sverige	52	48	0	-2	1	-1	4.4	neg	–	–	59	56
Operan	507	508	4	-6	5	8	16.7	34.9	–	–	536	552
Orio	1,044	960	139	137	177	120	27.7	23.5	55	50	364	340
RISE Research Institutes of Sweden	1,819	1,692	33	16	30	11	4.9	3.5	–	–	1,587	1,449
Samhall	7,316	7,073	-44	-77	12	47	0.8	3.1	–	–	17,401	16,789
SBAB	1,893	1,248	1,085	500	873	360	9.5	4.2	–	–	449	413
SEK	1,958	1,392	1,408	824	1,090	709	7.4	5.0	327	213	243	231
SJ	9,160	8,664	298	467	220	471	5.1	10.1	73	157	4,953	4,299
Specialfastigheter	1,858	1,767	1,921	1,651	1,301	1,328	14.9	19.2	481	365	122	117
SSC (Svenska rymdaktiebolaget)	876	850	30	27	11	8	2.4	1.8	3	–	577	602
Statens Bostadsomvandling	18	29	-17	-16	-7	-15	neg	neg	–	–	5	7
Sveaskog	6,096	6,344	2,214	1,422	1,475	2,155	8.8	12.3	450	435	899	949
Svedab	5	19	1,131	-11	832	-251	neg	13.1	–	–	4	4
Svenska Skeppshypotek	148	166	87	77	87	77	5.1	4.8	–	–	8	8
Svenska Spel	8,117	8,052	5,202	5,083	5,268	5,138	101.2	101.3	5,269	5,137	1,582	1,631
Svevia	7,180	7,158	35	-461	57	-320	6.0	neg	–	–	2,113	2,472
Swedavia	5,233	4,965	954	850	501	447	10.9	10.6	–	–	2,369	2,380
Swedesurvey	22	37	-8	-7	-8	-7	neg	neg	–	–	6	10
Swedfund International	97	214	-117	-253	-93	-224	neg	neg	–	–	34	36
Systembolaget	25,723	25,120	168	270	287	180	18.0	12.6	287	90	3,280	3,172
Teracom Boxer Group	3,875	3,900	638	501	586	233	29.4	13.6	290	125	710	672
Vasallen	79	97	64	23	53	56	6.0	6.5	100	30	17	27
Vattenfall	171,684	167,313	-6,453	25,958	-13,543	17,047	neg	12.3	–	6,774	32,374	33,059
Voksenåsen	58	61	1	0	0	0	0.0	0.0	–	–	48	47

1) Note that income relates to net income + other income.

## SUMMARY TABLE FOR STATE-OWNED COMPANIES

Partly owned companies (ownership in %)	Income, SEKm		Operating profit, SEKm		Net profit/loss, SEKm		Return on equity, %		Dividend, SEKm		Number of employees	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Bostadsgaranti (50)	8	14	-4	-1	51	51	15.1	16.9	17	18	12	13
Dom Shvetsii (36)	18	17	14	13	10	10	neg	neg	-	-	0	0
ESS (European Spallation Source) (74)	7	2	-534	-349	-533	-348	neg	neg	-	-	166	115
Miljöstyvningsrådet (85)	20	20	0	-0	0	0	1.6	3.1	-	-	20	19
PostNord (60)	39,766	39,173	676	511	322	247	3.8	2.5	129	103	39,305	39,713
SAS (21)	42,182	42,419	1,381	-660	179	-3,010	1.6	neg	-	-	14,127	14,897
SOS Alarm (50)	870	860	-2	-30	-0	-15	neg	neg	-	-	819	878
TeliaSonera (37)	102,928	105,905	24,462	28,400	16,767	21,168	14.0	18.0	13,000	12,340	25,321	26,793
VisitSweden (50)	254	282	1	-8	0	-8	0.4	neg	-	-	79	88

# List of Government Bills

## COMPANY / GOVERNMENT BILL

### Akademiska Hus

(Bill. 1991/92:44, bet. 1991/92:FiU8, rskr. 1991/92:107)  
 (Bill. 1992/93:37, bet. 1992/93:FiU8, rskr. 1992/93:123)  
 (Bill. 1997/98:137, bet. 1997/98:FiU25, rskr. 1997/98:252)  
 (Bill. 2010/11:1 expenditure area 24, bet. 2010/11:FiU2, rskr. 2010/11:139, 140)  
 (Bill. 2013/14:1 expenditure area 24, bet. 2013/14:NU1, rskr. 2013/14:103)

### Almi Företagspartner

(Bill. 1993/94:40, bet. 1993/94:NU11, rskr. 1993/94:80)  
 (Bill. 2008/09:73, bet. 2008/09:FiU17, rskr. 2008/09:47)  
 (Bill. 2009/10:148, bet. 2009/10:NU25, rskr. 2009/10:361)  
 (Bill. 2011/12:99, bet. 2011/12:FiU21, rskr. 2011/12:282)  
 (Bill. 2012/13:1, bet. 2012/13:NU1, rskr. 2012/13:104)

### APL, Apotekens Service, Apoteket, Apoteksgruppen

(Bill. 1970:74, bet. 1970:2LU, rskr. 1970:234)  
 (Bill. 1984/85:170, bet. 1984/85:SoU29, rskr. 1984/85:357)  
 (Bill. 1995/96:141, bet. 1995/96:NU26, rskr. 1995/96:302)  
 (Bill. 1996/97:27, bet. 1996/97:SoU5, rskr. 1996/97:58)  
 (Bill. 2001/02:63, bet. 2001/02:SoU10, rskr. 2001/02:194)  
 (Bill. 2004/05:70, bet. 2004/05:SoU13, rskr. 2004/05:217)  
 (Bill. 2005/06:70, bet. 2005/06:SoU15, rskr. 2005/06:198)  
 (Bill. 2006/07:78, bet. 2006/07:SoU12, 2006/07:153)  
 (Bill. 2007/08:87, bet. 2007/08:SoU 17, 2007/08:182)  
 (Bill. 2007/08:142, bet. 2007/08:SoU20, 2007/08:255)  
 (Bill. 2008/09:145, bet. 2008/09: SoU21, rskr.2008/09:226)  
 (Bill. 2008/09:190, bet. 2008/09: SoU25, rskr.2008/09:288)  
 (Bill. 2009/10:96, bet. 2009/10: SoU10, rskr.2009/10:222)  
 (Bill. 2009/10:138, bet. 2009/10: SoU23, rskr. 2009/10:288)  
 (Bill. 2012/13:128, bet. 2012/13:SoU26, rskr. 2012/13:279)

### Arlandabanan Infrastructure

(Bill. 1993/94:39, bet. 1993/94:TU6, rskr. 1993/94:74)  
 (Bill. 1993/94:213, bet. 1993/94:TU36, rskr. 1993/94:436)  
 (Bill. 2005/06:1, bet. 2005/06:TU1, rskr. 2005/06:81)  
 (Bill. 2006/07:1, bet. 2006/07:TU1, rskr. 2006/07:35)  
 (Bill. 2010/11:1, bet. 2010/11:TU1, rskr. 2010/11:138)

### Bilprovningen

(Bill. 1963:91, SU 1963:83, bet. 3LU 1963:22, rskr. 1963:198)  
 (Bill. 1991/92:69, bet. 1991/92:NU10, rskr. 1991/92:92)  
 (Bill. 1993/94:167, bet. 1993/94:TU35, rskr. 1993/94:433)  
 (Bill. 1994/95:69, bet. 1994/95:TU8, rskr. 1994/95:137)  
 (Bill. 1996/97:1 expenditure area 22, bet. 1996/97:TU1, rskr. 1996/97:115)  
 (Bill. 2009/10:32, bet. 2009/10:TU8, rskr. 2009/10:161)  
 (Bill. 2009/10:54, bet. 2009/10:NU10, rskr. 2009/10:162)

### Bostadsgaranti

(Bill. 1983/84:41, bet. 1983/84:BoU8, rskr. 1983/84:64)  
 (Bill. 2012/13:1, bet. 2012/13:NU1, rskr. 2012/13:103)  
 (Bill. 2013/14:125, bet. 2013/14:CU25, rskr. 2013/14:212)

### Dom Shvetsii

(Bill. 1994/95:78, bet. 1994/95:FiU4, rskr. 1994/95:75)

### Dramaten

(Bill. 1992/93:100, bet. 1992/93:KrU20, rskr. 1992/93:315)  
 (Bill. 1996/97:3, bet. 1996/97:KrU1, rskr. 1996/97:129)  
 (Bill. 2009/10:3, bet. 2009/10:KrU5, rskr. 2009/10:145)

### Ersättningsmark

(Bill. 2011/12:1 expenditure area 24, bet. 2011/12:NU1, rskr. 2011/12:102)  
 (Bill. 2013/14:1 expenditure area 24, bet. 2013/14:NU1, rskr. 2013/14:103)

### ESS

(Bill. 2008/09:50, bet. 2008/09:UbU4, rskr. 2008/09:160)  
 (Bill. 2009/10:1 expenditure area 16, bet. 2009/10:UbU1, rskr. 2009/10:126)  
 (Bill. 2012/13:190, bet. 2012/13:UbU7, rskr. 2012/13:54)

### Fouriertransform

(Bill. 2008/09:95, bet. 2008/09:FiU19, rskr. 2008/09:144)  
 (Bill. 2012/13:99, bet. 2012/13:FiU21, rskr. 2012/13:287)  
 (Bill. 2013/14:99, bet. 2013/14:FiU21, rskr. 2013/14:316)

### Green Cargo

(Bill. 1999/2000:78, bet. 1999/2000:TU11, rskr. 1999/00:238)  
 (Bill. 2003/04:127 bet. 2003/04:NU15, rskr. 2003/04:286 )

## COMPANY / GOVERNMENT BILL

### Göta kanalbolag

(Bill. 1977/78:119, bet. 1977/78:TU22, rskr. 1977/78:291)  
 (Bill. 1991/92:134, bet. 1991/92:NU33, rskr. 1991/92:351)  
 (Bill. 1992/93:51, bet. 1992/93:NU15, rskr. 1992/93:97)  
 (Bill. 1993/94:100, bet. 1993/94:NU16, rskr. 1993/94:224)

### Infranord

(Bill. 2009/10:10, bet. 2009/10:TU5, rskr. 2009/10:59)

### Inlandsinnovation

(Bill. 2010/11:2, bet. 2010/11:FiU11, rskr. 2010/11:75)  
 (Skr. 2010/11:74, bet. 2010/11:NU16, rskr. 2010/11:252)  
 (Bill. 2013/14:99, bet. 2013/14:FiU21, rskr. 2013/14:316)

### Jernhusen

(Bill. 1999/00:78, bet. 1999/2000:TU11, rskr. 1999/2000:238)

### Lernia

(Bill. 1992/93:152, bet. 1992/93:AU6, rskr. 1992/93:175)  
 (Bill. 1993/94:126, bet. 1993/94:UbU10, rskr.1993/94:341)  
 (Bill. 1995/96:145, bet. 1995/96:Ubu8, rskr. 1995/96:224)  
 (Bill. 1996/97:55, bet. 1996/97:AU6, rskr. 1996/97:108)  
 (Skr. 1996/97:95, bet. 1996/97:AU10, rskr. 1996/97:188)  
 (Bill. 2012/13:1, bet. 2012/13:NU1, rskr. 2012/13:103)

### LKAB

(Bill. 1883:18)  
 (Bill. 1882:14)  
 (Bill. 1907:107)  
 (Bill. 1927:241)  
 (Bill. 1934:270)  
 (Bill. 1977/78:96, bet. 1977/78:NU50, rskr. 1977/78:225)  
 (Bill. 1978/79:87, bet. 1978/79:NU30, rskr. 1978/79:240)  
 (Bill. 1979/80:79, bet. 1979/80:NU72, rskr. 1979/80:380)  
 (Bill. 1981/82:32, bet. 1981/82:TU7, rskr. 1981/82:116)  
 (Bill. 1981/82:56, bet. 1981/82:NU13, rskr. 1981/82:82)  
 (Bill. 1980/81:128, bet. 1980/81:NU48, rskr. 1980/81:301)  
 (Bill. 1982/83:120, bet. 1982/83:NU38, rskr. 1982/83:306)  
 (Bill. 1991/92:69, bet. 1991/92:NU10, rskr. 1991/92:92)

### Metria

(Bill. 2010/11:53, bet. 2010/11:CU10, rskr. 2010/11:188)

### Miljömärkning Sverige

(Bill. 1997/98:1, bet. 1997/98:NU1, rskr. 1997/98:131)  
 (Bill. 2005/06:105, bet. 2005/06:LU33, rskr. 2005/06:377)  
 (Bill. 2011/12:99, bet. 2011/12:FiU21)

### Miljöstyrningsrådet

(Bill. 1994/95:101, bet. 1994/95:JoU9, rskr. 1994/95:86)  
 (Bill. 2003/04:1 expenditure area 20, bet. 2003/04:MU11, rskr. 2003/04:103)  
 (Bill. 2013/14:99, bet. 2013/14:FiU21, rskr. 2013/14:316)

### Operan

(Bill. 1992/93:100, bet. 1992/93:KrU20, rskr. 1992/93:315)  
 (Bill. 1996/97:3, bet. 1996/97:KrU1, rskr. 1996/97:129)  
 (Bill. 2009/10:3, bet. 2009/10:KrU5, rskr. 2009/10:145)

### PostNord

(Bill. 1992/93:132, bet. 1992/93:TU11, rskr. 1992/93:152)  
 (Bill. 1993/94:38, bet. 1993/94:TU9, rskr. 1993/94:119)  
 (Bill. 1995/96:218, bet. 1996/97:TU6, rskr. 1996/97:34)  
 (Bill. 1997/98:127, bet. 1997/98:TU13, rskr. 1997/98:304)  
 (Bill. 1998/99:95, bet. 1998/99:TU11, rskr. 1998/99:237)  
 (Bill. 2007/08:143, bet. 2007/08:NU13, rskr. 2007/08:253)  
 (Bill. 2009/10:216, bet. 2009/10:TU19, rskr. 2009/10:378)  
 (bet. 2010/11:NU7, rskr. 2010/11:190)

### RISE Research Institutes of Sweden

(Bill. 1996/97:150, bet. 1996/97:FiU20, rskr. 1996/97:284)  
 (Bill. 2006/07:1, bet. 2006/07:NU1, rskr. 2006/07:62)  
 (Bill. 2008/09:50, bet. 2008/09:UbU4, rskr. 2008/09:160)  
 (Bill. 2012/13:30, bet. 2012/13:UbU3, rskr. 2012/13:152)  
 (Bill. 2012/13:99, bet. 2012/13:FiU21, rskr. 2012/13:287)

### Samhall

(Bill. 1977/78:30, bet. 1977/78:AU16, rskr. 1977/78:74)  
 (Bill. 1978/79:25 app. 9, 1 & 2, bet. 1978/79:AU17, rskr. 1978/79:118)  
 (Bill. 1978/79:139, bet. 1978/79:AU29, rskr. 1978/79:293)  
 (Bill. 1982/83:149, bet. 1982/83:AU25, rskr. 1982/83:153)  
 (Bill. 1991/92:91, bet. 1991/91:AU16, rskr. 1991/92:249)



