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Government Bill

2006/07:57

Sale of certain state-owned companies

Gov. Bill
2006/07:57

The Government presents this Bill to the Riksdag.

Stockholm, 1 March 2007

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(Ministry of Enterprise, Energy and Communications)

The main content of the Bill

The Government considers that the state ownership of companies should be reduced. After an initial review of the state-owned companies, the Government considers that the sales process should start by reducing ownership in six companies: Civitas Holding AB (publ) which owns Vasakronan AB (publ), Nordea Bank AB (publ), OMX AB (publ), Sveriges Bostadsfinansieringsaktiebolag SBAB (publ), TeliaSonera AB (publ), and V&S Vin & Sprit AB (publ).

The Government further proposes that authorisation be given to undertake the following measures: to divest the whole or parts of the shareholding in the companies, to receive shares and other forms of assets as payment besides cash, and subsequently to sell these shares or other assets.

The Government describes in the Bill how it intends to carry out the sales process for the above-mentioned six companies.

The Government further proposes that the Riksdag approve that the expenses arising for the State in connection with these measures for sale of shares in the six companies may be financed by being deducted from the sales income.

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1 Proposed decision by the Riksdag

The Government proposes that the Riksdag authorises the Government to

1. wholly or partly divest the State's shares in the companies Civitas Holding AB (publ), Sveriges Bostadsfinansieringsaktiebolag SBAB (publ) and V&S Vin och Sprit AB (publ) (section 4.1),

2. accept shares or other forms of assets as well as cash as payment in a sale of the shares in the companies Civitas Holding AB (publ), Nordea Bank AB (publ), OMX AB (publ), Sveriges Bostadsfinansieringsaktiebolag SBAB, TeliaSonera AB (publ), and V&S Vin & Sprit AB (publ) (section 4.2),

3. divest the assets that the State receives in accordance with 2. as payment in a sale if other forms of assets than cash are received (section 4.2),

4. undertake the measures otherwise required to carry out the transactions in accordance with 1 – 3 (section 4.2),

and approve that the expenses arising for the State in connection with measures for sale of shares in Civitas Holding AB, Nordea Bank AB, OMX AB, Sveriges Bostadsfinansieringsaktiebolag SBAB, TeliaSonera AB, and V&S Vin & Sprit AB may be deducted from the sales income (section 5).

2 The matter and its preparation

The Government has presented its intention to the Riksdag of reducing ownership in the state-owned companies in the Budget Bill for 2007 (Government Bill 2006/07:1). The Government then made the assessment that state-owned companies should be sold corresponding to SEK 50 billion per year, totalling SEK 150 billion in the period 2007 to 2009.

The Government considers that it is not necessary, when preparing this matter, to obtain comments from government agencies, NGOs and individuals.

3 Background

3.1 State-owned companies

The Swedish state owns wholly or partly 54 limited companies which are managed by the Government Offices. In 2005, these companies had a combined turnover of SEK 311 billion and 188,000 employees. These

companies are active in different industries. 40 companies are wholly-owned and 14 partly-owned. Four of the companies are listed on the stock exchange. The majority of the companies operate under market conditions, while others have special societal interests to take into consideration. The majority of the state-owned companies are managed in the Government Offices by the Ministry of Enterprise, Energy and Communications.

Information about the state-owned companies can be found in Government Communication 2005/06:120 including the Annual Report for State-owned Companies for 2006 which was presented to the Riksdag on 4 May 2006 (skr. 2005/06:120). Four interim reports have been published during the 2006 financial year. It is intended to present a communication to the Riksdag in May 2007 including the Annual Report for State-owned Companies for 2007.

The reasons for the state owning companies have varied over time in a historical perspective and from company to company. In the early twentieth century, business activities were focused on what may be regarded as “natural monopolies”. These companies were often associated with the infrastructure and demands were made for extensive investments that required large contributions of capital at a high risk and with a low return, such as the construction of the telephone and railway networks and the development of hydroelectric power and the appurtenant power grid. At the beginning of the twentieth century, it was considered that the State should have an influence over what was at that time Sweden’s base industries such as mines, forestry and steel. During the 1970s, state ownership increased as part of the restructuring of Swedish industry and the ambition to save companies and industries in crisis and to try to safeguard employment in certain regions.

