

# *Industrieförvaltnings AB* *Kinnevik*

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## **Interim Report January 1 - September 30 2003**

- **Net turnover for the first nine months amounted to SEK 4,324 (4,719) million.**
- **Operating income amounted to SEK 864 (1,350) million. This figure includes income from corporate development and income from sales of securities of SEK 163 (792) million. Excluding these items, operating income amounted to SEK 701 (558) million.**
- **Kinnevik's interest in the earnings of associate companies amounted to a net gain of SEK 201 (-640) million, of which Tele2 AB accounted for SEK 281 (-40) million, Millicom International Cellular S.A. for SEK -6 (-416) million and Metro International S.A. for SEK -63 (-145) million.**
- **Net result after taxes amounted to SEK 447 (231) million.**
- **Earnings per share amounted to SEK 7.11 (3.66).**
- **The market value of the Group's holdings of listed securities increased during the first nine months of the year by 70% (excluding investments and disposals) and amounted to SEK 14,693 million at September 30, 2003. On October 22, 2003 the value was SEK 16,830 million, which means that the market value exceeds the book value of the Group's listed portfolio by SEK 8,732 million on that date.**

## ADMINISTRATION

Since 1976, Kinnevik's shares have generated an average effective yield of 16% per year as a result of rising share prices and dividends, including the value of subscription offers. During the past five years, Kinnevik's shares have generated an average effective yield of 3% per year.

The market value of the Group's holdings of listed securities increased during the first nine months of the year by 70% (excluding investments and disposals) and amounted to SEK 14,693 million at September 30, 2003. On October 22, 2003 the value was SEK 16,830 million, which means that the market value exceeded the book value of the Group's listed portfolio by SEK 8,732 million on that date.

On August 6, MTG Intressenter AB called for the redemption of the outstanding 40% of the original option issued by Kinnevik, which corresponded to 1,193,956 class B shares in MTG, and 358,187 class A shares and 835,769 class B shares in Metro. The redemption price for the options was SEK 69.70 per MTG share (each MTG share included one Metro share). As provision had already been made in Kinnevik's balance sheet for this commitment, the transaction had no effect on the consolidated result.

On August 26, Metro International S.A. ("Metro") completed its rights issue and the conversion of Kinnevik's interest-bearing loans of SEK 609 million into Metro class A and class B shares. Kinnevik subscribed for its rights and received Metro class A shares in proportion to its shareholding prior to the conversion of outstanding loans. Kinnevik's total shareholding in Metro at September 30, 2003 consisted of 79,537,742 class A shares and 115,222,215 class B shares, corresponding to 30.2% of the votes and 37.0% of the capital. The bridge finance arranged for Metro was repaid to Kinnevik in connection with the completion of the rights issue.

On September 5, Kinnevik purchased 1,000,000 class A shares in Transcom WorldWide S.A. ("Transcom") in a directed share issue at SEK 18.80 per share. The background to the transaction is that the existing Transcom share option scheme can only be exercised in B shares, which means that the number of class B shares, before the share issue, exceeded the number of class A shares. Luxembourg company law requires that the number of class A shares exceeds the number of class B shares.

Kinnevik's total shareholding in Transcom following the share issue is 4,232,697 class A shares and 2,179,002 class B shares, corresponding to 11.7% of the votes and 9.1% of the capital.

## CONSOLIDATED RESULT FOR THE FIRST NINE MONTHS OF 2003

Net turnover for the first nine months amounted to SEK 4,324 (4,719) million.

Operating income amounted to SEK 864 (1,350) million. This figure includes income from corporate development of SEK 193 (752) million and SEK -30 (40) million from sales of securities. The income from corporate development consists mainly of the gain on the sale of Credit International Services' debt collection business and of Cargo Pak, one of Korsnäs Packaging's lines of business, during the first quarter. The result from the sale of securities includes a loss on the sale of all units in the Marcstone Overseas Euro Ltd fund and a loss on the exchange of Tele2 shares for shares in P4 Radio Hele Norge ASA, during the second quarter. Excluding these items, operating income amounted to SEK 701 (558) million.