## COMPANY / GOVERNMENT BILL

**SAS**

(Bill. 1996/97:126, bet. 1996/97:TU9, rskr. 1996/97:232)  
 (Bill. 2000/01:124, bet. 2000/01:TU17, rskr. 2000/01:253)  
 (Bill. 2008/09:124, bet. 2008/09:FiU40, rskr. 2008/09:192)  
 (Bill. 2009/10:121, bet. 2009/10: FiU35, rskr. 2009/10:220)  
 (Bill. 2012/13:46, bet. 2012/13:NU10, rskr. 2012/13:102)

**SBAB**

(Bill. 1993/94:76, bet. 1993/94:BoU06, rskr. 1993/94:115)  
 (Bill. 1993/94:228, bet. 1993/94:BoU20, rskr. 1993/94:374)  
 (Bill. 1994/95:219, bet. 1994/95:BoU20, rskr. 1994/95:417)  
 (Bill. 2001/02:1 Appendix 6, expenditure area 2, bet. 2001/02:FIU2, rskr. 2001/02:129)  
 (Bill. 2005/06:1, bet. 2005/06:FiU2, rskr. 2005/06:126–128)  
 (Bill. 2006/07:57, bet. 2006/07:NU16, rskr. 2006/07:217)  
 (Bill. 2008/09:104, bet. 2008/09:FiU39, rskr. 2008/09:217)  
 (rec. 2010/11:N1, bet. 2010/11:NU7, rskr. 2010/11:190)

**SEK**

(Bill. 1962:125, bet. 1962:SU110, bet. 1962:BaU22, rskr.1962:272 & 275)  
 (Bill. 1981/82:181, bet. 1981/82:NU52, rskr. 1981/82:427)  
 (Bill. 1995/96:141, bet. 1995/96:NU26, rskr. 1995/96:302)  
 (Bill. 2002/03:142, 2002/03:NU14, rskr. 2002/03:244)  
 (Bill. 2008/09:73, bet. 2008/09:FiU1, rskr. 2008/09:47)  
 (Bill. 2008/09:86, bet. 2008/09:NU12, rskr. 2008/09:125)

**SJ**

(Bill. 1999/2000:78, bet. 1999/2000:TU11, rskr. 1999/2000:238)  
 (Bill. 2002/03:86, bet. 2002/03:NU13, rskr. 2002/03:343)  
 (Bill. 2005/06:160, bet. 2005/06:TU5, rskr. 2005/06:308)  
 (skr. 2001/02:141, bet. 2001/02:TU14, rskr. 2001/02:281)  
 (Bill. 2008/09:176, bet. 2008/09:TU18, rskr. 2008/09:293)

**SOS Alarm**

(Bill. 1972:129, bet. 1972:TU20, rskr. 1972:329)  
 (Bill. 1990/91:87, bet. 1990/91:TU28, rskr. 1990/91:369)  
 (Bill. 1992/93:132, bet. 1992/93:TU11, rskr. 1992/93:152)  
 (Bill. 1992/93:200, bet. 1992/93:TU30, rskr. 1992/93:943)  
 (Bill. 1993/94:150, bet. 1993/94:TU38, rskr. 1993/94:432)

**Specialfastigheter**

(Bill. 1991/92:44, bet. 1991/92:FiU8, rskr. 1991/92:107)  
 (Bill. 1992/93:37, bet. 1992/93:FiU8, rskr. 1992/93:123)  
 (Bill. 1997/98:137, bet. 1997/98:FiU25, rskr. 1997/98:252)

**SSC (Svenska rymdaktiebolaget)**

(Bill. 1972:48, bet. 1972:NU37, rskr. 1972:216)  
 (Bill. 1978/79:142, bet. 1978/79:NU36, rskr. 1978/79:292)  
 (Bill. 1985/86:127, bet. 1985/86:NU21, rskr. 1985/86:305)

**Statens Bostadsomvandling**

(Bill. 1997/98:119, bet. 1997/98:BoU10, rskr. 1997/98:306)  
 (Bill. 1997/98:150, bet. 1997/98:FiU27, rskr. 1997/98:317)  
 (Bill. 2001/02:4, bet. 2001/02:NU4, rskr. 2001/02:118)  
 (Bill. 2001/02:58, bet. 2001/02:BoU4, rskr. 2001/02:160)  
 (Bill. 2001/02:100, bet. 2001/02:FiU21, rskr. 2001/02:326)  
 (Bill. 2003/04:1, bet. 2003/04:FiU11, rskr. 2003/04:49)

**Sveaskog**

(Bill. 1998/99:1 expenditure area 24, bet. 1998/99:NU1, rskr. 1998/99:108)  
 (Bill. 1999/2000:1 expenditure area 24, bet. 1999/2000:NU1, rskr. 1999/2000:111)  
 (Bill. 2001/02:39, bet. 2001/02:NU7, rskr. 2001/02:108)  
 (Bill. 2002/03:24, bet. 2002/03:NU4, rskr. 2002/03:107)  
 (Bill. 2004/05:1 expenditure area 24, bet. 2004/05:NU1, rskr. 2004/05:117)  
 (Bill. 2009/10:169, bet. 2009/10:NU22, rskr. 2009/10:384)

**Svedab**

(Bill. 1990/91:158, bet. 1990/91:TU31, rskr. 1990/91:379)  
 (Bill. 1992/93:100 app. 7, bet. 1994/95:TU2, rskr. 1994/95:50)  
 (Bill. 1996/97:161, bet. 1997/98:TU6, rskr. 1997/98:32)  
 (Bill. 1999/2000:66, bet. 1999/2000:TU10, rskr. 1999/2000:237)  
 (Bill. 2001/02:20, bet. 2001/02:TU2, rskr. 2001/02:126)  
 (Bill. 2006/07:1, bet. 2006/07:TU1, rskr. 2006/07:35)  
 (Bill. 2009/10:1, bet. 2009/10:TU1, rskr. 2009/10:117)  
 (Bill. 2010/11:1, bet. 2010/11:TU1, rskr. 2010/11:138)

## COMPANY / GOVERNMENT BILL

**Svenska Spel**

(Bill. 1995/96:169, bet. 1995/96:FiU14, rskr. 1995/96:248)  
 (Bill. 2008/09:126, bet. 2008/09:KrU8, rskr. 2008/09:243)

**Svevia**

(Bill. 2008/09:23, bet. 2008/09:TU4, rskr. 2008/09:76)

**Swedavia**

(Bill. 2009/10:16, bet. 2009/10:TU7, rskr. 2009/10:114)

**Swedesurvey**

(Bill. 1992/93:100 app. 15, bet. 1992/93:BoU14, rskr. 1992/93:217)

**Swedfund**

(Bill. 1977/78:135, bet. 1978/79:UU1, rskr. 1978/79:9)  
 (Bill. 1991/92:100 app. 4, bet. 1991/92:UU15, rskr. 1991/92:210)  
 (Bill. 2008/09:52, bet. 2008/09:UU9, rskr. 2008/09:74)

**Systembolaget**

(Bill. 1976/77:108, bet. 1976/77: SkU 40, rskr. 1976/77:231)  
 (Bill. 1993/94:136, bet. 1993/94:SoU22, rskr. 1993/94:249)  
 (Bill. 1994/95:89, bet. 1994/95:SoU9, rskr. 1994/95:106)  
 (Bill. 1998/99:134, bet. 1999/00:SoU4, rskr. 1999/00:42)  
 (Bill. 2000/01:97, bet. 2000/01:SoU19, rskr. 2000/01:260)  
 (Bill. 2002/03:87, bet. 2002/03:SoU16, rskr. 2002/03:152)  
 (Bill. 2003/04:161, bet. 2004/05:SoU6, rskr. 2004/05:38)  
 (Bill. 2005/06:30, bet. 2005/06:SoU12, rskr. 2005/06:157)  
 (Bill. 2007/08:119, bet. 2007/08:SoU19, rskr. 2007/08:209)  
 (Bill. 2009/10:125, bet. 2010/11:SoU4 rskr. 2010/11:36)

**TeliaSonera**

(Bill. 1992/93:200, bet. 1992/93:TU30, rskr. 1992/93:443)  
 (Bill. 1997/98:121, bet. 1997/98:NU14, rskr. 1997/98:308)  
 (Bill. 1998/99:99, bet. 1998/99:NU14, rskr. 1998/99:260)  
 (Bill. 2006/07:57, bet. 2006/07:NU16, rskr. 2006/07:217)  
 (Bill. 1999/2000:84, bet. 1999/2000:NU18, rskr. 1999/2000:204)  
 (bet. 2000/01:NU11, rskr. 2000/01:272)  
 (bet. 2010/11:NU7, rskr. 2010/11:190)

**Teracom Group**

(Bill. 1991/92:140, bet. 1991/92:KrU28, rskr. 1991/92:329)  
 (Bill. 1996/97:67, bet. 1996/97:KU17, rskr. 1996/97:178)  
 (Bill. 1998/99:1, expenditure area 17, bet. 1998/99:KrU1, rskr. 1998/99:55)  
 (Bill. 2000/01:1, expenditure area 17, bet. 2000/01:KrU1, rskr. 2000/01:59)  
 (Bill. 2001/02:76, bet. 2001/02:KrU7, rskr. 2001/02:149)  
 (Bill. 2002/03:110, bet. 2002/03:TU6, rskr. 2002/03:228)  
 (Bill. 2002/03:64, bet. 2002/03:KrU7, rskr. 2002/03:195)  
 (Bill. 2002/03:72, bet. 2002/03:KU33, rskr. 2002/03:196)  
 (Bill. 2003/04:118, bet. 2003/04:KU24, rskr. 2003/04:231)  
 (Bill. 2005/06:1, expenditure area 24, bet. 2005/06:NU1, rskr. 2005/06:121)  
 (Bill. 2010/11:1, expenditure area 24, bet. 2010/11:NU1, rskr. 2010/11:132)

**Vasallen**

(Bill. 1996/97:4, bet. 1996/97:FöU1, rskr. 1996/97:36)  
 (Bill. 1996/97:150, bet. 1996/97:FiU20, rskr. 1996/97:284)  
 (Bill. 1999/2000:30, bet. 1999/2000:FöU2, rskr. 1999/2000:168)  
 (Bill. 2000/01:100, bet. 2000/01:FiU20, rskr. 2000/01:288)  
 (Bill. 2002/03:100, bet. 2002/03:FiU21, rskr. 2002/03:235)  
 (Bill. 2004/05:5, bet. 2004/05:FöU4, FöU5, rskr. 2004/05:143)  
 (Bill. 2008/09:172, bet. 2008/09:FiU41, rskr. 2008/09:263)

**VisitSweden**

(Bill. 1994/95:100 app. 13 and Bill 1994/95:177, bet. 1994/95:KrU28, rskr. 1994/95:395)  
 (Bill. 2004/05:56, bet. 2004/05:NU13, rskr. 2004/05:295)

**Vattenfall**

(Bill. 1990/91:87, bet. 1990/91:NU38, rskr. 1990/91:318)  
 (Bill. 1991/92:49, bet. 1991/92:NU10, rskr. 1991/92:92)  
 (Bill. 1996/97:84, bet. 1996/97:NU12, rskr. 1996/97:272)  
 (Bill. 2009/10:179, bet. 2009/10:NU23, rskr. 2009/10:325)

**Voksenäsen**

(Bill. 1960:88, bet. 1960:SU78, rskr. 1960:205)  
 (Bill. 1976/77:25, bet. 1976/77: KrU27, rskr. 1976/77:72)  
 (Bill. 1997/98:1, bet. 1997/98: KrU1, rskr. 1997/98:97)

# Changes in executive management

since 1 January 2013

## CHIEF EXECUTIVE OFFICERS

Company	Taking up appointment	Leaving
Apotekens Service <sup>1)</sup>	Stefan Jakas (Mar 2013)	Ylva Hambraeus Björling (Mar 2013)
Apotekens Service <sup>1)</sup>		Stefan Jakas (Jan 2014)
ESS (European Spallation Source)	James Yeck (Mar 2013)	Colin Carlile (Mar 2013)
Green Cargo	Mats Hanson, Acting (Feb 2013)	Mikael Stöhr (Feb 2013)
Green Cargo	Jan Kilström (May 2013)	Mats Hanson, Acting (May 2013)
Infranord	Ulf Palmblad (Feb 2013)	Niclas F Reinikainen (Dec 2012)
Infranord	Lars Öhman (Jul 2013)	Ulf Palmblad (Jul 2013)
Inlandsinnovation	Håkan Berg (Nov 2013)	Gunnar Olofsson
Orio	Jonas Tegström (June 2014)	Lennart Ståhl
PostNord	KG Pedersen, Acting (May 2013)	Lars Idermark (May 2013)
PostNord	Håkan Ericsson (Oct 2013)	KG Pedersen, Acting (Oct 2013)
RISE Research Institutes of Sweden	Cecilia Driving (May 2013)	Peter Holmstedt (May 2013)
SBAB	Per-Anders Fash, Acting (Jan 2014)	Carl-Viggo Östlund (Jan 2014)
SEK	Catrin Fransson (Apr 2014)	Peter Yngwe (Apr 2014)
Specialfastigheter	Åsa Hedenberg (Apr 2014)	Håkan Steinbüchel (Apr 2014)
Swedfund International	Anna Ryott (Aug 2013)	Anders Craft, Acting (Aug 2013)
TeliaSonera	Per-Arne Blomquist, Acting (Feb 2013)	Lars Nyberg (Feb 2013)
TeliaSonera	Johan Dannelind (Sep 2013)	Per-Arne Blomquist, Acting (Sep 2013)
Vattenfall	Magnus Hall (Oct 2014)	Øystein Løseth (Oct 2014)

# Changes in Boards

since the Annual General Meeting in the spring of 2013

## CHAIRMAN OF THE BOARD

Company	Taking up appointment	Leaving
Apotekens Service <sup>1)</sup>		Olof Englund
Arlandabanan Infrastructure	Jan Olson	Karin Starrin
Bilprovningen	Karin Strömberg	Kerstin Lindberg Göransson
Ersättningsmark <sup>2)</sup>		Gunnar Olofsson
Fouriertransform	Sigrun Hjelmquist	Lars-Olof Gustavsson
Inlandsinnovation	Wilhelm Geijer	Leif Zetterberg
LKAB	Sten Jakobsson	Marcus Wallenberg
RISE Research Institutes of Sweden	Pia Sandvik (appointed in August 2013)	Yngve Stade (stepped down in August 2013)
Systembolaget	Kenneth Bengtsson	Cecilia Schelin Seidegård

## BOARD MEMBERS

Company	Taking up appointment	Leaving
Akademiska Hus	Britta Burreau	Maj Charlotte Wallin
Akademiska Hus	Ingela Lindh	Per Granath
Almi Företagspartner	Anders Byström (appointed in November 2013)	Joakim Kärnborg (stepped down in November 2013)
Almi Företagspartner	Anna Söderblom	Eva Lindqvist
Apotekens Service <sup>1)</sup>		Eva Andersson (stepped down in January 2014)
Apotekens Service <sup>1)</sup>		Mats Larsson (stepped down in January 2014)
Apotekens Service <sup>1)</sup>		Johan Wallér (stepped down in January 2014)
Apotekens Service <sup>1)</sup>		Angelica Frithiof (stepped down in January 2014)
Apotekens Service <sup>1)</sup>		Anitha Thornlund (stepped down in January 2014)
Apotekens Service <sup>1)</sup>		Tony Malmberg (stepped down in January 2014)

1) The company is in liquidation and its responsibilities and operations have been transferred to the new eHealth Agency.