3.2 Changes in state ownership in recent years

During the 1990s, state ownership decreased when a number of companies were sold. The motives underlying the sales were primarily to increase the spread of ownership. At the same time, a number of companies were created by the incorporation of public enterprises. Sweden Post became Posten AB, the State Power Board became Vattenfall AB and Telia AB was created from Swedish Telecom. In conjunction with the listing of Telia AB in 2000, the State reduced its ownership in the company. In 2001, the public enterprise Swedish State Railways was incorporated and the companies SJ AB, Green Cargo AB and AB Swedcarrier were created.

In its capacity of owner, the State has also contributed to carrying out structural transactions in a number of wholly or partly-owned companies. These transactions have been partly intended to strengthen the competitiveness of the companies and to benefit from cross-border coordination gains. Examples of successful structural transactions are Nordbanken AB’s merger with Merita OY (1997), which subsequently merged with Unidanmark A/S and Christiania Bank og Kreditkasse (2000). Another example is the merger between Telia AB and Sonera OY (2002).

3.3 International experiences

During the 1990s, extensive sales of state-owned companies took place in a number of other European countries. The driving force behind these sales has partly been the European Union's legislative work to re-regulate certain markets, in particular in telecommunications and energy. The most active countries are Germany, the United Kingdom and France. These sales have primarily concerned companies with activities in infrastructure, manufacturing industry and real estate. Examples of sales of state-owned companies are Deutsche Post, Enel, and Gaz de France as well as the airports in Rome, Frankfurt, Budapest and Copenhagen. The State has also reduced its ownership in companies in other parts of the world in recent years.

Although the trend has been towards a reduction of state ownership in companies, there are still state-owned companies in many countries. According to a review presented in 2005 (Corporate Governance of State-Owned Enterprises, A Survey of OECD Countries, OECD 2005), the combined asset value of the state-owned companies in Sweden is higher than in most OECD countries in relation to gross national product (GNP).

3.4 Legal prerequisites

Under Chapter 9, article 8, of the Instrument of Government, funds and assets of the State are at the disposal of the Government. Shares in companies owned by the State are an asset of this kind which is at the disposal of the Government.

Under Chapter 9, article 9, of the Instrument of Government, the Riksdag determines the principles for the administration and disposition of State property as required. The State Budget Act (1996:1059) (Budget Act) regulates, inter alia, transfer of state property.

Under section 26 of the Budget Act, the Government may decide on sale of shares in a company where the State has less than half of the votes for all shares, unless the Riksdag has decided otherwise. According to the same statute, the Government may not, without the authorisation of the Riksdag, reduce by sale or in another way the State's ownership share in companies where the State has half or more than half of the votes for all shares. The State owns 100 per cent of the votes in the companies Civitas Holding AB, V&S Vin och Sprit AB and Sveriges Bostadsfinansieringsaktiebolag SBAB.

Under section 29 of the Budget Act, sales of state property shall be carried out on commercial grounds unless there are special reasons for not doing so. Commercial grounds means that the price should be as favourable as possible for the State and that no sale should take place at too low a price.

3.5 Authorisations previously given

Nordea Bank AB

The Government proposed in the Bill on Subscription to Shares in Nordbank and related matters (Government Bill 1991/92:21), that the Government be authorised to sell the State's shares in Nordbanken (now Nordea Bank AB). The Riksdag approved the Government's proposal (bet. 1991/92:NU4, rskr. 1991/92:92:8).

TeliaSonera AB

The Riksdag decided (bet. 2000/2001:NU11, rskr. 2000/2001:272) on the initiative of the Parliamentary Standing Committee on Industry and Commerce to authorise the Government without restrictions to change the State's ownership in Telia (now TeliaSonera AB).

OMX AB

The Government proposed in Budget Bill for 2005 (Government Bill. 2004/05:1) that the Government be authorised to undertake any of the following measures,

1. to divest the whole or parts of the shareholding in OMXHEX AB (now OMX AB) or
2. to acquire additional shares in the company, and
3. to undertake the measures otherwise necessary to undertake the transactions according to 1 and 2.

The Riksdag decided in accordance with the Government's proposal (bet. 2004/05:NU1, rskr. 2004/05:117).

4 Proposal for authorisation of the Government to carry out a sale of certain state-owned companies

4.1 Sale of certain companies

<p>The Government's proposal: The Riksdag authorises the Government wholly or partly to divest the State's shares in the companies Civitas Holding AB, Sveriges Bostadsfinansieringsaktiebolag SBAB and V&S Vin & Sprit AB.</p>
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Reasons for the Government's proposals:

The overall objective of the Government's policy is to create the prerequisites for more jobs and expanding companies and thus overcome exclusion. This objective is best achieved by a clear division of roles between private and public ownership, where the State provides private companies with good conditions to compete on equal terms without at the same time running competing undertakings. State-owned companies are also subject to a number of restrictions, compared with private companies, which hinder their ability to develop and expand. The Government therefore considers that state ownership of companies should be reduced. Eventually, the State should only remain as an owner if motivated by special reasons.

