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# Preface

Nuclear power has long been a both topical and controversial subject in the public and political debate. However, everyone agrees that special measures are required to ensure that the costs for waste management and decommissioning of the facilities can be paid. A model with a special fee levied on electricity from nuclear power was introduced in the early 1980s. The fees are managed in the Nuclear Waste Fund, which is thus an important part of the Swedish system for managing nuclear power waste.

The capital in the Nuclear Waste Fund may only be invested in Swedish treasury bonds and treasury bills and deposited in accounts at the National Debt Office. Our primary task on the Board of Governors is to manage the investments to obtain a good return. We are assisted by the Legal, Financial and Administrative Services Agency, which provides capital management and other services. The 2007 return was on a level with the average for the market for index-linked treasury bonds. But this was not sufficient to achieve a positive real return, taking inflation into account. However, viewed over the whole period from the start

of the Nuclear Waste Fund in 1996, the real return has been very good.

The Board of the Nuclear Waste Fund has concluded that given the current investment restrictions and the real rate of interest on Swedish treasury bonds, it is very difficult to achieve a real long-term return such as was expected when the current management model was introduced in 1996. The Nuclear Waste Fund therefore intends to raise the question with the Government of broadened investment options for the Fund. The intention is to also be able to invest in securities not issued by the Swedish state in order to obtain a higher return. If such options are made available, the Board will naturally continue to insist on a low risk level in its investments.

We have made a few changes in the annual report this year compared with previous years. This publication includes the financial statements as a separate section. The financial statements are abbreviated and have a new presentation structure. In addition to the financial statements, general information is provided on the Nuclear Waste Fund and its development in tables and charts.

Stockholm, February 2008



Yvonne Gustafsson  
Chairman

# Highlights 2007

- The rate of return was 3.3%, which was equal to the comparison index. Since the rate of inflation was 3.5%, the real rate of return was slightly negative.
- The fund capital increased by SEK 890 million, amounting to SEK 39,825 million at the end of the year.
- Fund management costs continued to be low, amounting to 0.014% of the fund capital, of which 0.007% was for capital management and 0.007% was for administration.

# The financing system

In the early 1980s the Riksdag (Swedish parliament) devised a special system for financing of the costs for safe future management and disposal of the spent nuclear fuel and for the decommissioning and dismantling of the nuclear power reactors.

Under this financing system, the nuclear power companies pay a special fee to the Swedish state. The fee is levied at a given rate per kWh of electricity delivered by the nuclear power plants. The nuclear power companies are entitled to reimbursement from the Fund for any costs they incur for measures aimed at safe management and disposal of the spent nuclear fuel. The remaining assets are held in the Fund for future needs. In the late 1980s, a similar system was introduced for financing of the management of certain radioactive waste from the research reactors at Studsvik and other parts of the early Swedish nuclear power programme.

The fees were initially deposited in interest-bearing accounts at the Riksbank (Swedish central bank). Since 1996 the funds have been held by the Nuclear Waste Fund, which is a government authority. The Nuclear Waste Fund has its own Board of Governors but no employees. The Legal, Financial and Administrative Services Agency performs administrative and capital management services for the Board. The Government decides on the size of the

fee, based on a proposal by the Swedish Nuclear Power Inspectorate (SKI). SKI and, in certain cases, the Government approve disbursements from the Fund. The nuclear power companies have formed the jointly owned company Svensk kärnbränslehantering (Swedish Nuclear Fuel and Waste Management Co), SKB, to manage and dispose of the radioactive waste.

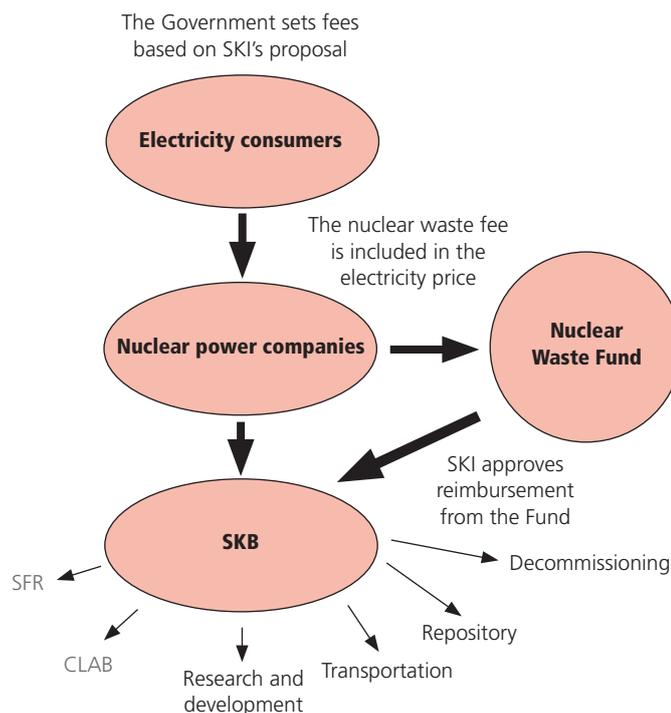
The main features of the financing system are illustrated in the following figure.