2) The company is in liquidation in 2014.

## BOARD MEMBERS

Company	Taking up appointment	Leaving
Apoteksgruppen	Annema Paus	Jan Forsberg
Apoteksgruppen	Satish Sen	Ann-Christin Nykvist
Arlandabanan Infrastructure	Irene Svenonius	Elisabeth Annell Åhlund
Bilprovningen	Hans Krondahl	Jacob Röjdmärk
Dramaten	Sara Danius	Lotta Lotass
Ersättningsmark <sup>2)</sup>		Solveig Aspholm
Ersättningsmark <sup>2)</sup>		Anna Magnusson
Ersättningsmark <sup>2)</sup>		Peder Zetterberg
ESS (European Spallation Source)	Bo Smith (appointed in July 2013)	Lars Kolte (stepped down in May 2013)
Fouriertransform	Jan Bengtsson	Karin Kronstam
Fouriertransform	Ulf Berg	Lars Göran Moberg
Fouriertransform	Charlotte Rydin	Ulla-Britt Fräjdin-Hellqvist
Green Cargo	Daniel Kristiansson	Lars Erik Fredriksson
Inlandsinnovation	Siv Svensson	Maria Hallman
Inlandsinnovation		Robert Tafliin
Inlandsinnovation		Gunilla Nordlöf
Jernhusen	Kerstin Lindberg Göransson	Kia Örback Pettersson
Metria	Katarina Axelsson Lindgren (appointed in December 2013)	
Metria	Pia Gideon	
Metria	Urban Lindskog	Gunvor Engström
Metria	Börje Bengtsson	Peter Ljung
Metria	Katarina Burton	Anders Ågren
Metria	Michael Thorén	Patrik Jönsson
Miljöstylningsrådet	Maria Ohlman (appointed in January 2014)	Viktoria Ingman (stepped down in January 2014)
Miljöstylningsrådet		Lars Jonsson (stepped down in February 2014)
Orio	Helene Vibbleus (appointed in November 2013)	
PostNord	Magnus Skåniger	Jonas Iversen (stepped down in February 2014)
RISE Research Institutes of Sweden	Richard Reinius (appointed in December 2013)	Jenny Lahrin (stepped down in December 2013)
RISE Research Institutes of Sweden	Ulf Säter	Akbar Seddigh
SAS	Carsten Dilling	
SBAB		Per-Anders Fasth (stepped down in January 2014)
SBAB	Lars Börjesson	Christer Åberg
SEK		Åke Svensson
SJ	Ulrika Dellby	Eivor Andersson
SJ	Mikael Stöhr	
Specialfastigheter	Eva Landén	Christel Armstrong-Darvik
Sveaskog	Helene Biström	
Swedavia	Lars Mydland	Anders Ehrling (stepped down in October 2013)
Swedfund	Charlotte Salford	Anna Ryott (stepped down in May 2013)
Swedfund	Lotta Mellström	
Svenska Skeppshypotek	Anna Fröhländer-Öberg (appointed in July 2013)	Kristina Ekengren (stepped down in July 2013)
Systembolaget	Håkan Leifman	Sven Andréasson
Systembolaget	Viveca Bergstedt Sten	Johan Gernandt
Systembolaget	Pia Fagerström	
Teracom Group		Ingrid Engström
Vattenfall	Åsa Söderström Jerring (appointed in December 2013)	Jan-Åke Jonsson (stepped down in June 2013)
Vattenfall	Jenny Lahrin (appointed in December 2013)	Patrik Jönsson (stepped down in December 2013)
Vattenfall	Fredrik Arp	
VisitSweden	Jari Virtanen	Mikael Alerup
VisitSweden	Elisabet Jansson-Strömberg (dep.)	Hans Gerremo (dep.)

2) The company has been liquidated in 2014.

# Division of responsibility at the Government Offices for state-owned companies

## RESPONSIBLE MINISTER AND STATE SECRETARY

Peter Norman	Minister for Financial Markets
Erik Thedéen	State Secretary, Ministry of Finance

## DIVISION FOR LOCAL AUTHORITIES AND STATE-OWNED ENTERPRISES AT THE MINISTRY OF FINANCE

Niklas Johansson	Director-General Nomination Committee, TeliaSonera and SAS.
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## DIVISION FOR STATE-OWNED ENTERPRISES AT THE MINISTRY OF FINANCE

Magnus Skåninger	Director-General Investment manager: PostNord, Samhall
Kristina Ekengren	Investment manager: Jernhusen, Lernia, SBAB, Svenska Skeppshypotek
Lars Erik Fredriksson	Investment manager: Apoteksgruppen, SOS Alarm. OECD.
Katarina Green	Communications and Financial Information
Johan Hallberg	Investment manager: Infranord, Sveaskog, Teracom Group
Daniel Kristiansson	Investment manager: Green Cargo, TeliaSonera, Vasallen
Hanna Lagercrantz	Investment manager: Fouriertransform, LKAB, SSC
Jenny Lahrin	Investment manager: Göta kanalbolag, Swedavia, Vattenfall
Leif Ljungqvist	Investment manager: Akademiska Hus, Apoteket, Bilprovningen
Helena Malmberg	Assistant
Lotta Mellström	Investment manager: SEK, Specialfastigheter, Swedfund
Richard Reinius	Investment manager: Bostadsgaranti, RISE, Svevia
Kerstin Sahlén	Assistant
Michael Thorén	Investment manager: Metria, Orio, SJ, Svenska Spel, SAS

## DIVISION FOR CORPORATE GOVERNANCE AND ANALYSIS AT THE MINISTRY OF FINANCE

Anna Magnusson	Director-General Legal Counsel
Christina Dettner	Board recruitment
Maurice Forslund	Assistant Legal Counsel
Malin Fries	Legal Counsel
Helena Hagberg	Sustainable business
Lucian Herly	Investment analyst
Emma Ihre	Sustainable Business
Martin Janhäll	Investment analyst: Lernia, SBAB, SEK, SSC
Magnus Johansson	Board recruitment
Christine Leandersson	Legal Counsel
Elin Lewold	Investment analyst: Apoteket, LKAB, TeliaSonera
Gustav Lidén	Investment analyst: Svevia, Swedfund, Vattenfall
Per Lundkvist	Investment analyst
Ulrika Nordström	Investment analyst (on parental leave): SJ, Swedavia
Daniel Sunesson	Investment analyst (on parental leave): Bilprovningen, Metria, PotNord, Vattenfall
Erik Tranaeus	Investment analyst (on parental leave): Akademiska Hus, Infranord, LKAB, Teracom Group
Stefan Öhlén	Investment analyst: Green Cargo, Orio, SAS, Sveaskog

*Other companies administered by the Ministry of Finance receive analytical support as and when required.*

**INDIVIDUALS AT OTHER MINISTRIES RESPONSIBLE FOR COMPANIES****Ministry of Justice**

Marita Axelsson	Miljömärkning Sverige
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**Ministry of Culture**

Birgit Gunnarsson	Voksenåsen
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Carin Khakee	Dramaten, Operan
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**Ministry of the Environment**

Maria Barton	Miljöstyvningsrådet
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**Ministry of Enterprise, Energy and Communications**

Lars Falksveden	Arlandabanan Infrastructure, Svedab
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Fredrik Olofsson (Per Hollander, parental leave)	Inlandsinnovation
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Marika Kurlberg	VisitSweden
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Maria Olofsson	Almi Företagspartner
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**Ministry of Health and Social Affairs**

Sophie Ahlstrand	Statens Bostadsomvandling
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Lars Arell	Swedesurvey
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Pia Fagerström	Systembolaget
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Caroline Nilsson	APL
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**Ministry of Education and Research**

Viktoria Mattsson	ESS
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**Ministry for Foreign Affairs**

Majeed Olerud Khoso	Dom Shvetsii
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# Board members elected by the Annual General Meeting

SURNAME	FORENAME	BORN	TITLE	BOARD OF DIRECTORS
Abrahamsson	Mats	1960	Professor of Logistics, Linköping University	PostNord (2009–)
Abrahamsson	Tomas	1952	Deputy Chairman, Union of Service and Communication Employees SEKO	Svenska Skeppshypotek (2002–)
Ahlstrand	Sophie	1977	Deputy Director Ministry of Health and Social Affairs	Statens Bostadsomvandling (2012–)
Alerup	Mikael	1962	CEO, Astrid Lindgrens värld	VisitSweden (2013–2014)
Alestig Johnson	Margareta	1961	CFO Second AP Fund	Green Cargo (2010–)
Almberg	Jeanette	1964	Global Head Operation SEB	Teracom Group (2013–)
Anderson	Bo	1951	Senior Advisor	SOS Alarm (2006–)
Andersson	Eivor	1961	Various board assignments	SJ (2005–2014)
Andersson	Eva	1965	Secretary-General, Swedish Association of Private Dental Practitioners	Apotekens Service (2008–2014)
Andersson	Renée	1947	Ethics and Environment Manager, Indiska Magasinet AB	Swedfund International (2012–)
Andersson	Thord	1961	Unit Manager, Örebro Regional Development Council	Systembolaget (2011–)
Andreasson	Jan	1958	Consulate General, Royal Norwegian Consulate General	Voksenåsen (2010–)
Andréasson	Sven	1952	Consultant Physician, Centre for Dependency Disorders, Stockholm and Head of Department, National Institute of Public Health	Systembolaget (2007–2014)
Annell Åhlund	Elisabeth	1945	Various board assignments	Arlandabanan Infrastructure (2009–2014)
Antoni	Bo	1948	CEO, Swedish Construction Federation	Bostadsgaranti (2008–)
Apelman	Karin	1961	Director-General, Swedish Export Credit Board	Swedavia (2010–)
Appelblom	Leif	1949	Senior Advisor, Ministry for Foreign Affairs	Dom Shvetsii (2011–)
Ardström	Cecilia	1965	Director of Finance, Head of Asset Management, Länsförsäkringar AB	SEK (2011–)
Armstrong-Darvik	Christel	1953	CEO, Stena Fastigheter AB	Specialfastigheter (2005–2014)
Arnstad	Eli	1962	CEO, SpareBank 1 SMN	Vattenfall (2008–)
Arp	Fredrik	1953	Various board assignments	Vattenfall (2014–)
Asker	Gunilla	1963	CEO, Svenska Dagbladet	Göta kanalbolag (2013–)
Assarsson	Johan	1962	Regional Director, Västra Götaland	APL (Apotek Produktion & Laboratorier) (2012–) Chair
Axelsson	Charlotte	1948	Various board assignments	Vasallen (2010–) Chair
Axelsson	Marita	1962	Under-secretary, Ministry of Justice	Miljömärkning Sverige (2012–)
Axelsson	Svante L.	1947	CEO, SA Trading AB	Miljömärkning Sverige (2007–)
Axelsson Lindgren	Katarina	1964	Self-employed consultant	Metria (2013–)
Backemar	Lars	1950	Consultant, Backemar Consulting AB	Swedavia (2010–)
Baig	Azka	1972	Journalist NRK	Voksenåsen (2011–)
Bard	Pernilla	1967	Head of Operations, Social Initiative	Swedfund International (2012–)
Belfrage	Jan	1944	Various board assignments	SEK (2010–)
Bengtsson	Börje	1947	Various board assignments	Metria (2014–)/Svevia (2013–)
Bengtsson	Jan	1954	CEO, Almi Invest	Fouriertransform (2014–)
Bengtsson	Kenneth	1961	Various board assignments	Systembolaget (2014–) Chair
Berg	Gunilla	1960	CFO Teracom Group	Vattenfall (2012–)
Berg	Jan	1953	Self-employed consultant	Specialfastigheter (2009–2014–)
Berg	Ulf	1951	Various board assignments	Fouriertransform (2014–)
Bergenheim	Hans	1960	CEO, Lateus AB	Svenska Spel (2010–)
Bergenheim	Åsa	1954	Vice-Chancellor, Karlstad University	Voksenåsen (2013–)
Berggren	Christer	1944	Former Under-secretary, Ministry of Finance	Göta kanalbolag (2011–)
Bergkvist	Jan Peter	1957	Sustainability Advisor	Miljömärkning Sverige (2013–)
Bergqvist	Sven-Runo	1943	CEO, Stiftelsen Statshälsan	Lernia (2002–)
Bergstedt Sten	Viveca	1959	Various board assignments and author	Systembolaget (2014–)
Bernevång Forsberg	Tommy	1959	Local Government Advisor, Christian Democrat Party	SOS Alarm (2007–)
Biström	Helene	1962	CEO, Norrenergi	Sveaskog (2014–)
Biörck	Hans	1951	Various board assignments	LKAB (2012–)
Bjelke	Katarina	1965	Assistant under-secretary, Ministry of Education and Research	ESS (European Spallation Source–)
Blom Bokliden	Kerstin	1958	Environmental Expert, Swedish Association of Local Authorities and Regions	Miljöstylningsrådet (2013–)