The State's prime business policy task is to specify the frameworks and regulatory systems for the activities of the business sector and to contribute to creating the conditions for long-term growth. A number of problems arise if the State at the same time acts as large owner of companies. There are, for instance, risks of distortion of competition and sub-optimal investment decisions.

As an owner, the State must consider every investment in a company in relation to important investments in welfare services such as health care, education and social services for children and the elderly. This means that the State may have greater difficulties in providing capital for expansion than private owners, who can finance their activity in the capital market. The Government therefore considers that the State in most cases is not an owner that provides companies with the best conditions for growth and development.

A reduced state ownership in a company has often been beneficial for the company concerned. Efficiency has increased, profitability improved and investments have risen. The Government's assessment is that sales of state-owned companies will also contribute in the long run to a stronger development of employment in the companies and industries concerned. In this way, a reduction of state ownership will also assist in achieving the Government's overall goal of more employment and reduced exclusion.

Civitas Holding AB, V&S Vin & Sprit AB and Sveriges Bostadsfinansieringsaktiebolag SBAB today operate on markets that are

wholly commercial and thus characterised by free access and free competition. The Government therefore considers that there are no reasons for continued state ownership of these companies. Together with the authorisations already provided for Nordea Bank AB, Telia Sonera AB and OMX AB, this proposal means that the Government can carry out its announced intention of wholly or partly divesting state ownership in these six companies.

In the Budget Bill for 2007, the Government stated that it is not currently intended to sell Vattenfall AB and Luossavaara-Kiirunavaara AB (LKAB). This remains the Government's assessment.

The appendix contains descriptions of all six companies. These descriptions include information about their activities, turnover, result, balance sheet total, shareholders' equity, return on equity, the equity/assets ratio and the number of employees.

4.2 The sales process

The Government's proposal: The Riksdag authorises the Government in a sale of shares in the companies Civitas Holding AB, Nordea Bank AB, OMX AB, Sveriges Bostadsfinansieringsaktiebolag SBAB, TeliaSonera AB and V&S Vin & Sprit AB

1. to accept shares or other forms of assets, in addition to cash, as payment,
2. to divest the assets that the State receives as payment in a sale if our assets besides cash are received, and
3. to undertake other measures required to carry out the transactions.

Reasons for the Government's proposal: It may come into consideration to choose a sales process where the State, on transfer of shares in any of the companies currently under consideration, receives other assets, for instance, securities, as payment. The Government should therefore be authorised to sell these assets on a suitable occasion in the same way as the original shares.

During the sales process, demands for measures may arise which are directly associated with the divestment of the company's shares, for instance restructuring of activities. The authorisation should also include this type of measures.

The Government also wishes to provide the following information about the sales process.

In a first phase, the Government intends to reduce the State's ownership in the companies Civitas Holding AB, Nordea Bank AB, OMX AB, Sveriges Bostadsfinansieringsaktiebolag SBAB, TeliaSonera AB, and V&S Vin & Sprit AB. Vasakronan AB is a subsidiary of Civitas Holding AB, and, in principle, its only asset.

The above-mentioned companies operate in markets which are wholly commercial and characterised by free access and free competition.

The Government cannot state in advance the order in which the companies will be sold, or the way in which or at what time shares in the companies will be sold.

It should be the responsibility of the Government to decide on how the work is to be organised. For the information of the Riksdag, the Government wishes to provide an outline of its view on this work.

The sales process shall in every case include, inter alia, the following:

1. an analysis of the conditions for sale,
2. when necessary, a strategic and commercial adaptation of the company's business idea, structure and capital,
3. a decision on how a sale is to be carried out,
4. reporting of income and expenses.

The actual sale can take place in a number of ways, whereupon the Government may consider, inter alia, the following approaches, solely or in combination, for each of the companies concerned:

1. stock exchange listing and sale of the entire shareholding or parts of it,
2. sale of shares already listed on the stock exchange,
3. block sale of shares,
4. new issue of shares or dilution of the ownership share,
5. structural transactions (purchase, sale or merger) of the whole company or component activities or subsidiaries,
6. divestment of activities or fixed assets.