Kinnevik's interest in the earnings of associate companies amounted to a net gain of SEK 201 (-640) million, of which Tele2 AB ("Tele2") accounted for SEK 281 (-40) million, Millicom International Cellular S.A. ("MIC") for SEK -6 (-416) million and Metro for SEK -63 (-145) million.

Other financial revenue and expense amounted to a net expense of SEK 299 (274) million, of which exchange rate differences accounted for SEK -6 (-20) million. The decline in financial net is due to a cost of SEK 67 million in respect of a previously not reserved interest cost in connection with the settlement of the dispute with the Alecta occupational pension company over the outstanding 4% of the shares in Korsnäs AB in the first quarter of 2003.

The result after financial items was a profit of SEK 766 (436) million.

## CONSOLIDATED RESULT FOR THE THIRD QUARTER OF 2003

Net turnover for the third quarter amounted to SEK 1,398 (1,511) million.

Operating income amounted to SEK 232 (975) million. This figure includes income from corporate development of SEK -2 (753) million and an income of SEK 6 (0) million from sales of securities. Excluding these items, operating income amounted to SEK 228 (222) million.

Kinnevik's interest in the earnings of associate companies amounted to a net gain of SEK 88 (-395) million, of which Tele2 accounted for SEK 114 (-40) million, MIC for SEK -6 (-299) million and Metro for SEK -21 (-47) million.

Other financial revenue and expense amounted to a net expense of SEK 80 (108) million, of which exchange rate differences accounted for SEK -12 (-10) million.

The result after financial items was a profit of SEK 240 (472) million.

### MELLERSTA SVERIGES LANTBRUKS AB

Mellersta Sveriges Lantbruks AB is engaged in farming on the Ullevi estate in Sweden and the Barciány and Podlawki estates in Poland. The total acreage is 7,394 hectares, of which 665 hectares are in Sweden. The Polish farms are stocked with 750 dairy cows and 570 young animals.

The unfavourable weather in the winter and summer resulted in poor harvests throughout Europe, causing generally higher prices, although this effect has not been so marked yet in Sweden.

It looks as if the harvests on the Polish farms will be better than normal even though harvesting is not yet complete, since large acreages of sugar beet will not be harvested until October.

Net turnover for the first nine months of the year amounted to SEK 32 (6) million and the operating result was SEK 0 (-3) million. As the Polish business has been consolidated as a wholly-owned subsidiary since December 31, 2002, the comparable figures for 2002 only include the Swedish operations. The turnover of the Polish business amounted to SEK 13 million and its operating result for the first nine months of 2002 was SEK -7 million.

### KORSNÄS HOLDING AB

Korsnäs Holding AB is the parent company of Korsnäs AB and Korsnäs Packaging AB. Korsnäs AB and its subsidiaries are engaged in forestry ("Korsnäs Forestry") and packaging materials ("Korsnäs Industrial"). Net turnover of the Korsnäs Holding Group for the first nine months of the year amounted to SEK 4,231 (4,486) million and the operating income was SEK 708 (571) million. Income after financial items amounted to SEK 644 (518) million. The comparable figures for 2002 include the Kastet sawmill, which was divested in August 2002. The sawmill's turnover amounted to SEK 184 million and its operating result was SEK -13 million prior to the divestment in August 2002.

#### Korsnäs Forestry

The wood market is characterised by firm demand for saw timber and weaker demand for pulpwood. Saw timber prices have consequently firmed up and were raised at the beginning of the year. Pulpwood prices fell during the later part of the period.

Harvesting volumes are above budget in the company's own forests, with a relatively high proportion of regeneration harvesting. Inventories of pulpwood declined during the early months of the year, but they have recovered and are now running at ideal levels. Imports are running slightly below the planned level. The business in Latvia is developing as planned with rising volumes and growing profitability.

Korsnäs Forestry's net turnover for the first nine months of the year amounted to SEK 1,083 (1,111) million and operating income was SEK 104 (154) million. Operating income has been affected by last year's sale of some 200,000 hectares of forest land.