SURNAME	FORENAME	BORN	TITLE	BOARD OF DIRECTORS
Borekull	Jan	1950	CA Fastigheter AB	Dom Shvetsii (2008–) Chair
Brorman	Carina	1958	Various board assignments	Dramaten (2008–)
Brunell	Fredrik	1959	SVP Head of Corporate Finance AB Volvo	SSC (Svenska rymdaktiebolaget) (2012–)
Brändström	Hans	1958	Assistant under-secretary, Ministry of Enterprise, Energy and Communications	Arlandabanan Infrastructure (2007–)/Svedab (2007–)
Burreau	Britta	1964	CEO, Nordea Liv & Pension	Akademiska Hus (2014–)
Burton	Katarina	1962	Consultant, Burton Consulting	Metria (2014–)
Buskhe	Håkan	1963	CEO, Saab AB	Vattenfall (2012–)
Bystrom	Anders	1958	Regional Director, Regional Development County, County of Jämtland	Almi Företagspartner (2013–)
Böhlén	Birgitta	1948	Various board assignments	Almi Företagspartner (2013–) Chair/Apoteksgruppen (2008–) Ordf/Lernia (2011–) Chair
Börjesson	Björn	1951	Self-employed consultant	Swedfund International (2012–)
Börjesson	Lars	1957	Professor of Condensed Matter Physics	ESS (European Spallation Source) (2010–)
Börjesson	Lars	1964	CEO, Stena Technoworld	SBAB (2014–)
Caneman	Monica	1954	Various board assignments	SAS (2010–)
Carlsén	Bertil	1960	CFO Polygon	Samhall (2010–)
Celsing	Anna-Karin	1962	Consultant, AKC AB	Operan (2012–)
Christensson	Annika	1967	Environmental Manager, Blekinge County Council	Miljöstyrelsen (2009–)
Christiansen	Mikael	1945	Director	Operan (2009–)
Clason	Peter	1963	CEO, American Express Norden	VisitSweden (2007–)
Curman	Maria	1950	Various board assignments	Apoteket (2012–)/Teracom Group (2007–)
Damne	Johan	1963	CA Fastigheter AB	Dom Shvetsii (2008–)
Danius	Sara	1962	Professor of Comparative Literature, Stockholm University	Dramaten (2014–)
Daun-Wennborg	Cecilia	1963	Consultant, various board assignments	Bilprovningen (2013–)
Dellby	Ulrika	1966	Founder, Fagerberg & Dellby	SJ (2014–)
Dilling	Carsten	1962	President and CEO, TDC	SAS (2014–)
Duveblad	Gunnel	1955	Various board assignments	PostNord (2009–)
Ehrlén	Olle	1949	Former President and CEO, NCC	Akademiska Hus (2011–)/Svevia (2013–) Chair.
Ehrling	Marie	1955	Various board assignments	TeliaSonera (2013–) Chair.
Ekecrantz	Lars	1947	Former assistant under-secretary, Ministry of the Environment	Miljöstyrelsen (2013–) Chair.
Ekengren	Kristina	1969	Under-secretary, Ministry of Finance	Jernhusen (2012–)/Lernia (2010–)/SBAB (2013–)
Ekström	Claes	1958	Partner, Altor Equity Partner	Swedfund International (2012–) Chair.
Ekström	Tomas	1967	Quality and Environmental Manager, Kinnarp	Miljöstyrelsen (2013–)
Elgh	Anna	1963	Business Area Manager, Carema	Swedavia (2010–)
Ellegaard	Christian	1969	Managing Director, Berendsen	PostNord (2013–)
Englund	Olof	1954	Various board assignments	Apotekens Service (2008–2014) Chair.
Engström	Gunvor	1950	Various board assignments	Apoteksgruppen (2008–)/Metria (2011–2014)
Engström	Ingrid	1958	Various board assignments	Teracom Group (2003–2014)
Eriksson	Eva	1947	Various board assignments	Voksenåsen (2008–) Chair.
Eriksson	Per	1949	Vice-Chancellor, Lund University	ESS (European Spallation Source) (2010–)
Erixon	Håkan	1961	Various board assignments	Orio (2013–) Chair./Vattenfall (2011–)
Erixon	Lena	1960	Director-General, FMV	Svedab (2013–) Chair.
Eslander	Anders	1956	Various board assignments	VisitSweden (2013–)
Fagerström	Pia	1966	First secretary, Ministry of Health and Social Affairs	Systembolaget (2014–)
Fasth	Per-Anders	1960	Various board assignments	SBAB (2011–2014)
Fasth Gillstedt	Helen	1962	Various board assignments	Samhall (2012–)
Fjeldsted Rasmussen	Sisse	1967	CFO, Scandinavian Tobacco Group	PostNord (2013–)
Formgren	Johan	1962	Former Senior Vice President HR, Saab Automobile	Orio (2013–)
Forsberg	Jan	1951	Various board assignments	Apoteksgruppen (2008–2014)
Forslund	Mats	1957	CEO, Jämtland Härjedalen Turism	VisitSweden (2013–)
Forslund	Maurice	1982	First secretary, Ministry of Finance	Bostadsgaranti (2013–)
Fredholm	Pether	1957	CEO, John Svensson Byggnadsfirma	Bostadsgaranti (2010–)
Fredriksson	Lars Erik	1964	First secretary, Ministry of Finance	Apoteksgruppen (2012–)/Green Cargo (2011–2014)/SOS Alarm (2012–)
Friman	Maija-Liisa	1953	Various board assignments	LKAB (2008–)
Frithiof	Angelica	1961	Consultant and author	Apotekens Service (2011–2014)
Fritz	Catarina	1963	CFO, Keolis Sverige	Svenska Spel (2011–)
Fritzson	Crister	1961	SJ	Systembolaget (2012–)
Fräjdin-Hellqvist	Ulla-Britt	1954	Various board assignments	Fouriertransform (2009–2014)
Fröhlander-Öberg	Anna	1963	Lawyer, Advokatfirman Oebergs	Svenska Skeppshypotek (2013–)
Fürth	Thomas	1947	Head of Research, Kairos Future	Voksenåsen (2012–)
Färnstrand	Eva	1951	Various board assignments	InfraNord (2012–) Ordf/Sveaskog (2008–)
Gauffin	Elisabeth	1959	Deputy Chairman, Federation of Swedish Farmers (LRF)	VisitSweden (2013–) Chair.

<b>SURNAME</b>	<b>FORENAME</b>	<b>BORN</b>	<b>TITLE</b>	<b>BOARD OF DIRECTORS</b>
Geijer	Wilhelm	1947	Various board assignments	Inlandsinnovation (2014–) Chair.
Gernandt	Johan	1943	Lawyer	Systembolaget (2007–2014)
Gerrero	Hans	1949	Various board assignments	VisitSweden (2011–2014) Deputy member
Gideon	Pia	1955	Partner, Gaia Leadership	Metria (2014–)/Svevia (2008–)
Goldschmidt	Lars	1955	Director, Dansk industri	ESS (European Spallation Source) (2010–)
Granath	Per	1954	CEO, Humana	Akademiska Hus (2005–2014)
Grate-Axén	Adine	1961	Various board assignments	Swedavia (2010–)
Grinbaum	Jakob	1949	Various board assignments	Jernhusen (2013–)/SBAB (2010–)
Grundberg	Lars	1944	Former ambassador	Dom Shvetsii (2011–)
Gustafsson	Eva-Britt	1950	CEO, Apoteksgruppen	Akademiska Hus (2007–) Chair./Svenska Spel (2008–)
Gustafsson	Lena	1949	Vice-Chancellor, Umeå University	ESS (European Spallation Source) (2010–)
Gustavsson	Lars-Olof	1943	Chairman of the Board, Four Seasons Venture Capital AB	Fouriertransform (2009–2014) Chair.
Götblad	Carin	1956	National Coordinator, Ministry of Justice	Specialfastigheter (2013–)
Hahn	Thomas	1964	Researcher, Stockholm University	Sveaskog (2007–)
Hallander Larsson	Marie	1961	Various board assignments	Svevia (2013–)
Hallberg	Dag	1942	Former Theatre Manager	Operan (2007–)
Hallberg	Johan	1974	Under-secretary, Ministry of Finance	InfraNord (2012–)/Sveaskog (2012–)/Teracom Group (2011–)
Hallman	Maria	1967	Assistant under-secretary, Ministry of Finance	Inlandsinnovation (2011–2014)
Hamilton	Carl B	1946	Member of Parliament, Swedish Liberal Party (Folkpartiet)	Systembolaget (2007–)
Hansson	Britt	1966	Project Manager, OK Ekonomiska Förening	APL (Apotek Produktion & Laboratorier) (2012–)
Hansson	Charlotte	1962	Various board assignments	Orio (2013–)
Hassbjer	Nicolas	1966	Various board assignments	Almi Företagspartner (2013–)
Hassler	Kjell	1953	CEO, Brainpeople	Jernhusen (2013–) Chair.
Hedén	Åke	1950	Various board assignments	Almi Företagspartner (2013–)
Hedin	Åsa	1962	CEO, Elekta Instruments	SSC (Svenska rymdaktiebolaget) (2012–)
Helenius Martinsson	Mira	1971	Dance Director, Nordans	Operan (2011–)
Helgesson	Lars-Åke	1941	Various board assignments	LKAB (2000–)
Hessius	Kerstin	1958	CEO, Third AP Fund	Arlandabanan Infrastructure (2012–)/Svedab (2012–)
Hjelmquist	Sigrun	1956	Executive Partner, Facesso	Fouriertransform (2014–) Chair.
Holgersson	Cathrine	1969	CEO, AB Gälvegårdarna	Statens Bostadsomvandling (2010–)
Hollander	Per	1977	First secretary, Ministry of Enterprise, Energy and Communications	Inlandsinnovation (2013–2014–)
Holme	Jörn	1959	Director-General, Directorate for Cultural Heritage	Voksenåsen (2013–)
Hultin Stigenberg	Anna	1963	Product Line Manager, Sandvik Machining Solutions	RISE Research Institutes of Sweden (2007–)
Hvitfeldt	Ann-Christine	1966	Various board assignments	Green Cargo (2011–)
Hägglund	Peter	1966	CEO, SSE IFL Executive Education	Lernia (2011–)
Högbom	Gunilla	1958	Former CEO, Locum	APL (Apotek Produktion & Laboratorier) (2010–)
Höglund	Lars	1958	Shipowner, Furetank Rederi AB	Svenska Skeppshypotek (2007–)
Ingman	Viktoria	1967	Senior Advisor, Ministry of the Environment	Miljöstylningsrådet (2013–2014)
Ingman	Yvonne	1953	Vice CEO and Industry Director, Swedish Trade Federation	Miljömärkning Sverige (2006–)
Isaksson	Stefan	1963	Senior Advisor, Ministry for Foreign Affairs	Swedfund International (2013–)
Iversen	Jonas	1965	Assistant under-secretary, Ministry of Finance	PostNord (2012–2014)
Jakobsson	Leif	1953	Director, Swedish Cultural Foundation	Operan (2008–)
Jakobsson	Sten	1949	Various board assignments	LKAB (2014–) Chair.
Janholt	Torben	1948	Administrative Director, J Lauritzen A/S	PostNord (2009–)
Jansson	Christian W	1949	Chairman of the Board, Kappahl	Apoteket (2009–) Chair.
Jansson	Lars Olov	1947	Planning Director and Deputy DG, Lantmäteriet	Swedesurvey (2009–)
Jansson	Mats	1951	Various board assignments	TeliaSonera (2013–)
Jansson-Strömberg	Elisabet	1970	CEO, SLAO	Deputy member, VisitSweden (2014–)
Jarlbro	Gunilla	1953	Professor of Media and Communication Studies, Lund University	Miljömärkning Sverige (2011–)
Jarleryd	Lotta	1966	Consulting	Metria (2012–)
Jarnheimer	Lars Johan	1960	Various board assignments	SAS (2013–)
Jeppsson	Hans	1956	Consultant	Swedavia (2010–)
Jervell	Sverre	1943	Diplomat	Voksenåsen (2008–)
Johannesson	Thomas	1943	Former CEO, Innventia	RISE Research Institutes of Sweden (2007–)
Johansson	Hasse	1949	Various board assignments	Fouriertransform (2009–)
Johansson	Kenneth	1956	County Governor, County of Värmland	Samhall (2004–)
Johansson-Hedberg	Birgitta	1947	Various board assignments	Sveaskog (2001–)
Jonsson	Lars	1962	CEO, Yttra	Miljöstylningsrådet (2010–2014)
Jönsson	Patrik	1971	Under-secretary, Ministry of Finance	Metria (2013–2014)
Kallasvu	Olli-Pekka	1953	Various board assignments	TeliaSonera (2012–)



SURNAME	FORENAME	BORN	TITLE	BOARD OF DIRECTORS
Karlander	Hans	1953	Part-owner, Karnell	SSC (Svenska rymdaktiebolaget) (2011–) Chair.
Karnberger	Gert	1943	Various board assignments	Apoteket (2009–)
Khorsand	Maria	1957	CEO, SP Sveriges Tekniska Forskningsinstitut	SOS Alarm (2009–)
Kihlbom	Elizabeth	1954	Consultant, Omeo Consulting AB	Svenska Skeppshypotek (2011–)
Kilsved	Hans	1955	Consultant	Samhall (2012–)
Kjellson	Bengt	1956	Director General, Lantmäteriet	Swedesurvey (2013–) Chair.
Klingspor	Anna	1959	Senior Advisor, Differ AB	Lernia (2009–)
Kores	Agneta	1960	CEO, Familjebostäder Göteborg	InfraNord (2009–)/Vasallen (2009–)
Kosonen	Mikko	1957	CEO, Sitra	TeliaSonera (2013–)
Kozelsky	Vladislav Vilorgovich	1976	Unit Manager, City of St Petersburg property committee	Dom Shvetsii (2012–)
Kristiansson	Daniel	1974	First secretary, Ministry of Finance	Vasallen (2012–)/Green Cargo (2014–)
Krondahl	Hans	1955	Various board assignments	Bilprovningen (2014–)/Orio (2013–)
Kronman	Gunvor	1963	CEO, Hanaholmen	Dramaten (2009–)
Kronstam	Karin	1950	Various board assignments	Fouriertransform (2009–2014)
Kupsu	Anders	1962	CEO, Diligentia	Jernhusen (2013–)
Kvarnäck	Bengt	1945	Industrial Advisor, Altor Equity Partner	Swedfund International (2012–)
Källsson	Anders	1944	Director, Erik Tun	Svenska Skeppshypotek (2007–)
Lagercrantz	Hanna	1970	First secretary, Ministry of Finance	Fouriertransform (2013–)/LKAB (2010–)/SSC (Svenska rymdaktiebolaget) (2008–)
Lagerqvist Nilsson	Monica	1967	Under-secretary, Ministry of the Environment	Swedesurvey (2004–)
Lahrin	Jenny	1971	Under-secretary, Ministry of Finance	Göta kanalbolag (2013–)/Swedavia (2012–)/Vattenfall (2013–)
Landelius	Sven	1946	Various board assignments	ESS (European Spallation Source) (2010–) Ordf/InfraNord (2009–)
Landén	Eva	1965	CEO, Corem Property Group AB	Specialfastigheter (2014–)
Larsson	Mats	1952	Various board assignments	Apotekens Service (2008–2014)
Larsson	Peder	1957	CEO, Hemtex	Apoteksgruppen (2008–)
Larsson	Ulf	1955	CEO, Junibacken	Göta kanalbolag (2011–)
Leifman	Håkan	1963	Director, Swedish Council for Information on Alcohol and Other Drugs (CAN)	Systembolaget (2014–)
Leijonborg	Lars	1949	Former Minister and party leader, Swedish Liberal Party (Folkpartiet)	SSC (Svenska rymdaktiebolaget) (2010–)
Lekvall	Lotta	1965	CEO, Nätverkstan i Göteborg	Operan (2013–)
Lennerwald	Ingrid	1948	Member, Executive Committee, Region Skåne	SOS Alarm (2007–)
Lif Lövbrand	Yvonne	1948	Entrepreneur	Inlandsinnovation (2011–)
Linander	Nina	1959	Various board assignments	Specialfastigheter (2006–)/TeliaSonera (2013–)
Lindberg Göransson	Kerstin	1956	CEO, Akademiska Hus	Bilprovningen (2007–2014) Chair./Jernhusen (2014–)
Lindbäck	Christina	1963	Sustainability Manager, NCC	Miljömärkning Sverige (2010–) Chair.
Linder-Aronson	Lars	1953	Various board assignments	SEK (2011–) Chair.
Lindgren	Bengt-Erik	1950	Various board assignments	Inlandsinnovation (2012–)
Lindh	Ingela	1959	CEO, Stockholmshem	Akademiska Hus (2014–)
Lindqvist	Eva	1955	Various board assignments	Almi Företagspartner (2013–2014)
Lindskog	Urban	1965	CEO, Oryx Simulations	Metria (2014–)/Teracom Group (2007–)
Lindsö	Ebba	1955	Various board assignments	SBAB (2012–)
Lingegård	Monica	1962	CEO, Samhall AB	Orio (2013–)
Ljung	Peter	1958	Self-employed consultant, Accella	Metria (2011–2014)
Ljungqvist	Leif	1971	Under-secretary, Ministry of Finance	Akademiska Hus (2012–)/Apoteket (2012–)/Bilprovningen (2012–)
Lorentzon	Martin	1969	Founder, Tradedoubler, Spotify	TeliaSonera (2013–)
Lotass	Lotta	1964	Member of the Swedish Academy	Dramaten (2010–2014)
Lundgren	Bo	1947	Various board assignments	Specialfastigheter (2013–) Chair.
Lundgren Ericsson	Jane	1966	Director/Vice CEO, SEK	SBAB (2013–)
Lundström	Mikael	1961	CEO, NAI Svefa	Göta kanalbolag (2011–)/Specialfastigheter (2013–)
Låftman	Lennart	1945	Director	Operan (2006–)
Magnus	Birger	1955	Former Vice CEO, Schibsted	SAS (2013–)
Magnusson	Bo	1962	Various board assignments	SBAB (2013–) Chair.
Magnusson	Johnny	1952	County Director for the opposition, Västra Götaland	SOS Alarm (2007–) Chair.
Mahmood	Qaisar	1973	Cultural Heritage Manager, Swedish National Heritage Board	Dramaten (2013–)
Malm	Gunnar	1950	Director-General, Swedish Transport Administration	Bilprovningen (2013–)
Malmborg	Tony	1963	Assistant under-secretary, Ministry of Health and Social Affairs	Apotekens Service (2012–2014)
Marlow	Cecilia	1960	Various board assignments	Svenska Spel (2012–)
Marschall	Chris	1952	Head of Protocol, Region Skåne	Dramaten (2012–)
Mattsson	Christina	1947	Director, Stiftelsen Nordiska Museet	Voksenåsen (2009–)
Mejdell	Dag	1957	CEO, Posten Norge AS	SAS (2008–)