The Government will try various commercial opportunities to find the alternative that is considered to be the most commercial in an overall assessment.

5 Financing of sales channels

<p>The Government's proposal: The Riksdag approves that the expenses incurred by the State arising from the sale of shares in the six companies may be deducted from the sales income.</p>

The reasons for the Government's proposal: According to the Budget Bill for 2007 (Government Bill 2006/07:1), the Government made the assessment that state-owned companies should be sold corresponding to SEK 50 billion per year, in total SEK 150 billion during the period 2007–2009. This sales income is to be used to amortise the central government debt. In this way, the state's indebtedness and interest cost will be reduced creating room for more important objectives. The sales income shall therefore be accounted for against an income title in the state budget.

In connection with the sale of shares in the aforesaid six companies, the owner, the State, will incur certain direct expenses. These expenses include expenses for external advice and other expenses in connection

with sales. The Government proposes that these expenses may be financed by being deducted from the payments received at the time of sale.

The Government intends to bring proposals to the Riksdag in the 2007 Spring Fiscal Policy Bill with proposals as to how the costs that can arise, before sales income is received, shall be financed.

6 Reporting to the Riksdag

The Government intends to report to the Riksdag on sales in the annual communication to the Riksdag with a report on the state-owned companies. The Government also intends to report on the respective sales in future budget bills. In addition, the Government will publish the sales which take place in the Government Offices interim reports for state-owned companies.

Company descriptions

Civitas Holding AB (Vasakronan AB)

Civitas Holding owns Vasakronan AB which is a commercial real estate company. The real estate company is in principle its only asset.

Vasakronan owns properties in Stockholm, Göteborg, Malmö, Lund and Uppsala. It focuses on office and retail premises, complemented by a large offering of services. The property portfolio consists of 164 properties with a total area of over 1.8 million sq.m. The market value of the properties was SEK 38.1 billion at the end of 2006. Vasakronan Service Partner, with around 140 employees, offers services to tenants. Vasakronan's business idea is to offer attractive office premises with customer-adapted services in Swedish metropolitan regions.

According to the Riksdag resolution, Vasakronan shall be responsible for refinement, development, management and divestment of commercial property-related assets which there is no long-term reason for the State to own and with targets that entail the highest possible long-term return on the capital (Government Bill 1997/98:137, bet. 1997/98: FiU25, rskr 1997/98: 252). Vasakronan is owned by Civitas Holding AB which is in turn owned by the State.

	2006	2005	2004
Income, SEK million	2 706	2 689	2 719
Operating profit, SEK million	1 872	1 768	1 640
Net profit, SEK million	3 409	1 681	868
Equity, SEK million	21 813	18 524	17 156
Return on equity, %	16.8	9.5	5.2
Total assets, SEK million	39 984	37 112	37 547
Equity/assets ratio, %	55	50	46
Dividend, SEK million	698*	254	165
No. of employees at year-end	396	360	373
The State's ownership share, %	100	100	100

Dividend proposed by the Board for 2006.

Please see Vasakronan's annual report and website at www.vasakronan.se for more information for more information about the company.

Nordea Bank AB

Nordea Bank AB is a leading financial group in the Nordic countries and the Baltic Sea region, which carries on business in three business areas: Retail Banking, Corporate & Institutional Banking and Asset

Management & Life. The company has an extensive Internet bank and e-commerce business with 4.6 million Internet customers and around 1,100 bank branches. The customer base consists of almost ten million private customers, 960,000 corporate customers and 1,000 major corporate customers. The company is also a leading asset manager in the Nordic financial market and manages 158 billion euro.

The state's ownership of Nordea Bank derives from PKbanken which was created in 1974 after a merger of the state-owned Postbanken and Sveriges Kreditbank. PKbanken purchased Nordbanken in 1990 and took over the name. After a merger in 1997 with Finnish Merita Oy, Merita-Nordbanken was created, which became a leading bank group in the Baltic Sea region with a strong position in Sweden and Finland. Since then, the company has undertaken a number of mergers and acquisitions, including with the Danish Unibank, Norwegian Christiania Bank and Kreditkasse and Postgirot Bank.

As per December 31, 2006, the number of shareholders was around 480,000, and the proportion of foreign ownership 29 per cent. The Swedish state's ownership share in Nordea amounts to 19.9 per cent. The share is listed on the stock exchanges in Stockholm, Helsinki and Copenhagen.