#### Korsnäs Industrial

During the first three quarters of the year, the market was characterised by stable demand for paperboard products and fluff pulp, whereas the demand for paper products gradually slackened. In the third quarter, total delivery volumes showed a positive trend. The aggregate volume of paper, pulp and paperboard deliveries is now marginally below the corresponding figure for last year. The demand patterns at the beginning of the year resulted in prices remaining stable. Later in the period, however, prices

came under some pressure on several markets in Europe as a result of some slackening in demand and a weaker dollar. Prices have therefore been reduced selectively. The price of fluff pulp was lowered in relation to last year's level. All in all the average price for the first three quarters was marginally lower than for the corresponding period last year. Total revenue from paper, pulp and paperboard products thus ended up 1% below the corresponding level last year.

The effects of ongoing productivity programs are continuing to show through in the form of lower costs. Both fixed and variable costs have been reduced in relation to last year. Measures intended to hold costs down are still being taken. Total manning levels are still under adjustment and completion is expected towards the end of 2004. In order to prevent potentially higher electricity prices from having detrimental effects, some of the estimated consumption volume is regularly hedged in accordance with established policy.

Production at Korsnäsverken amounted to a total of 522,000 tonnes during the first nine months of the year, an increase of 6% in relation to the corresponding period of last year. Paper and paperboard production is running well, with capacity gradually rising to above budgeted levels, and product quality well in line with expectations. During the period, Korsnäsverken beat several production records. Seen overall, the high level of output resulted in a slight increase in inventories during the period.

The cost-reduction measures, combined with improved production efficiency and stable sales, generated a substantial increase in Korsnäs Industrial's result in relation to the same period last year.

Korsnäs Industrial's net turnover for the first nine months of the year amounted to SEK 2,905 (3,127) million, and operating income was SEK 660 (427) million. The comparable figures for 2002 include the Kastet sawmill, which was divested in August 2002.

### **Korsnäs Packaging**

The market for Korsnäs Packaging has remained weak with low demand for paper sacks and bags, which resulted in lower sales than expected. After falling during the first half of the year, selling prices stabilised during the third quarter. As the downward pressure on prices in the market could not be fully offset by reductions in raw material costs, the gross margin has deteriorated in relation to the pre-

vious year. Improvements in production efficiency have contributed to a slight improvement in the operating result for the third quarter in relation to the January-June period. Production is being concentrated at fewer, larger and strategically located facilities.

Despite higher sales, the business in the USA has incurred further heavy losses. In addition, the relocation of the factory in England and the restructuring of the East European production facilities have had an unfavourable effect on the operating result. Korsnäs Packaging is continuing to concentrate on eliminating loss-making production units before the end of 2003 by means of restructuring, sale or closure.

In March, Cargo Pak, one of Korsnäs Packaging's lines of business, was sold to Illinois Tooling. The capital gain of SEK 42 million on the sale is included under income from corporate development in Kinnevik's consolidated accounts.

Korsnäs Packaging's net turnover for the first nine months of the year amounted to SEK 1,082 (1,201) million and the operating result was SEK -56 (-10) million, excluding the capital gain on the sale of Cargo Pak.

### **CIS CREDIT INTERNATIONAL SERVICES AB**

In March, Kinnevik reached an agreement with Transcom WorldWide S.A. on the sale of CIS's debt collection business to Transcom. Of the purchase price of SEK 180 million, 75% was paid in cash and 25% in newly issued Transcom shares. The capital gain on the sale, which amounted to SEK 158 million, is included under income from corporate development in Kinnevik's consolidated accounts.

CIS's other activities within finance and payroll management, which did not earn a satisfactory return, were wound up during the first half of 2003.

CIS's net turnover prior to the divestment as at March 31 amounted to SEK 46 million and the operating income was SEK 8 million excluding the capital gain on the sale of the debt collection business. Net turnover for the first nine months of 2002 amounted to SEK 154 million and operating income was SEK 29 million.