<b>SURNAME</b>	<b>FORENAME</b>	<b>BORN</b>	<b>TITLE</b>	<b>BOARD OF DIRECTORS</b>
Mellström	Lotta	1970	Under-secretary, Ministry of Finance	SEK (2011–)/Specialfastigheter (2013–)/Swedfund International (2014–)
Moberg	Jens	1962	Various board assignments	PostNord (2013–) Chair.
Moberg	Karin	1963	Various board assignments	SBAB (2009–)
Moberg	Lars Göran	1943	Various board assignments	Fouriertransform (2009–2014)
Mohlkert	Renée	1960	Various board assignments	Göta kanalbolag (2006–)
Mydland	Lars	1954	Various board assignments	Swedavia (2014–)
Müller Pedersen	Hans	1958	Director General, Danish Ministry of Science, Innovation and High Education	ESS (European Spallation Source) (2012–)
Mårdsjö	Agneta	1959	Regional Business Coordinator, Västra Götaland Region	Almi Företagspartner (2013–)
Nilsson	Elisabeth	1953	County Governor, County of Östergötland	Göta kanalbolag (2011–) Chair.
Nilsson	Jan-Eric	1957	Former CEO, Rederi AB Gotland	Svenska Skeppshypotek (2012–)
Nilsson	Magnus	1961	Chairman of the Board, Svensk Turism AB	VisitSweden (2009–)
Nilsson	Maria	1957	CEO, 2Secure AB	Samhall (2009–)/SOS Alarm (2013–)
Nilsson	Ulla	1947	CEO, Swedish Chamber of Commerce, London	SEK (2011–)
Nilsson-Ehle	Anna	1951	Director, SAFER Vehicle and Traffic Safety Centre	Bilprovningen (2007–)
Nordlöf	Gunilla	1961	Director General, Swedish Agency for Economic and Regional Growth	Inlandsinnovation (2013)
Nordmark-Nilsson	Anna-Stina	1956	Various board assignments	Sveaskog (2006–)
Nordström	Lars G	1943	Various board assignments	Vattenfall (2011–) Chair.
Norman	Elisabeth	1961	Entrepreneur	Inlandsinnovation (2011–)
Nykvist	Ann-Christin	1948	Director General, Statens Pensionsverk	Apoteksgruppen (2008–2014)
Ohlman	Maria	1963	Assistant Under-Secretary, Ministry of the Environment	Miljöstyrelsen (2014–)
Olofsson	Maud	1955	Various board assignments	LKAB (2012–)
Olson	Jan	1950	Various board assignments	Arlandabanan Infrastructure (2014–) Ordf/Svedab (2013–)
Olving	Lena	1956	CEO, Micronic Mydata	SJ (2011–)
Orback Pettersson	Kia	1959	Partner, Konceptverkstan AB	Jernhusen (2004–2014)/Teracom Group (2013–) Chair.
Paus	Annema	1955	Consultant, Wangensten Consulting AB	Apoteksgruppen (2014–)
Pehrsson	Biljana	1970	CEO, Kungsleden	Vasallen–)
Persson	Göran	1949	Former Prime Minister	Sveaskog (2008–) Chair.
Pettersson	Lars	1954	Various board assignments	LKAB (2013–)
Pihl	Lennart	1950	Various board assignments	Green Cargo (2012–) Chair.
Reinius	Richard	1967	Under-secretary, Ministry of Finance	Bostadsgaranti (2013–)/RISE Research Institutes of Sweden (2013–)/Svevia (2013–)
Rennerstedt	Kristina	1952	Cultural Attaché, Washington DC	Operan (2009–) Chair.
Ringesten	Mats	1950	Partner, Neuman & Nydahl	Sveaskog (2009–)
Rogestam	Christina	1943	Investigator	Metria (2011–) Chair.
Rolfsen	Wenche	1952	Various board assignments	APL (Apotek Produktion & Laboratorier) (2010–)
Roxendal	Jan	1953	Various board assignments	SEK (2007–)
Rydin	Charlotte	1968	Chief of Staff, Swedish National Debt Office	Fouriertransform (2009–2014–)
Rystedt	Fredrik	1963	CFO, SCA	Teracom Group (2013–)
Röjdmärk	Jacob	1965	CEO and Founder, Ture Invest AB	Bilprovningen (2011)
Sachs	Daniel	1970	CEO, Proventus	Dramaten (2009–) Chair.
Saethre-McGuirk	Ellen Marie	1975	Head of Research, University of Nordland	Voksenåsen (2011–)
Sahlén	Mona	1957	Various assignments	Systembolaget (2012–)
Salford	Charlotte	1970	CEO, GrowthCap Ltd	Swedfund International (2014–)
Salmén	Ola	1954	Various board assignments	Lernia (2013–)/Svevia (2008–)
Sandström	Per Arne	1947	Various board assignments	TeliaSonera (2010–)
Sandvik	Pia	1964	CEO, Länsförsäkringar Jämtland	Akademiska Hus (2011–)/RISE Research Institutes of Sweden (2013–) Chair.
Saxton	Brita	1954	Director General, Transport Analysis	Statens Bostadsomvandling (2011–)
Schauman	Kristina	1965	Various board assignments	Apoteket (2009–)
Schelin Seidegård	Cecilia	1954	County Governor, Gotland	Systembolaget (2008–) Chair
Schur	Fritz H.	1951	Chairman, Fritz Schur Group	SAS (2008–) Chair.
Seddigh	Akbar	1943	Various board assignments	RISE Research Institutes of Sweden (2013–2014)
Sen	Satish	1957	Consultant, Kaleidoscope	Apoteksgruppen (2014–)
Simonsson	Ingegerd	1960	CEO, Hercules Grundläggning AB	Jernhusen (2012–)
Sjöberg	Patric	1964	CEO, Stockholmsmässan	VisitSweden (2010–2014) Deputy member
Sjöström	Eric	1966	Various board assignments	Dramaten (2013–)
Skoglund	Johan	1962	CEO, JM	InfraNord (2012–)
Skogö	Ingemar	1949	County Governor, County of Västmanland	Swedavia (2010–) Chair.
Skäninger	Magnus	1971	Head of Division for State-owned Enterprises	PostNord (2014–)/Samhall (2012–)
Smith	Bo	1947	Chief Negotiator, Danish Ministry of Education	ESS (European Spallation Source) (2013–)
Spongh	Gunilla	1966	International Business Director, Mekonomen	InfraNord (2009–)
Staffas	Mikael	1965	CFO, Boliden	SJ (2013–)

SURNAME	FORENAME	BORN	TITLE	BOARD OF DIRECTORS
Stalin	Lotta	1954	Various board assignments	Green Cargo (2012–)
Starrin	Karin	1947	Various board assignments	Arlandabanan Infrastructure (2011–2014) Chair.
Steen	Anitra	1949	Various board assignments	PostNord (2013–)/Svenska Spel (2011–) Chair.
Steiner	Eugen	1954	Partner, Healthcap	APL (Apotek Produktion & Laboratorier) (2010–)
Sthen	Tryggve	1952	President, AB SKF Automotive Division	Green Cargo (2008–)
Strand	Erik	1951	Various board assignments	Samhall (2011–) Chair.
Strandqvist	Kersti	1963	Sustainability Manager, SCA	TeliaSonera (2013–)
Strömberg	Karin	1956	Part-owner, PharmaRelations AB	Bilprovningen (2014–) Chair./Lernia (2010–)
Stuart	John	1947	Business Development Manager, COMDEV International	SSC (Svenska rymdaktiebolaget) (2013–)
Ståldal	Ewa	1949	CEO, Bactiguard Technology	SOS Alarm (2004–)
Stöhr	Mikael	1970	CEO, Coor Service Management Group	SJ (2014–)
Sundling	Jan	1947	Various board assignments	SJ (2011–) Chair.
Sundström	Björn	1946	Economist, Swedish Association of Local Authorities and Regions	Statens Bostadsomvandling (2004–)
Suvanto-Harsaae	Sanna	1966	Various board assignments	SAS (2013–)
Svedberg	Gunnar	1947	Various board assignments	Akademiska Hus (2009–)
Svedenstedt	Lottie	1957	Various board assignments	Swedavia (2010–)
Svenonius	Irene	1967	City Manager, City of Stockholm	Arlandabanan Infrastructure (2014–)
Svensson	Siv	1957	Various board assignments	Inlandsinnovation (2014–)/SJ (2012–)
Svensson	Åke	1952	CEO, Teknikföretagen	SEK (2011)
Syrén	Håkan	1952	Former Swedish Commander-in-Chief	SSC (Svenska rymdaktiebolaget) (2013–)
Säther	Ulf	1959	Various board assignments	RISE Research Institutes of Sweden (2014–)
Söderblom	Anna	1963	Researcher, Stockholm School of Economics	Almi Företagspartner (2014–)
Söderström Jerring	Åsa	1957	Various board assignments	Vattenfall (2013–)
Sörman	Håkan	1953	CEO, SKL	SOS Alarm (2005–)
Tafllin	Robert	1947	Various board assignments	Inlandsinnovation (2011–2014)
Tetlie	Nils Petter	1965	CEO, Fujifilm Sverige	Teracom Group (2011–)
Thorén	Michael	1969	Under-secretary, Ministry of Finance	Metria (2014–)/Orio (2013–)/SJ (2012–)/Svenska Spel (2011–)
Thoreson-Hallgren	Inga	1958	Assistant under-secretary, Ministry of Enterprise, Energy and Communications	Almi Företagspartner (2011–)/VisitSweden (2011–)
Thornlund	Anitha	1963	Founder, Nordic Compliance	Apotekens Service (2011–2014)
Tolfes	Gunnel	1958	Partner, Facesso	Samhall (2010–)
Trouvé	Johan	1960	CEO, West Sweden Chamber of Commerce	Svevia (2010–)
Walder	Eva	1951	Head of Department, Ministry for Foreign Affairs	SEK (2009–)
Wallenberg	Jacob	1956	Chairman, Investor AB, various board assignments	SAS (2001–)
Wallenberg	Marcus	1956	Board Member, Investor AB, various board assignments	LKAB (2011–2014) Chair.
Wallér	Johan	1967	CEO, Swedish Pharmacy Association	Apotekens Service (2010–2014)
Wallin	Maj Charlotte	1953	Various board assignments	Akademiska Hus (2004)
Wenzlaff	Elisabeth	1955	Senior advisor, Wenzlaff Partners	Apoteket (2009–)
Werngren	Tomas	1961	CEO, Kommuninvest	Vasallen (2007–)
Westrin	Marie	1958	Vice President Development, Ericsson AB	RISE Research Institutes of Sweden (2011–)
Vibbleus	Helene	1958	Various board assignments	Orio (2013–)
Wibom	Hans	1949	Executive Member, Foundation Administration Management	Bostadsgaranti (2008–) Chair.
Wigzell	Kerstin	1945	Various board assignments	Systembolaget (2009–)
Wikman	Gunilla	1959	Communications Advisor	SJ (2011–)
Wilhelmsson	Fredrik	1963	Founder, Wilhelmsson Management AB	SSC (Svenska rymdaktiebolaget) (2009–)
Wiman	Christel	1950	CEO, Tågoperatörerna (Swedish train operators' association)	Jernhusen (2011–)
Virtanen	Jari	1966	Group Travel Director & Managing Director, Stena Line	VisitSweden (2014–)
von Oelreich	Kristina	1965	Deputy Head of Department, Swedish Environmental Protection Agency	Miljöstylningsrådet (2013–)
Zell	Michael	1950	Various board assignments	Svenska Skeppshypotek (2012–) Chair.
Zetterberg	Leif	1949	Various board assignments	Inlandsinnovation (2011–) Chair.
Zetterdahl	Ann-Cathrine	1962	Director General, Sjöfartsverket	Svevia (2012–)
Ziegler	Ingemar	1947	Former CEO, Locum	Akademiska Hus (2007–)/InfraNord (2009–)
Åberg	Christer	1966	CEO, Orkla Confectionary & Snacks	SBAB (2012–2014)/Svenska Spel (2011–)
Åbjörnsson	Rolf	1941	Lawyer	Statens Bostadsomvandling (2007–) Chair.
Ågren	Anders	1947	Board Member, Nerga AB	Metria (2011–2014)
Åkerman	Christina	1961	Director General, Swedish Medical Products Agency	Fouriertransform (2013–)
Åkerman	Frank	1952	Secretary General, Hela Människan	Svenska Spel (2012–)
Östensson	Per	1959	Senior Advisor, Ministry of Finance	Swedfund International (2010–)
Östling	Eva	1954	CEO, Visita Swedish Hospitality Industry	VisitSweden (2012–)



Green Cargo is Sweden's largest company in rail freight with a market share of about 60 per cent. *Photo: Green Cargo*