	2006	2005	2004
Income, SEK million	68 253	60 424	55 395
Operating profit, SEK million	35 343	28 308	25 028
Net profit, SEK million	29 172	21 073	18 940
Earnings per share, SEK per share	11.20	7.96	6.38
Equity, SEK million	138 502	121 674	114 278
Return on equity, %	22.9	18.0	14.5
Total assets, SEK million	3 135 677	3 056 384	2 524 951
Equity/assets ratio, %	44.1	39.8	45.2
Dividend, per share in SEK	4.43*	3.23	2.59
No. of employees at year-end	29 248	28 925	28 929
The State's ownership share, %	19.9	19.9	19.8

Dividend proposed by the Board for 2006.

Other major shareholders as per December 31, 2006:

Nordea Danmark fund	3.9 %
Swedbank Robur funds	2.5 %
Alecta	2.3 %
SHB/SPP funds	2.2 %

See Nordea's annual report and website www.nordea.se for more information about the company.

OMX AB

OMX owns and operates stock exchanges in Copenhagen, Stockholm, Helsinki, Reykjavík, Tallinn, Riga and Vilnius. Together, they offer access to around 80 per cent of the Nordic and Baltic securities market. This activity is organised in three business areas: Nordic Marketplaces which includes the stock and derivative exchanges in Stockholm, Helsinki, Copenhagen and Reykjavik; Information Services & New Markets which provides information services in securities administration and ownership and operation of the stock exchanges and securities registry centres in Tallinn, Riga and Vilnius; and the business area Market Technology which develops and supplies system solutions and IT services to the stock exchange industry.

In 1997, the Government sold the State's holding in the Nordic central securities depository, Värdepapperscentralen VPC AB, whereupon SEK 500 million was set aside for investments in companies which have a key role in the Swedish financial infrastructure. In 1998, the State became a joint owner of the then OM Gruppen in connection with its merger with Stockholms Fondbörs. After merger with the Finnish stock exchange HEX 2003, the name was changed to OMX AB. In November 2006, the Icelandic stock exchange was acquired and has been part of the group since 1 December.

The Swedish state's ownership share is 6.6 per cent. As per 31 December 2006, the number of shares was 12,597 and the proportion of foreign ownership 41 per cent. The share is listed on the stock exchanges in Stockholm, Helsinki and Copenhagen.

	2006	2005	2004
Income, SEK million	3 610	3 136	3 115
Operating profit, SEK million	1 211	910	524
Net profit, SEK million	911	543	276
Earnings per share, SEK	7,64	4,66	2,39
Equity	4 614	4 749	3 735
Return on equity, %	20	12	7
Total assets, SEK million	12 528	10 612	6 534
Equity/assets ratio, %	57	57	57
Dividend, per share in SEK	6.50*	9.50	0
No. of employees at year-end	1 402	1 288	1 300
The State's ownership share, %	6.6	6.8	6.7

Dividend proposed by the Board for 2006.

Other major shareholders as at 31 December 2006:

Investor AB	10.7 %
Nordea Bank	5.4 %
Swedbank Robur Fonder	3.6 %
Didner & Gerge equity fund	3.3 %

See OMX annual report and the website www.omxgroup.com for more information about the company.

Sveriges Bostadsfinansieringsaktiebolag, SBAB

SBAB is a residential mortgage institution with a strong position in the Swedish residential mortgage market, which offers mortgages by telephone and Internet. The residential mortgage market is defined as lending which takes place from housing institutions for collateral in a property or tenant-owned apartment. SBAB's market share of the total Swedish residential loan market is 9 per cent of the retail market and 14 per cent of the corporate market. SBAB is primarily financed by certificate programmes and issue of bonds in the Swedish and international capital market.

In December 2005, the Riksdag decided to expand SBAB's commission to include borrowing from the public (Government Bill 2005/06:01, bet.. 2005/06: FiU2, rskr. 2005/06:127). As per 31 December 2006, the total loan portfolio amounted to SEK 179 billion.

In 1985, SBAB took over the task of financing state housing loans which had previously been financed through the state budget. Competitive lending started in 1991 when SBAB, among other things, was given the right to provide bottom loans in competition with other mortgage lenders. Its special position in the housing credit market ended in 1992 when all lending started to take place in its own auspices and on the same conditions and in full competition with other housing institutions.