## OTHER SUBSIDIARIES

Other subsidiaries include N.P. BIRRARIA Hugo's in Kosovo, Förvaltnings AB Eris & Co. and Bison Air AB.

In June, Bison Air AB sold its 1981 Cessna Citation, after which the company's business was wound up. The capital loss on the sale of the aircraft was SEK 9.5 million, which is included in the operating result of Other Subsidiaries.

The net turnover of Other Subsidiaries for the first nine months of the year amounted to SEK 14 (51) million and the operating result was SEK -10 (-8) million. The comparable figures for 2002 include AirTime (AT) AB. AirTime's net turnover amounted to SEK 33 million and the operating result was SEK -7 million, for the first nine months of 2002.

## ASSOCIATE COMPANIES AND OTHER INVESTMENTS

At September 30, 2003, Kinnevik's long-term holdings comprised the following listed securities:

- Tele 2 AB, 6,368,880 class A shares and 24,192,979 class B shares corresponding to 25.6% of the votes and 20.7% of the capital.
- Millicom International Cellular S.A., 5,843,790 shares corresponding to 35.6% of the votes and capital.
- Metro International S.A., 79,537,742 class A shares and 115,222,215 class B shares corresponding to 30.2% of the votes and 37.0% of the capital.
- Modern Times Group MTG AB, 3,529,637 class A shares and 224,125 class B shares corresponding to 17.2% of the votes and 5.7% of the capital.
- Transcom WorldWide S.A., 4,232,697 class A shares and 2,179,002 class B shares corresponding to 11.7% of the votes and 9.1% of the capital.
- Viking Telecom AB, 4,657,000 shares corresponding to 23.6% of the votes and capital.
- Cherryföretagen AB, 1,402,500 class A shares and 7,378,249 class B shares corresponding to 26.4% of the votes and 28.7% of the capital.
- Invik & Co. AB, 391,430 class A shares corresponding to 10.2% of the votes and 5.0% of the capital.
- P4 Radio Hele Norge ASA, 4,026,820 shares corresponding to 12.5% of the votes and capital.

- AcandoFrontec AB, 5,935,580 class B shares corresponding to 7.5% of the votes and 10.7% of the capital.

## TELE2 AB

The market value of Kinnevik's holding of shares in Tele2 amounted to SEK 10,311 million as at September 30, 2003. On October 22, the market value was SEK 11,405 million. Tele2's class A and class B shares are listed on Stockholmsbörsen's Attract 40 list and on Nasdaq in New York.

Tele2 AB is the leading alternative pan-European telecommunications company offering fixed and mobile telephony, data network and Internet services under the brands Tele2, Tango and Comviq to 20.4 million people in 23 countries. Tele2 operates Datametrix, which specializes in systems integration; 3C Communications, providing integrated credit card processing, web payment solutions and public payphones; Transac, providing billing and transaction processing service; C<sup>3</sup>, offering co-branded pre-paid calling cards; and Optimal Telecom, the price-guaranteed residential router device provider. The Group also offers cable television services.

Net turnover for the first nine months amounted to SEK 27,255 (22,791) million. Operating income amounted to SEK 2,198 (1,215) million and income after financial items was SEK 1,743 (679) million.

## MILlicom INTERNATIONAL CELLULAR S.A.

The market value of Kinnevik's holding of shares in MIC amounted to SEK 2,017 million on September 30, 2003. On October 22, the market value was SEK 2,725 million. MIC's shares are listed on Nasdaq in New York and on the Luxembourg Stock Exchange.

MIC is a global provider of mobile telecom services with operations in Asia, Latin America and Africa.

MIC currently has equity interests in 16 mobile telecommunication companies in 15 countries together representing markets with 382 million inhabitants. On September 30, 2003, the total number of subscribers in these companies was 5,303,841 (3,715,731), which represents a 43% increase over the previous 12-month period. In proportional terms in relation to MIC's equity interests, the subscriber base was 3,806,646 (2,601,769), which repre-

sents a 46% increase.

Net turnover for the first nine months amounted to USD 445 (450) million. Operating income amounted to USD 120 (67) million, and income after financial items was USD 220 (–88) million.