# Companies' reporting dates

COMPANY	ANNUAL GENERAL MEETING	INTERIM REPORT JAN-MAR	INTERIM REPORT JAN-JUN	INTERIM REPORT JAN-SEP	YEAR-END REPORT JAN-DEC
Akademiska Hus	28 April 2014	28 April 2014	15 July 2014	28 October 2014	10 February 2015
Almi Företagspartner	24 April 2014	30 April 2014	15 August 2014	31 October 2014	27 February 2015
APL (Apotek Produktion & Laboratorier)	24 April 2014	30 April 2014	15 August 2014	31 October 2014	13 February 2015
Apoteket	10 April 2014	24 April 2014	18 July 2014	23 October 2014	
Apoteksgruppen	25 April 2014	25 April 2014	15 August 2014	24 October 2014	13 February 2015
ARLANDABANAN INFRASTRUCTURE	30 April 2014		15 August 2014		
Bilprovingen	29 April 2014	31 March 2014	15 August 2014	31 October 2014	13 February 2015
Bostadsgaranti	28 April 2014				
Dramaten	23 April 2014				
ESS (European Spallation Source)	24 April 2014	22 April 2014			
Fouriertransform	23 April 2014	29 April 2014	16 July 2014	28 October 2014	13 February 2015
Green Cargo	29 April 2014	27 March 2014	15 August 2014	31 October 2014	11 February 2015
Göta kanalbolag	15 April 2014				
Infranord	29 April 2014	29 April 2014	14 August 2014	24 October 2014	12 February 2015
Inlandsinnovation	29 April 2014	28 April 2014	17 July 2014	23 October 2014	12 February 2015
Jernhusen	28 April 2014	28 April 2014	18 July 2014	23 October 2014	
Lernia	19 April 2014	29 April 2014	18 July 2014		
LKAB	29 April 2014	29 April 2014	15 August 2014	24 October 2014	12 February 2015
Metria	29 April 2014	30 April 2014	14 August 2014	29 October 2014	
Miljömärkning Sverige	24 April 2014				
Miljöstyrningsrådet	24 April 2014				
Operan	22 April 2014		22 August 2014		
Orio	10 April 2014	30 April 2014			
PostNord	23 April 2014	6 May 2014	27 August 2014	29 October 2014	
RISE Research Institutes of Sweden	24 April 2014	30 April 2014	15 August 2014	30 October 2014	15 February 2015
Samhall	28 April 2014	29 April 2014	15 August 2014	24 October 2014	30 January 2015
SAS	18 February 2014	14 March 2014	18 June 2014	10 September 2014	18 December 2014
SBAB	24 April 2014	25 April 2014	18 July 2014	22 October 2014	1 February 2015
SEK	28 April 2014	28 April 2014	18 July 2014	23 October 2014	30 January 2015
SJ	28 April 2014	28 April 2014	23 July 2014	23 October 2014	27 February 2015
SOS Alarm	23 April 2014	30 April 2014	15 August 2014	31 October 2014	13 February 2015
Specialfastigheter	23 April 2014	24 April 2014	10 July 2014	16 July 2014	
SSC (Svenska rymdaktiebolaget)	24 April 2014	30 April 2014	15 August 2014	30 October 2014	15 February 2015
Statens Bostadsomvandling	24 April 2014	30 April 2014	15 August 2014	31 October 2014	15 February 2015
Sveaskog	24 April 2014	24 April 2014	16 July 2014	22 October 2014	
Svedab	30 April 2014	30 April 2014	15 August 2014	31 October 2014	13 February 2015
Swedavia	29 April 2014	30 April 2014	15 August 2014	30 October 2014	13 February 2015
Swedesurvey	25 April 2014				
Swedfund International	8 April 2014	30 April 2014	31 August 2014	31 October 2014	15 February 2015
Svenska Spel	24 April 2014	24 April 2014	21 July 2014	21 October 2014	
Svevia	25 April 2014	25 April 2014	14 August 2014	24 October 2014	
Systembolaget	24 April 2014	30 April 2014	15 August 2014	30 October 2014	13 February 2015
TeliaSonera	2 April 2014	23 April 2014	17 July 2014	17 October 2014	29 January 2015
Teracom Boxer Group	23 April 2014	23 April 2014	15 August 2014		
Vasallen	24 April 2014	25 April 2014	28 August 2014	30 October 2014	13 February 2015
Vattenfall	28 April 2014	29 April 2014	23 July 2014	30 October 2014	5 February 2015
VisitSweden	7 April 2014				
Voksenåsen	16 May 2014	20 April 2014	20 August 2014	20 October 2014	25 February 2015

# The State's Ownership Policy 2014

State-owned companies are ultimately owned by the people of Sweden. On assignment from the Riksdag, the Government is required to actively manage the state's holdings in companies in order to ensure the best possible value performance and – where applicable – to ensure that specifically adopted public policy assignments are performed favourably. As a matter of principle, the Government takes the view that the state should not own companies operating in commercial markets with functioning competition, unless the company has a specifically adopted public policy assignment that would be difficult to fulfil in any other way. Accordingly, the Government's aim is to reduce state ownership. Continuously assessing the companies and considering the reasons for continued state ownership are a natural feature of being a value-generating and active owner. Nevertheless, the Government also considers it to be of the utmost importance that state-owned companies are proactively and professionally managed with value generation as an overriding objective. This requires the companies to adopt a long-term approach, be efficient and profitable, while being given the capacity to develop. State-owned companies should serve as role models in the area of sustainable business and, in other respects, conduct themselves in a manner that generates public confidence. The state-ownership policy constitutes a key document in clarifying the manner in which the Government considers that this should occur.

In its ownership policy, the Government presents its mandates and objectives, applicable frameworks and position on key fundamental issues relating to the corporate governance of all state-owned companies. The state-ownership policy includes the Government's guidelines for external reporting and guidelines for terms of employment for senior executives. The state-ownership policy also requires that the Swedish Code of Corporate Governance be applied.

The state-ownership policy is applied in majority-owned state-owned companies. In respect of other companies in which the state is a part owner, the state engages in a dialogue with the other owners in an effort to ensure that the ownership policy is applied. There are also additional companies managed by government agencies other than the Government Offices that are required to apply the state-ownership policy in a corresponding manner.

## 1. FRAMEWORK FOR STATE OWNERSHIP

### 1.1 The Government's management mandate

The Government is required to actively manage the state's assets in the form of shares in state-owned companies in such a manner as to maximise the long-term value generation and, where appropriate, to ensure that specifically adopted public policy assignments are performed efficiently. According to Chapter 9, Section 8, of the Instrument of Government (IG), state assets are at the disposal of and to be managed by the Government, subject to certain exceptions. According to Chapter 9, Section 9 of IG, the Riksdag decides on the principles for managing and disposing over state assets. The provisions on acquisition and transfer of property, including shares and participation rights in companies, are contained in the Budget Act (2011:203). According to Chapter 8, Section 3, of the Budget Act, the Government may not acquire shares or participation rights or in any other way increase the state's share of the voting power or ownership in a company without a mandate from the Riksdag. Nor may the Government provide capital to a company without a mandate from the Riksdag. According to Chapter 8, Section 4, second paragraph of the Budget Act, the Government may not, by sale or other means, reduce the state's share of ownership in companies in which the state holds half or more than half of the votes for all shares without first obtaining a mandate from the Riksdag. In addition to these provisions, the Government may need to obtain a mandate from the Riksdag for important changes in the object of the operations of companies. This constitutes the framework for the mandate that the Government has for the management of state-owned companies. A Riksdag decision is not required for, inter alia, the payment of dividends, since these form part of the ongoing administration. By virtue of Chapter 7, Section 5 of IG, the prime minister may assign to a minister other than the particular head of ministry responsibility for issues concerning corporate ownership of state-owned companies requiring a unified ownership policy.

### 1.2 Legislation

Subject to the exceptions stated below, state-owned companies are governed by the same laws as those applying to privately owned companies: inter alia, the Companies Act, the Annual Accounts Act, the Competition Act, the Bookkeeping Act and insider-related legislation. There are no special provisions for state-owned companies, except that the National Audit Office is entitled to appoint auditors for the companies over which the state has a determining influence and in companies whose operations are subject to statutory regulation. The articles of association stipulate the object of a particular company's operations, which is to be based on the mandate decided by the Riksdag.

Similar to privately owned companies that operate in a particular sector, the state-owned companies may also be subject to sector-specific legislation, such as the Postal Services Act (2010:145) and the Electronic Communications Act (2003:389). The responsibility for such regulation lies with units within the Government Offices other than the investment management of the Ministry of Finance.

### 1.3 EU regulations on state subsidies

The EU's regulations concerning state subsidies apply to all subsidies granted by the state to both state-owned companies and privately owned companies. The purpose of the rules is to ensure that no member state can distort competition through subsidies that strengthen the competitiveness of domestic industry at the expense of companies in another member state. According to EU regulations, the Market Economy Investor Principle, MEIP, is to be applied to the contributions of proprietor's capital to state-owned companies. The MEIP is usually met if the capital infusion provided is subject to conditions and terms that would have been accepted by a private investor.

### 1.4 Reporting of public funds

Companies that achieve a certain level of annual net sales and that receive public funds or other public benefits are subject to special rules concerning the reporting of financial links. The

rules are contained in the Transparency Directive and have been incorporated into Swedish legislation in the Insight into Certain Financial Links and related matters Act (2005:590). The rules are set up so as to ensure that the European Commission has insight for the purpose of monitoring, for example, the existence of cross subsidisation. The funds contributed and the manner in which they are used are to be subject to open reporting. The operations of monopoly companies and other companies that have a special status are also subject to a requirement for separate reporting in cases where such companies also conduct operations that are exposed to competition.

### 1.5 Conflict resolution in competition-limiting public sales operations

State-owned companies in which the state has a direct or indirect controlling interest are subject to a regulation in the Competition Act (2008:579) that came into effect on 1 January 2010. In response to an action initiated by the Swedish Competition Authority, the Stockholm City Court may prohibit any such company from applying a particular procedure in a commercial or financial operation if it distorts the conditions required for effective competition or development of such competition. The same applies to companies owned by county councils and municipalities. However, this regulation extends beyond the legislation that applies to other companies under the Competition Act.

### 1.6 Public access to information and confidentiality

Since state-owned companies are managed by the Government Offices, which is a state agency, a document that is stored and considered, according to special rules, as received or prepared by the Government Offices, may be a public document. Under certain circumstances, the information in a public document may be regarded as confidential. The information may remain confidential to protect the financial interests of the public or of an individual. Some information may comprise sensitive business secrets and could therefore be damaging to the company should it be disclosed. This means that anyone wishing to view a docu-

ment may request access to information; however, under the Public Access to Information and Secrecy Act (2009:400), the Government Offices must assess the potential damage before releasing any information. The information can usually be released if this is possible without causing damage to the state or to the companies to which the information relates.

### 1.7 International cooperation and guidelines

Sweden has been an active participant in the development of the OECD Guidelines on Corporate Governance of State-Owned Enterprises. The guidelines, which are non-binding, were drafted in 2005 and provide effective support for developing the governance of the state-owned companies in various countries. The Swedish Government's principles of corporate governance largely comply with these guidelines. The guidelines can be found at [www.oecd.org](http://www.oecd.org).

## 2. CORPORATE GOVERNANCE AND THE RELATIONSHIP BETWEEN OWNER, BOARD AND MANAGEMENT

### 2.1 The application of the Swedish Code of Corporate Governance (the Code)

The Code is to be applied in the state-owned companies in which the state has a controlling interest. In the other companies, the state acts in consultation with other owners to promote the application of the Code. The Code came into effect in 2005 and was revised most recently in 2010. The overall purpose of the Code is to contribute to improved governance of Swedish limited companies and it addresses the decision-making system through which the shareholders directly or indirectly control the company. Its rules focus on the organisation and operational processes of the particular company and the interplay between these areas. The Code should always be applied in accordance with the principle of "comply or explain". On certain issues, the Government has found reason to justify deviations from the Code, in accordance with the Code's principle of "comply or explain". The Government's justification of these deviations is presented below.

### 2.2 Annual general meeting

The annual general meeting is the company's highest decision-making body and the forum in which the shareholders formally exercise their influence.

In addition to the provisions of the Companies Act and the Code, the following principles apply to the general meetings of state-owned companies. According to a decision of the Riksdag in 1981, members of the Riksdag are entitled to attend the annual general meetings of companies in which the state owns at least 50 per cent of the shares, provided that the company or an operating subsidiary has more than 50 employees. It is the responsibility of the board to ensure that the official notice of the time and place of the annual general meeting is sent to the central office of the Riksdag in conjunction with the issuance to shareholders of the official notice to attend the meeting. Members of the Riksdag who wish to attend the annual general meeting must pre-register their intent with the board and this pre-registration must be received by the board not later than one week prior to the annual general meeting.

The general public should be invited to attend the annual general meeting of state-owned companies. Advance notice of attendance must be received at least one week prior to the meeting. State-owned companies should organise some

form of arrangement in conjunction with their annual general meetings enabling the public to put questions to the companies' management.

The annual general meeting of state-owned companies must take place before 30 April and any dividend is to be distributed no later than two weeks after the particular annual general meeting.

#### 2.2.1 Appointment of auditors

The auditors' assignment of independently examining the administration of the boards of directors and CEOs, as well as company annual accounts and accounting records is a core concern of the state as owner. The responsibility for appointing auditors is always that of the owner and auditors are elected at the annual general meeting. As of 2011, auditors are appointed for a term of year. However, this does not apply to the National Audit Office's auditors, whose assignment is mandated by the Auditing of State Activities etc. Act (2002:1022). The National Audit Office is entitled to appoint one or more auditors in a company over which the state has a controlling influence. The investment managers and other officials in the Government Offices monitor the process for the procurement of auditing services, which is conducted by the company, from procurement criteria to selection and evaluation. Should the reappointment of the auditors be considered, the auditors' work is always evaluated by the owner.

### 2.3 Articles of association

The owner establishes the object of the company's operations and all other stated frameworks through the articles of association. The Government Offices provide a template for the articles of association of state-owned companies. The template is based on the rules of the Companies Act for publicly listed companies, the Code and the state-ownership policy.

### 2.4 Owner instructions

Apart from the articles of association, additional owner instructions in state-owned companies are essentially only applied when the company has specifically adopted public policy assignments, receives government subsidies, is in the process of restructuring or re-regulation, or in the event of deregulations or other important changes. The content of owner instructions should be relevant, specific and clear and be formally adopted by decisions at the annual general meeting. It is important that instructions are clear with respect to the manner in which an assignment is to be financed, reported and monitored.

### 2.5 Performance indicators for companies with specifically adopted public policy assignments.

A number of companies have public policy assignments specifically adopted by the Riksdag. To assess how the specifically adopted public policy assignments are performed, performance indicators are set where relevant. For some operations conducted within the framework of specifically adopted public policy assignments and partially financed through appropriations in the state budget, specific targets have been determined already. The purpose of setting performance indicators is to

- ensure that the specifically adopted public policy missions are performed well,
- elucidate the cost of performing the specifically adopted public policy assignments,
- enable monitoring and reporting to the Riksdag and other stakeholders, and to
- elucidate the conditions for the financial targets.

The points of departure on which the public policy performance indicators are determined include the purpose of the company's operations, that is, what the desirable effects of the Company's operations are.

Since a company's opportunities to perform a specifically adopted public policy assignment and to generate returns are mutually dependent, performance indicators and financial targets are normally prepared as an integrated project. With an integrated project, the level of ambition regarding the performance indicators can be weighed against the cost in terms of the effects on risk and return implied by a certain level in the performance indicators.

Performance indicators are determined by the General Meeting through an owner instruction to the company. Follow-ups are performed by means of a dialogue between representatives of the owner and the chairman of the board, whereby the outcome in relation to the performance indicators and the board of directors' view of these are discussed, as are any measures planned for achieving the objectives. Follow-up is coordinated with the monitoring of the financial targets.

### 2.6 Financial targets in state-owned companies

From an owner perspective, the purpose of establishing financial targets is to

- safeguard value creation by ensuring that the board of directors and investment management work towards long-term, ambitious and realistic targets,
- achieve capital efficiency by clarifying the cost of shareholders' equity,
- keep the companies' financial risk at a reasonable level,
- assure the owner of sustainable and predictable dividend yield, taking into account the company's future capital requirements and financial position, and measure and assess the companies' profitability, efficiency and risk level
- in a structured manner.