	2006	2005	2004
Income, SEK million	1 334	1 296	1 214
Operating profit, SEK million	652	666	678
Net profit, SEK million	462	471	485
Equity, SEK million	6 062	5 600	5 268
Return on equity, %	7.9	8.7	9.5
Total assets, SEK	195 597	161 828	135 101
Equity/assets ratio, %	3.3	3.7	4.1
Dividend, SEK million	0	0	139
Average no. of employees at year-end	410	421	391
The State's ownership share, %	100	100	100

See SBAB's annual account and website www.sbab.se for more information about the company.

TeliaSonera AB

TeliaSonera is the largest telecom operator in the Nordic countries and Baltic area with strong positions in mobile communications in Eurasia, Turkey and Russia. At the end of 2006, TeliaSonera also launched mobile services in Spain. Its operations include fixed and mobile telephony and Internet and datacommunications. At the turn of the year, the Group had over 91 billion subscribers, of which 30 million were in the consolidated business.

Telia was established in 1993 by the incorporation of the Swedish Telecom Agency. It was listed on the stock exchange in 2000, whereupon the state's holding decreased to just over 70 per cent. After a Riksdag resolution that allows the Government to reduce ownership without restriction, Telia was merged with the Finnish Sonera and TeliaSonera was created (bet. 2000/2001:NU11, rskr. 2000/2001:272).

As per 31 December 2006, the number of shareholders was just over 691,000, and the proportion of foreign ownership 35.6 per cent. The Swedish state's share of ownership of TeliaSonera is 45.3 per cent. The share is listed on the stock exchanges in Stockholm and Helsinki.

	2006	2005	2004
Income, SEK million	91 060	87 661	81 937
Operating profit, SEK million	25 489	17 549	18 793
Net profit, SEK million	19 283	13 964	12 964
Earnings per share, SEK	3.78	2.56	2.77
Equity, SEK million	127 717	135 694	128 067
Return on equity, %	17.2	10.3	11.6
Total assets, SEK million	199 392	203 775	191 972
Equity/assets ratio, %	49.9	58.9	63.8
Dividend, per share in SEK	6.30*	3.50	1.20
Average no. of employees	27 716	27 403	25 381
The State's ownership share, %	45.3	45.3	45.3

Dividend proposed by the Board for 2006.

Other major owners as per 31 December 2006:

The Finnish state	13.7 %
Swedbank Robur funds	2.2 %
Cevian Capital LP	1.6 %
SEB funds	1.5 %

See TeliaSonera's annual report and website www.teliasonera.se for more information.

V&S Vin & Sprit AB

V&S Vin & Sprit AB (V&S)'s activity includes the purchasing, production, packaging, distribution and marketing of alcoholic beverages. V&S is one of the world's ten largest international alcohol beverage companies and is divided into three business areas: V&S Absolut Spirits, V&S Distillers and V&S Wine with wines and strong wines in northern Europe. Distribution in the Nordic area is mostly carried out through the company's own distribution channels in Sweden, Denmark and Finland. In Norway, V&S is represented by the half-owned Amundsen, in Estonia by the subsidiary V&S Eesti and in Poland by V&S Luksusowa Zielona Góra. In the United States, distribution is handled by Future Brands, which is 49 per cent owned. On most of the other important markets, distribution is handled by Maxxium, in which V&S owns 25 per cent.

Until the end of 1994, V&S had a monopoly on the import, export, manufacture and wholesale trade of alcoholic beverages in Sweden. When these markets being opened for free competition, V&S became one of a number of competing companies in these markets.

	2006	2005	2004
Income, SEK million	10 345	9 578	9 264
Operating profit, SEK million	2 275	2 069	1 633
Net profit, SEK million	1 577	1 505	1 099
Equity, SEK million	7 247	6 886	5 119
Return on equity, %	22.3	25.1	23.2
Total assets, SEK million	17 832	17 121	14 782
Equity/assets ratio,%	40.6	40.0	34.6
Dividend, SEK	600*	600	400
Average no. of employees	2 304	2 245	2 401
The State's ownership share, %	100	100	100

Dividend proposed by the Board for 2006.

See V&S Vin & Sprits annual report and website www.vsgroup.se for more information about the company.

Ministry of Enterprise, Employment and Communications

Government Bill 2006/07:57

Excerpt from the minutes of the Cabinet Meeting on 1 March 2007.

In attendance: Prime Minister Reinfeldt, Ministers Olofsson, Odell, Bildt, Husmark, Pehrsson, Larsson, Erlandsson, Torstensson, Carlgren, Hägglund, Carlsson, Liitorin, Borg, Malmström, Billström.

Reporter: Minister Odell.

The Government makes a decision on Government Bill 2006/07:57 Sale of certain state-owned companies.