#### **METRO INTERNATIONAL S.A.**

The market value of Kinnevik's holding in Metro amounted to SEK 1,480 million as at September 30, 2003. On October 22, the market value was SEK 1,666 million. Metro's class A and class B shares are listed on Stockholmsbörsen's Attract 40-list and on Nasdaq in New York.

Metro is the world's largest free newspaper publishing in 28 editions, 2 of which are franchise editions, in 16 countries in 14 languages. Metro is the fastest growing newspaper in the world with a daily readership of 12.3 million and derives its revenues from advertising sales.

Net turnover for the first nine months amounted to USD 139 (96) million. The operating result was USD –23 (–53) million, and the company's result after financial net was USD –25 (–64) million.

#### **FINANCIAL POSITION**

The Group's liquid funds, including short-term investments and undrawn credit facilities, amounted to SEK 1,409 (2,383) million as at September 30.

The Group's net interest-bearing debt amounted to SEK 7,053 (6,027) million.

The average cost of interest for the first nine months was 4.9% (4.9%) (calculated as interest expense in relation to average interest-bearing debt excluding pension liabilities).

The Group's capital expenditure amounted to SEK 498 (1,021) million, of which SEK 141 (330) million related to tangible fixed assets and SEK 346 (691) million to financial fixed assets.

The equity to assets ratio was 44% (55%) as at September 30. After taking into account the premium over the book value (2002 deficiency) of the holdings in listed securities, the equity to assets ratio was 58% (37%).

The Group's borrowing is mainly arranged in Swedish kronor. Foreign subsidiaries are however largely financed in local currencies.

The net effect of the Group's in- and outflows in

foreign currencies represents, on an annual basis, a net inflow of approximately SEK 1,500 million.

#### **PARENT COMPANY**

The parent company's net turnover for the first nine months of the year amounted to SEK 12 (10) million. Income from corporate development and income from sales of securities amounted to SEK –99 (–40) million.

Result from participation in Group Companies amounted to SEK –33 (0) million. Other financial revenue and expense amounted to a net expense of SEK 53 (47) million.

The parent company's result after financial items amounted to SEK –207 (–21) million.

Fixed capital expenditure amounted to SEK 289 (87) million, of which SEK 289 (86) million related to investments in financial fixed assets.

The parent company's closing liquid funds, including short-term investments and undrawn credit facilities, amounted to SEK 696 (1,740) million at the end of the period.

Interest-bearing external debt amounted to SEK 2,757 (2,668) million.

#### **ACCOUNTING PRINCIPLES**

This interim report has been prepared in accordance with recommendation 20 "Interim Reporting", issued by the Swedish Financial Accounting Standards Council.

The accounting principles are the same as those applied in the annual report for 2002.

#### **NEXT FINANCIAL REPORT**

It is expected that the year-end release for 2003 will be published on February 12, 2004.

Stockholm, October 23, 2003

President and Chief Executive Officer

This interim report has not been subject to specific review by the company's auditors.

For further information, please visit [www.kinnevik.se](http://www.kinnevik.se).

**CONSOLIDATED INCOME STATEMENT (SEK million)**

	2002 Full year	2002 January 1-Sept. 30	2003	2002 July 1-Sept. 30	2003
Net turnover	6,110	4,719	4,324	1,511	1,398
Cost of sales	<u>- 5,042</u>	<u>- 3,757</u>	<u>- 3,285</u>	<u>- 1,186</u>	<u>- 1,070</u>
<b>Gross result</b>	1,068	962	1,039	325	328
Selling, administration, research and development expenses	- 584	- 461	- 376	- 136	- 117
Income from corporate development	735	752	193	753	- 2
Income from sales of securities	40	40	- 30	0	6
Other operating income	205	132	115	47	44
Other operating expenses	<u>- 99</u>	<u>- 75</u>	<u>- 77</u>	<u>- 14</u>	<u>- 27</u>
<b>Operating income</b>	1,365	1,350	864	975	232
Interest in earnings of associate companies	- 4,297	- 640	201	- 395	88
Income from other securities	- 624	-	0	-	0
Net financial items	<u>- 390</u>	<u>- 274</u>	<u>- 299</u>	<u>- 108</u>	<u>- 80</u>
<b>Income after financial items</b>	- 3,946	436	766	472	240
Taxes	- 155	- 188	- 319	- 85	- 112
Minority share in income	<u>- 8</u>	<u>- 17</u>	<u>0</u>	<u>- 17</u>	<u>1</u>
<b>Net result for the period</b>	<u>- 4,109</u>	<u>231</u>	<u>447</u>	<u>370</u>	<u>129</u>
Earnings per share before/ after dilution, SEK	- 65.28	3.66	7.11	5.87	2.05
Total number of shares before/ after dilution	62,938,677	62,938,677	62,938,677	62,938,677	62,938,677