The financial targets are defined primarily according to the following categories:

- Profitability targets, such as return on operating capital, return on equity or operating margin.
- Capital structure targets (such as debt/equity ratio or equity/assets ratio)
- Dividend targets (such as share of net profit or equity).

An important basis for establishing the financial targets is the owner's cost of equity as this figure ultimately determines whether the state, in its capacity as owner, receives reasonable compensation at market level for the risk-taking involved in company ownership. The cost of equity serves as a floor for the profitability target, since a return that is systematically below the cost of capital entails the destruction of value for the state as owner. The cost of equity also affects the optimal capital structure since it depends on the relationship between the cost of equity and borrowed capital at different levels of debt. The cost of equity also indirectly affects the dividend, since this cost is a key component in assessments of a company's future investments. In turn, these investments and their contribution to value creation are of vital importance to determining the proportion of the generated profits that should be reinvested and thus for the size of the dividend that can be distributed.

Other important determinants used in setting targets are analyses of the market in which the company operates, comparisons with other com-

panies and analyses of the company's business plan and track record. Finally, stress tests are conducted to assess the targets' sensitivity in terms of various external and internal factors.

The financial targets are approved by the annual general meeting and are to be documented directly in the minutes. The financial targets adopted apply until new/changed targets are adopted at an annual general meeting. Follow-ups are performed by means of a dialogue between representatives of the owner and the chairman of the board, whereby the outcome in relation to the financial targets and the board of directors' view of this are discussed, as are possible actions that may be planned to achieve the targets in a forward-looking perspective. Should external conditions, such as the interest-rate scenario and profitability at a sector level, change significantly and in a lasting manner, the need to revise the targets may be discussed.

## 2.7 Guidelines

### 2.7.1 External reporting

Key words for the governance of state-owned companies are: transparency, active ownership and good order and organisation. State-owned companies are ultimately owned by the Swedish people collectively, which calls for transparent and professional communication of information. In addition to accounting legislation and generally accepted accounting principles, each state-owned company must present – as applicable – an annual report, interim reports and a year-end report, in accordance with the rules that apply to public listed companies.

The Government adopted the current guidelines for the external reporting of state-owned companies on 29 November 2007. This reporting is to provide a comprehensive description of the state-owned companies' operations as well as basic data for ongoing monitoring and evaluation of the companies' operations and established goals. The guidelines include disclosures relating to sustainability information; see section 3 below. The Government has highly ambitious targets in respect of external reporting.

These guidelines impose clear requirements on reporting and accounting of the company's sustainability-related work. The Government views the requirement for sustainability reports as a tool for driving sustainable business activities forward in that state-owned companies thus work systematically with clear reporting and monitoring of sustainability. In accordance with the guidelines, state-owned companies are subject to extended reporting requirements regarding sustainability and must, among other things, apply the GRI's international guidelines in the publication of their sustainability reports.

### 2.7.2 Remuneration of senior executives

The current Government guidelines on terms of employment for senior executives in state-owned companies were adopted on 20 April 2009. Reasonable remuneration is important for maintaining confidence in the business sector as a whole and, from the viewpoint of the Government, it constitutes a key component of corporate governance. The boards are responsible for determining remuneration for the CEO. It is important that the boards deal with issues concerning remuneration of senior executives in a deliberate, responsible and transparent manner and that the boards assure themselves that the total remuneration is reasonable and well-considered. It should also be competitive, capped and appropriate, while contributing to high ethical standards and a

good corporate culture. Remuneration paid should not be wage-leading in relation to comparable companies but be characterised by moderation. The remuneration principles in the guidelines are also to serve as guidance for other employees.

## 2.8 About the Board of Directors

### 2.8.1 Responsibilities of the Board of Directors

The board is responsible for ensuring that the companies in which the state has a participating interest are managed in an exemplary manner within the framework provided by legislation, the company's articles of association, any additional owner instructions and the state-ownership policy. Work aimed at ensuring public confidence in the operations includes establishing necessary policy documents for the operations, such as a code of conduct with such aims as assuring the economical use of all resources in the business and that the special status often enjoyed by state-owned companies is not abused, as well as annual assessments of applicable policy documents and associated follow-up and compliance processes.

### 2.8.2 Board nomination process

The Government's aim is for the boards to contain a high level of expertise that is well matched to the operations, situation and future challenges of their particular companies. Board members are expected to be persons of high integrity that match the demands for good judgment that may be expected of representatives of the state.

For state-owned companies that are not publicly listed, the following principles replace the Code rules pertaining to the preparation of decisions and the nomination of board members and auditors.

These companies are required to apply unified and common principles designed to ensure the achievement of a structured board nomination process. The purpose is to ensure the efficient provision of expertise to the companies' boards. In publicly listed companies in which the state has a significant participating interest, the Government appoints one member of each nomination committee. The nomination committee is primarily a preparatory body serving the annual general meeting in nomination issues.

The board nominating process is coordinated by the Ministry of Finance at the Government Offices. For each company, the required expertise is analysed on the basis of the company's operations, situation and future challenges, and of the board's composition and the implemented evaluation of the board. Any recruitment requirement is then determined, and the recruitment process initiated.

### 2.8.3 Board composition

The starting point for any nomination of a board member must be the requirement of expertise relevant to the board. It is important that the board's composition be such that the board always possesses the industry knowledge or other expertise directly relevant to the company, even when the company is undergoing development and its business environment is changing. Since sustainable business is an important issue for the state as owner, it is essential that the board has the capacity to work strategically in this area. To be considered for a board position, the candidate must possess a high level of expertise relevant to current business operations, business development, industry affiliation, financial issues or other appropriate areas. Additional requirements include outstanding integrity and an ability to see to the company's best interests. Every board

member must be able to independently assess the company's operations.

To ensure that the boards of directors are efficient, the number of board members should be between six and eight people. The Government's intention is to have only regular members on the boards of directors and no deputies. When necessary, a vice chairman may be elected by the annual general meeting. The composition of every board must also be such that balance is achieved in respect of background, area of expertise, experience and gender. The Government is endeavouring to achieve an even gender distribution, with the aim that the proportion of both women and men be at least 40 per cent.

The selection of members is made from a broad recruitment base with a view to making use of the expertise of women and men, as well as individuals with different backgrounds and experiences. Discrimination based on gender, cross-gender identity or expression, ethnic affiliation, religion or other belief, disability, sexual preference or age is not permissible. When the process has been completed, nominations are made public pursuant to the Code. Throughout the nomination process, quality is assured by a cohesive and systematic approach.

### 2.8.4 Chairman of the board

The chairman of the board is elected by the annual general meeting. The special role of the chairman of the board is dealt with in the Code and the Companies Act.

The special tasks that the chairman of the board has to perform when working on the board are stipulated in the formal work procedures of the board. One such special task is coordination responsibility. Whenever the company is faced with particularly important decisions, the board of directors must align, through its chairman, its view with that of the representatives of the owner. It is incumbent upon the board to decide the cases in which such alignment via the chairman is required ahead of a particular board decision.

### 2.8.5 Board members' independence

As regards the independence of board members, it is a fundamental requirement, according to 2.8.3 above, that a board member possess a high level of integrity. A member is not permitted to be so dependent on the company or its management that such independence may be questioned. One deviation from the Code in terms of the independence of board members is that board members' independence in relation to the state as a major shareholder and in relation to the company and its management need not be reported. The Code is primarily intended for use by companies with widespread ownership. The main reason for the Code requirement that companies have at least two board members who are independent in relation to the company and its management as well as to major shareholders and that all board members' independence vis-à-vis major shareholders must be reported is to protect minority owners. For wholly state-owned companies and partially state-owned companies with few shareholders, there is therefore no reason to report this form of independence. In publicly listed companies in which the state has a participating interest, elected board members' independence in relation to the state shareholder as well as the company is reported.

### 2.8.6 Board procedures

It is the responsibility of every board to assess the need to appoint special committees. Should a



committee be appointed, its activities are to be guided by the principles of the Code and of the Companies Act. Other aspects of the board procedures are also to be guided by the principles of the Code. In state-owned companies, the right to sign for the company should, however, be exercised exclusively by two or more persons jointly, of whom at least one person is to be a board member or the CEO.

#### 2.8.7 CEO

One of the principal tasks of the board is to appoint, evaluate and, when necessary, dismiss the CEO. According to the Code, the CEO may be a member of the board but may not be its chairman. Because the Government regards it as important that the roles of the board and the CEO be distinguished, the CEO must not be a member of the Board.

#### 2.8.8 Evaluation of the boards

Board performance must be evaluated annually. According to the Code, it is the task of the chairman of the board to ensure that the evaluation is carried out and that the nomination committee is informed of the results of the evaluation.

In wholly state-owned companies, it is the Government Offices that are to be informed of the results of the evaluation. The Government Offices' involvement in the board nomination process also includes a separate and ongoing evaluation of the boards of all state-owned companies.

#### 2.8.9 Board fees

Board members are compensated for their effort and for the responsibility that the board assignment entails. Fees paid to the board chairman, any vice chairman and other members are to be decided upon by the annual general meeting. Fees to board members who participate in specially appointed committees within the board of directors are also to be determined by the annual general meeting. For fees to be paid for service on a committee, the work involved must be of a significant extent. Fees paid for committee work may be adjusted in periods of high work load for a limited period. Employees of the Government Offices, who are board members of state-owned companies, do not receive any remuneration from these companies for board or committee work. In exceptional cases, however, a fee may be paid to an employee of the Government Offices following a special decision by the annual general meeting.

If the fee for work on the board or a committee is invoiced by a member within the framework of business activity conducted as part of a sole proprietorship with a corporate (F) tax card or through the member's own limited company, it should be stated in conjunction with the general meeting considering fees that statutory employer's social security contributions are to be paid to the board member's sole proprietorship or limited company in addition to the approved fee. Any agreement with a board member's sole proprietorship with a corporate (F) tax card or limited company regarding invoicing of board or committee fees shall be cost-neutral for the company paying those fees.

Situations are to be avoided whereby board members or their deputies are engaged as consultants to the company and thereby receive consultancy fees in addition to their board fees. If this nevertheless occurs, the assignment must be determined by the board in every individual case, be clearly discernible from ordinary work on the board, apply for a limited time and be governed

by an agreement between the company and the board member. Principles for consultancy fees are to be subject to the annual general meeting's approval of the board's proposed guidelines for remuneration of senior executives.

In preparation for the annual general meeting's decision on board fees, an analysis is to be made whereby the level of fees is compared with the fees paid by other comparable companies. The fees must be competitive, but not market-leading. There is no impediment to the annual general meeting deciding to pay remuneration to employee representatives although, the fundamental principle for state-owned companies is that no such remuneration should be paid.

## 3 SUSTAINABLE BUSINESS

### 3.1 Definition

The intention of the state's corporate governance is that state-owned companies should act as role models in the area of sustainable business. This work is based on the Brundtland Commission's original definition of the concept of sustainable development in 1987, which is as follows: *Sustainable development is development which meets the needs of current generations without compromising the ability of future generations to meet their own needs.* Sustainable business means that the state-owned companies are required to conduct their operations in a manner that promotes sustainable development as defined above. Sustainable business includes the environment, human rights, working conditions, anti-corruption and business ethics as well as gender equality and diversity.

### 3.2 Compliance with international guidelines

The state-owned companies shall work to foster compliance with international guidelines regarding environmental consideration, human rights, working conditions, anti-corruption and business ethics. Based on the sectors and markets within which they operate, it is important that companies identify and manage risks and business opportunities in the area of sustainable business. The international guidelines comprise the ten principles in the UN Global Compact, the UN framework for business and human rights and the OECD guidelines for multinational enterprises. These principles and guidelines are based on international conventions and agreements and have been formulated in collaboration between states, companies, labour organisations and other stakeholders with the purpose of providing the business sector guidance on how to manage risks and business opportunities associated with sustainable business. State-owned companies are to behave in a manner that means they enjoy the confidence of the public. Complying with international guidelines, such as the OECD's guidelines for multinational enterprises, means, for example, acting as a role model with regard to tax matters and business ethics.

### 3.3 Role models for sustainable business

Acting as a role model in terms of sustainable business requires, for example, that the state-owned companies act transparently in matters involving significant risks and opportunities, engage in an active dialogue with the company's stakeholders in society, cooperate with other companies and relevant organisations, comply with international guidelines in the area and integrate the issues in their business strategy, as well as establishing strategic sustainability targets.

The companies' acceptance of responsibility in the area of sustainable business is important. It contributes to their competitiveness and their capacity, where relevant, to perform specifically adopted public specifically, generating value for their owners. The integration of sustainability issues into operations is thus a self-evident component of a long-term business strategy and development.

State-owned companies should have a well-considered and broadly accepted policy and strategy, as well as established strategic objectives in the area of sustainable business. The targets should be few in number, comprehensive and relevant to the company's business operations and sustainability challenges and, where applicable, relevant to the company's specifically adopted public policy assignment. The targets should also be long term, challenging and monitorable, while being distinct and easy to communicate. It is the responsibility of the board to establish targets and strategies for the company's work on sustainable business. The companies are expected to pursue active work on these matters, both within their own operations and in collaboration with business partners, customers, suppliers and other stakeholders.

The Government considers diversity-related work to be important and that state-owned companies take it into consideration in their business operations and personnel policy. The overarching objective of work to foster diversity is to generate value for Swedish society by deriving benefit from competence and experience from all of society. No discrimination may occur based on gender, cross-gender identity or expression, ethnic affiliation, religion or other belief, disability, sexual preference or age in relation to employees, business partners, customers and suppliers, or others with whom the companies come into contact.

The boards and managements of the state-owned companies are to act as role models in promotion of gender equality. The Government regards it as an ongoing and urgent priority to derive benefit from the expertise and experience of both women and men. This applies to managerial appointments in particular. The Government places considerable importance on increasing the percentage of women in executive management positions. Just as the state in its capacity as owner promotes even gender representation on its boards of directors, it is essential that state-owned companies steer development towards more balanced gender representation at senior management positions. State-owned companies shall, even in other regards, work actively on issues of equality throughout their operations.

The work of the companies in the area of sustainable business is to be communicated internally and externally. The companies' work on sustainable business is to be monitored in a manner that is integrated with other owner issues or by means of dialogue between representatives of the owner and the company.

Annex 1 Guidelines for external reporting

Annex 2 Guidelines for terms of employment for senior executives

## Guidelines for external reporting

The Government adopted the following guidelines for external reporting by state-owned companies on 29 November 2007. These replace the previous guidelines adopted in 2002. The guidelines have been supplemented with expanded and clearer information requirements regarding sustainability. The state-owned companies are subject to the same laws as privately owned companies, inter alia, the Companies Act, the Bookkeeping Act and the Annual Accounts Act. These guidelines complement the current accounting legislation and generally accepted accounting principles. The companies must present their reports in accordance with these guidelines as of the fiscal year that began on 1 January 2008.

### INTRODUCTION

The state is a significant company owner in Sweden. The companies represent considerable values and are ultimately owned by the Swedish people collectively, which calls for transparent and professional communication of information.