**CONSOLIDATED STATEMENT OF CASH FLOW (SEK million)**

	2002 Full year	2002 Jan. 1- Sept. 30	2003 Jan. 1- Sept. 30
Cash flow from operations before change in working capital	479	384	624
Change in working capital	<u>312</u>	<u>364</u>	<u>- 97</u>
<b>Cash flow from operations</b>	791	748	527
Cash flow from investing activities	323	1,002	- 219
Cash flow from financing activities	<u>- 1,052</u>	<u>- 1,797</u>	<u>- 255</u>
<b>Cash flow for the period</b>	62	- 47	53
Liquid funds, opening balance	325	325	379
Exchange rate differences in liquid funds	<u>- 8</u>	<u>- 8</u>	<u>- 6</u>
Liquid funds, closing balance	379	270	426

<b>REVIEW OF THE GROUP (SEK million)</b>	<b>2002</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>
<b>Breakdown of net turnover by business area</b>	<b>Full year</b>	<b>January 1-Sept. 30</b>		<b>July 1-Sept. 30</b>	
<b>Continuing operations</b>					
Mellersta Sveriges Lantbruks AB	7	6	32	2	19
Korsnäs Forestry	1,480	1,111	1,083	350	336
Korsnäs Industrial	3,968	3,127	2,905	952	945
Korsnäs Packaging	1,567	1,201	1,082	414	360
Eliminations within Korsnäs Holding AB	- 1,206	- 953	- 839	- 283	- 270
Total Korsnäs Holding AB	5,809	4,486	4,231	1,433	1,371
Other subsidiaries	56	51	14	18	4
Parent company, holding companies and eliminations	- 7	- 5	1	- 1	4
<b>Subtotal continuing operations</b>	<b>5,865</b>	<b>4,538</b>	<b>4,278</b>	<b>1,452</b>	<b>1,398</b>
<b>Discontinuing operations</b>					
CIS Credit International Services AB	202	154	46	52	-
Worldwide Loyalty B.V.	43	27	-	7	-
<b>Subtotal discontinuing operations</b>	<b>245</b>	<b>181</b>	<b>46</b>	<b>59</b>	<b>-</b>
<b>Total net turnover</b>	<b>6,110</b>	<b>4,719</b>	<b>4,324</b>	<b>1,511</b>	<b>1,398</b>
<b>Breakdown of operating income/loss by business area</b>					
<b>Continuing operations</b>					
Mellersta Sveriges Lantbruks AB	- 1	- 3	0	- 1	0
Korsnäs Forestry	194	154	104	72	18
Korsnäs Industrial	468	427	660	149	225
Korsnäs Packaging	- 40	- 10	- 56	1	- 14
Total Korsnäs Holding AB	622	571	708	222	229
Other subsidiaries	- 6	- 8	- 10	- 1	2
Parent company, holding companies and eliminations	721	762	0	743	1
<b>Subtotal continuing operations</b>	<b>1,336</b>	<b>1,322</b>	<b>698</b>	<b>963</b>	<b>232</b>
<b>Discontinuing operations</b>					
CIS Credit International Services AB	29	29	8	12	-
Worldwide Loyalty B.V.	0	- 1	-	0	-
Gain on discontinuance of CIS	-	-	158	-	-
<b>Subtotal discontinuing operations</b>	<b>29</b>	<b>28</b>	<b>166</b>	<b>12</b>	<b>-</b>
<b>Total operating income/loss</b>	<b>1,365</b>	<b>1,350</b>	<b>864</b>	<b>975</b>	<b>232</b>
<b>Breakdown of income/loss after financial items by business area</b>					
<b>Continuing operations</b>					
Mellersta Sveriges Lantbruks AB	- 6	- 8	- 3	0	- 1
Korsnäs Holding AB	601	518	644	209	217
Other subsidiaries	- 4	- 6	- 10	0	2
Associate companies*	- 4,297	- 641	199	- 399	83
Parent company, holding companies and eliminations	- 267	547	- 230	649	- 61
<b>Subtotal continuing operations</b>	<b>- 3,973</b>	<b>410</b>	<b>600</b>	<b>459</b>	<b>240</b>
<b>Discontinuing operations</b>					
CIS Credit International Services AB	28	28	8	12	-
Worldwide Loyalty B.V.	- 1	- 2	-	1	-
Gain on discontinuance of CIS	-	-	158	-	-
<b>Subtotal discontinuing operations</b>	<b>27</b>	<b>26</b>	<b>166</b>	<b>13</b>	<b>-</b>
<b>Total income /loss after financial items</b>	<b>- 3,946</b>	<b>436</b>	<b>766</b>	<b>472</b>	<b>240</b>

\* Excluding associate companies included within Mellersta Sveriges Lantbruks AB and Korsnäs Holding AB.



<b>CONSOLIDATED BALANCE SHEET (SEK million)</b>			
	2002	2002	2003
	Dec. 31	Sept. 30	Sept. 30
<b>Fixed assets</b>			
Goodwill	130	130	116
Machinery, equipment, property etc	7,416	7,320	7,118
Other shares and participations	8,103	11,642	8,277
Long-term interest bearing receivables	944	1,152	582
Long-term non-interest bearing receivables	<u>22</u>	<u>41</u>	<u>61</u>
	16,615	20,285	16,154
<b>Current assets</b>			
Inventories	970	923	1,008
Current receivables	968	1,217	912
Cash, bank and short-term investments	<u>478</u>	<u>315</u>	<u>604</u>
	2,416	2,455	2,524
<b>Total assets</b>	<u>19,031</u>	<u>22,740</u>	<u>18,678</u>
<b>Shareholders' equity</b>			
Restricted equity	4,151	4,093	4,007
Unrestricted equity	<u>4,070</u>	<u>8,518</u>	<u>4,125</u>
	8,221	12,611	8,132
<b>Minority interests in equity</b>	0	0	2
<b>Provisions</b>			
Provisions for pensions	628	627	631
Deferred tax liability	1,021	1,032	1,142
Other provisions	<u>576</u>	<u>588</u>	<u>231</u>
	2,225	2,247	2,004
<b>Long-term liabilities</b>			
Non-interest bearing liabilities	0	1	4
Interest-bearing liabilities	<u>7,528</u>	<u>6,595</u>	<u>7,608</u>
	7,528	6,596	7,612
<b>Short-term liabilities</b>			
Non-interest bearing liabilities	971	1,014	928
Interest-bearing liabilities	<u>86</u>	<u>272</u>	<u>0</u>
	1,057	1,286	928
<b>Total shareholders' equity and liabilities</b>	<u>19,031</u>	<u>22,740</u>	<u>18,678</u>
<b>MOVEMENTS IN SHAREHOLDERS' EQUITY (SEK million)</b>			
	2002	2002	2003
	Full year	Jan. 1-Sept. 30	Jan. 1-Sept. 30
<b>Group</b>			
Opening balance	13,698	13,698	8,221
Translation differences	- 302	- 252	- 284
Net income for the period	- 4,109	231	447
Dividend	- 126	- 126	- 252
Step-up acquisition of shares in associate companies	- 940	- 940	-
Closing balance	<u>8,221</u>	<u>12,611</u>	<u>8,132</u>