### COMMUNICATION OF INFORMATION

Key words for the Government's administration of the companies are: transparency, active ownership and good order and organisation. The overarching governance objective is that these companies should create value and, where applicable, comply with the societal interests. The external reporting of the state-owned companies, which includes the annual report, interim reports, the corporate governance report, the statement on internal control and the sustainability report, are to be as transparent as the reporting of listed companies. This reporting is to provide a comprehensive description of the state-owned companies' operations as well as basic data for ongoing monitoring and evaluation of the companies' operations and established goals. The Government will assess compliance with the guidelines for external reporting for state-owned companies, which will be reported in the Government's annual report on state-owned companies to the Riksdag. A responsible and professional owner should, among other tasks, assume responsibility for issues relating to sustainable development, such as ethical issues, the environment, human rights, gender equality and diversity. All companies bear this responsibility, but the state-owned companies must set an example and be at the leading edge of this work. The Government is reinforcing its ambitious stance in this field and, through these guidelines, is imposing clearer demands for reporting and accounting. According to the state-ownership policy, the boards of the state-owned companies are responsible for matters relating to ethical issues, the environment, human rights, gender equality and diversity. That the companies have a well-considered strategy for these sustainability issues is an integral part of the Government's ownership policy. This work is to be communicated both internally and externally. Sustainability reports are a tool for driving sustainable development activities forward by working systematically with clear reporting and monitoring. The boards of the state-owned companies are responsible for ensuring that companies presenting sustainability reports in accordance with Global Reporting Initiative (GRI) guidelines which, together with other financial reports, form an integrated basis for assessment and monitoring. The GRI guidelines are international regulatory guidelines for sustainability reports.

### APPLICATION OF THE GUIDELINES

State-owned companies are required to apply these guidelines. In those cases where the state is one of a number of joint owners, the Government intends, in consultation with the company and the other owners, to endeavour for these

guidelines to also be applied in the jointly owned companies.

These guidelines are based on the principle of "comply or explain," which means that a company can deviate from the guidelines if a clear explanation and justification of this departure is provided. This design enables the guidelines to be applicable and relevant to all companies, regardless of size or industry, without having to abandon the main purpose of the accounting and reporting. The board is required to describe in the annual report how the guidelines have been applied during the past fiscal year and to comment on any deviations.

### RESPONSIBILITIES

The boards of the state-owned companies are responsible for ensuring that the companies' accounting and reporting comply with these adopted guidelines. The companies are to start reporting in accordance with the guidelines as soon as possible and not later than the fiscal year that began on 1 January 2008. In addition to current accounting legislation and generally accepted accounting principles, in appropriate parts, the boards of the state-owned companies are responsible for ensuring that the companies present the annual report, interim reports and year-end reports in accordance with the rules of OMX Nordic Exchange Stockholm AB<sup>1)</sup> in the listing agreement. This also means that the companies are required to present a corporate governance report and a statement on internal control in accordance with the Swedish Code for Corporate Governance.

The companies are also to comply with the requirements in the Insight into Certain Financial Links and Related Matters Act (2005:590). Furthermore, the boards are responsible for ensuring that the companies present a sustainability report in accordance with the GRI guidelines. The regulatory framework to which the companies are subject is changed and updated continuously. The state-owned companies are expected to monitor developments and changes in legislation, standards and recommendations as these occur. The board must monitor developments and decide without delay on relevant measures resulting from these changes.

### PRINCIPLES FOR EXTERNAL REPORTING AND RESPONSIBILITY FOR REPORTING

#### Annual Report

In the *annual report*, the state-owned companies must, in accordance with the Annual Accounts Act (1995:1554), inter alia, provide a fair picture of the development of the company's business activities, position and result in accordance with laws and usual practice. This includes, for example:

- Business concept, strategy, business activities, market, customers and competitors and organisation.

- Risks and risk management, opportunities and threats, sensitivity analysis that describes the main financial risks of the company.
- A description of the company's substantial non-financial risks and uncertainty factors of importance for understanding the company's result, position and future prospects.
- Investments, acquisitions and important events that have taken place during the fiscal year and after its end.
- The operations of the company in research and development.
- The work of the board and its composition during the year.
- Remuneration of senior executives and description of the incentive programme.

*In addition*, the annual report is to include a report on or information about:

- The financial targets and non-financial objectives, the dividend policy adopted, operational objectives and compliance with targets and objectives.
- The company's ethical principles, code of conduct and gender equality policy.
- The company's work on matters relating to sustainability, including work on gender equality, diversity and ethics.
- The Government's commission to the company, objectives related to the commission and measurement of fulfilment of these objectives through, for example, customer surveys. These commissions may be formulated in different ways for different companies, inter alia, in government bills, Riksdag communications, committee reports, Swedish Government Official Reports (SOU) and articles of association.
- The company's work to comply with the government guidelines and the policies that affect all state-owned companies, such as the ownership policy, these guidelines and the guidelines for terms of employment for senior executives.

#### Sustainability Report

A *sustainability report* in accordance with the GRI guidelines is to be published on the respective company's website in conjunction with publication of the company's annual report. The sustainability report may either be a separate report or an integrated part of the annual report document.

A sustainability report in accordance with the GRI guidelines includes:

- A report and brief analysis of the sustainability issues regarded as important for the company, plus the associated reasons.
- Transparent reporting of the risks and opportunities in respect of sustainability issues, particularly such non-financial risks and opportunities required in order to understand the company's development, results and position.
- Transparent reporting of implemented stakeholder analyses and stakeholder dialogues in order to identify and take a position in relation

1) Name changed to NASDAQ OMX Stockholm Aktiebolag.

## Overview of principles for reporting financial and non-financial information

	FINANCIAL INFORMATION	NON-FINANCIAL INFORMATION
<b>REASONS</b>	Monitor and assess the financial development of the companies	Monitor and assess the companies' corporate governance, sustainability work and performance of any public policy assignments.
<b>SOURCE</b>	Laws and standards	Guidelines Decisions by the owner
<b>BASIC PRINCIPLE</b>	IFRS	The Code of Corporate Governance GRI Decisions by the Annual General Meeting (Government guidelines) (Riksdag decisions)
<b>ANNUAL</b>	Annual Report Year-end report	Sustainability Report Corporate governance report Statement on internal control Report on compliance with any public policy assignments
<b>DURING THE YEAR</b>	Quarterly reports	Any KPIs
<b>CURRENT</b>	Special press releases/information. Transparency in relation to the public and the media.	

## Laws and recommendations providing guidance

### Laws and directives:

- The Companies Act (2005:551) ABL
- The Bookkeeping Act (1999:1078) BFL
- The Annual Accounts Act (1995:1554) ÅRL
- The Annual Accounts in Credit Institutions, and Securities Companies Act (1995:1559), ÅRKIL
- The Annual Accounts Act in Insurance Companies Act (1995:1560), ÅRFL
- The Insight into Certain Financial Links and Related Matters Act (2005:590)
- The Securities Market Act (2007:528)

### Examples of standardisation bodies:

- International Accounting Standards Board, IASB
- Swedish Accounting Standards Board
- Nasdaq OMX Nordic
- Swedish Financial Reporting Board
- The recommendations of the EC institutions as adopted by the institute for the accounting profession in Sweden, FAR
- Swedish Corporate Governance Board
- Global Reporting Initiative, GRI
- SFF (Swedish Society of Financial Analysts)

to significant risks and opportunities in respect of the sustainability issues applying to the company's main stakeholders.

- Reporting of the company's strategies and alignment to the sustainable development requirements and how the strategy and alignment affect the company's current results and position, and how they will affect them in the future.
- Reporting of the company's stance in its own policy documents and in the form of international conventions, such as the UN's Global Compact.
- An account of how proactive sustainability work is pursued with objectives, action plans, allocation of responsibility, education and training in addition to control and incentive systems for follow-up.
- A clear report on results and objectives based on selected performance indicators. These are to be complemented by explanations in the body of the text explaining the outcome in relation to the objectives together with a report on new objectives.

- Accounting principles that clarify the company's points of departure for the report and the delimitation of the same.

The sustainability report must be quality assured by independent review and assurance. The date for publication of the report is to comply with the reporting cycle for the annual report.

### Quarterly reports

The companies must publish quarterly interim reports.

### Timetable for publication of reports

The companies must publish quarterly reports, year-end reports and annual reports on the company's website. The annual report should be available both in a printed version and in PDF format published on the company's website. The sustainability report and interim reports are to be available in PDF format on the company's website.

- The annual report is to be published not later than 31 March.
- The sustainability report is to be published not later than 31 March.
- The corporate governance report and the statement on internal control are to be published not later than 31 March.
- The year-end report (Q4) is to be published not later than 15 February.
- The six-monthly report (Q2) is to be published not later than 15 August.
- Quarterly reports for January–March (Q1) are to be published not later than 30 April.
- Quarterly reports for January–September (Q3) are to be published not later than 30 October.

### Appraisal

An assessment and report on compliance with these guidelines will be included in the Government's annual report on state-owned companies.

# Guidelines for terms of employment for senior executives

On 20 April 2009, the Government adopted the following guidelines for terms of employment for senior executives in state-owned companies.

## INTRODUCTION

The state is a significant company owner in Sweden. The state bears a substantial responsibility to be an active and professional owner. The Government manages the state-owned companies and its overarching objective is that these companies should create value and, where applicable, comply with the special societal interests. Reasonable and well-considered remuneration of senior executives is a key part of achieving this objective. Reasonable remuneration is also important for confidence in the business sector as a whole.

The Government's governance of the state-owned companies is to be both transparent and clear. Accordingly, the external reporting of the state-owned companies is to be at least as transparent as that of listed companies in this regard. This also applies to the remuneration of senior executives.

It is important that boards deal with issues relating to remuneration of senior executives in a deliberate, responsible and transparent way and that the boards ensure that the *total remuneration* is reasonable, characterised by moderation and contributes to high ethical standards and a sound corporate culture.

The Government will monitor and evaluate compliance with these guidelines. The appraisal is intended to examine how companies have applied the guidelines and fulfilled the remuneration principles in the guidelines. This evaluation will be reported in the Government's annual submission to the Riksdag with the report on state-owned companies.

## AREA OF APPLICATION

These guidelines replace the Government's previous Guidelines for Terms of Employment for Senior Executives in State-owned Companies (3 July 2008). The board is responsible for renegotiation of existing contracts with senior executives with variable salaries so that they accord with these guidelines. Other existing contracts with senior executives that conflict with these guidelines should be renegotiated.

The guidelines are a component of the state-ownership policy<sup>1)</sup> and apply to companies in which the state has a controlling influence through its ownership in a manner corresponding to the provisions made in Chapter 1, Section 11, of the Companies Act (2005:551). Furthermore, these companies must apply the guidelines in their subsidiaries. In other companies in which the state is a joint owner, either directly or through a company, the Government or the company, respectively, should endeavour for the guidelines to be applied to the greatest possible extent in dialogue with the owners.

## THE BOARD'S AREA OF RESPONSIBILITY

In the same way as in listed companies, the boards of the state-owned companies are required to propose guidelines for remuneration of senior executives for decision by the annual general meeting and thus apply the pertinent rules con-

tained in Chapter 8, Sections 51–54 of the Companies Act (2005:551). The guidelines proposed by the Board are to be compatible with the Government's guidelines and state, among other aspects,

- how the board ensures that remuneration complies with these guidelines, and
- that there is written documentation showing the cost for the company before any decision on individual remuneration is reached.

The remuneration of the chief executive officer is the responsibility of *the board as a whole*. The board is to also ensure that the remuneration of the chief executive officer and other senior executives is within the guidelines decided upon by the annual general meeting.

The board is to confirm that the chief executive officer ensures that the company's remuneration to other employees is based on the remuneration principles below.

The board is required to report on the special reasons for deviating from the Government's guidelines in any particular case.

## REMUNERATION PRINCIPLES

The total remuneration payable to senior executives should be reasonable and well considered. It should also be competitive, capped and appropriate, while contributing to high ethical standards and a good corporate culture. The remuneration paid is not to be wage-leading in relation to comparable companies but be characterised by moderation. It is also to provide guidance for the total amount of remuneration payable to other employees.

Variable salary is not to be paid to senior executives. Taking the other principles of these guidelines into consideration, it is permissible to pay a variable salary to other employees.

Defined-contribution pension benefits are to be paid, unless they comply with an applicable group pension scheme. The defined contribution should not exceed 30 per cent of the fixed salary. Accordingly, should the company have agreed upon a defined-benefit pension benefit, it is to comply with the applicable group pension scheme. Any extensions of the group pension scheme to salary exceeding the income levels covered by the scheme must be defined-contribution based. The company's pension cost is to be capitalised during the active period of the employee. No post-retirement pension premiums for additional pension costs are to be paid by the company. The retirement age is not to be less than 62 and should be at least 65.

Should notice to terminate employment be served by the company, the period of notice is not to exceed six months. In the event of employment-termination notice being issued by the company, severance pay not exceeding 18 monthly salaries may be paid. Severance pay is to be paid monthly and consist only of the fixed monthly salary without any supplement for benefits. In the event of new employment or income from business activity, remuneration from the company is to be reduced by an amount equivalent to the new income during the period when salary and severance pay are paid. No severance pay is to be paid in the event of notice to termi-

nate employment being served by the employee. Severance pay is never to be paid after the age of 65.

## REPORTING

The state-owned companies are to report remuneration of senior executives in the same way as listed companies. Accordingly, the state-owned companies are required to comply with the specific rules for reporting remuneration of senior executives that apply for listed companies and public limited companies. The rules for this procedure are stipulated in the Companies Act (2005:551) and in the Annual Accounts Act (1995:1554). Furthermore, remuneration of each individual senior executive is to be reported separately, in terms of information about fixed salary, benefits and severance pay.

At the annual general meeting, the board is to report on whether the adopted guidelines have been complied with, giving reasons for any deviation. Furthermore, the company's auditor, ahead of every annual general meeting, is required to submit a written signed statement to the board stating whether the auditor considers that the guidelines applicable since the previous annual general meeting have been complied with or not.

In addition, the chairman of the board is to also provide an oral account at the annual general meeting of the remuneration of the senior executives and how this relates to the guidelines adopted by the annual general meeting.

## DEFINITIONS

- The term *senior executive* refers to the chief executive officer and other individuals in the executive management of the company. This group corresponds to the persons covered by Chapter 8, section 51, of the Companies Act (2005:551). It includes, inter alia, persons who belong to executive management groups or similar bodies and managers who report directly to the chief executive officer.
- *Remuneration* refers to all remuneration and benefits payable to the employee, such as salary, benefits and severance pay. Remuneration from companies in the same group is also to be included.
- *Benefits* refers to all forms of remuneration for work provided in a non-cash form, such as pensions and car, housing and other taxable benefits.
- *Variable salary* refers, inter alia, to incentive programmes, bonuses, payments from profit-sharing foundations, commission salary and similar payments.
- *Defined contribution pension* (premium-defined pension) refers to the pension premium being set at a particular percentage of the current fixed salary.
- *Defined-benefit pension* refers to the amount of pension being determined as a particular percentage of a defined fixed salary.
- *Subsidiary* refers to the legal entities referred to in Chapter 1, Section 11, of the Companies Act (2005:551).

1) Included in the Report on State-owned Companies (the Government's annual report to the Riksdag with a report on state-owned companies).

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