Each nuclear power company is fully responsible for all its costs, even if the fees accumulated in the Fund should not be sufficient. The party responsible for paying the nuclear waste fee must therefore

provide a guarantee to the state for the costs the fee is intended to cover, but which are not covered by the paid-in and accumulated fees.

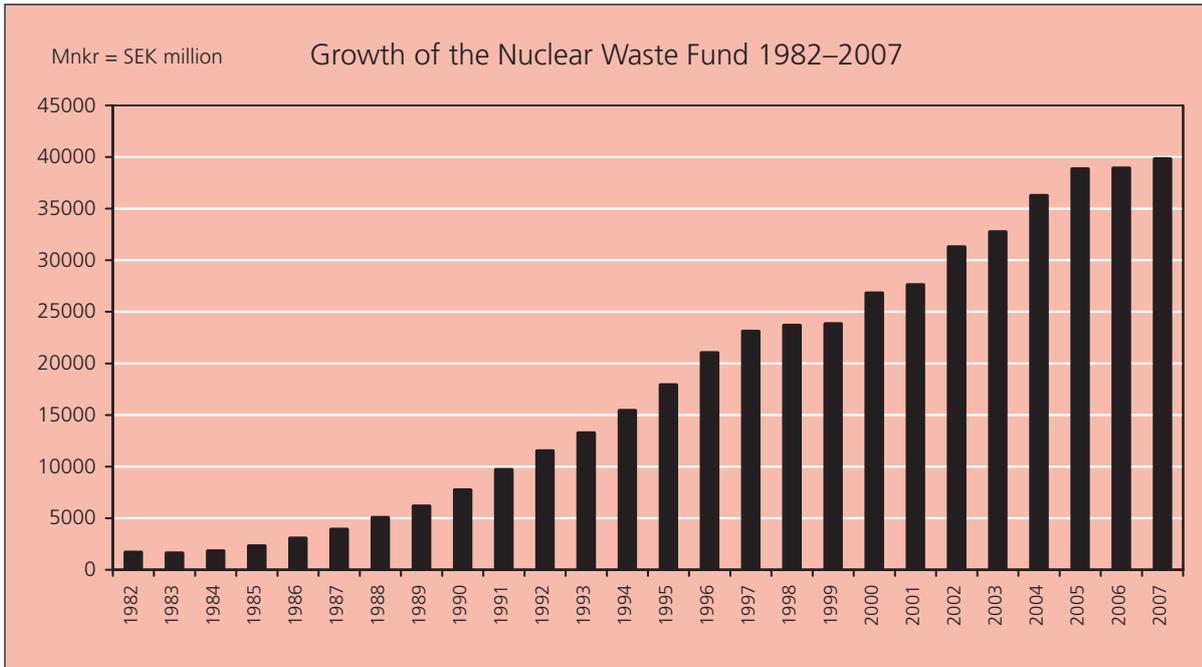
The principle for the financing of the disposal of nuclear waste is that the nuclear power industry – not the taxpayers – should be liable for the costs. If it turns out that a reactor owner cannot pay, and fund assets and guarantees are insufficient, the state – and thereby

the taxpayers – will in the end have to contribute the funds. As of 1 January 2008, the state is entitled to charge the nuclear power companies a risk fee for this risk.



# Growth of the Fund

The Nuclear Waste Fund was started in 1982. The size of the Fund at the end of each year since then is shown in the graph below.



The following figure shows **how the current fund capital has been built up** by accumulated payments, disbursements and return since the start.

Total paid in SEK 27,893 million	Fund assets 31 Dec. 2007 SEK 39,825 million
Total return SEK 32,705 million	Total disbursed SEK 20,773 million

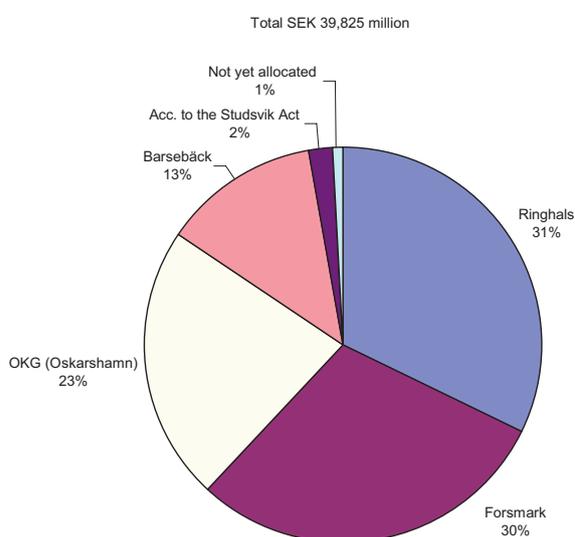
During 2007, the value of the Fund increased by SEK 889.7 million. The following figure shows how the increase has been built up by payments, disbursements and return during the year.

Paid-in fees SEK 980.5 million	Increase of the Fund SEK 889.7 million
Return SEK 1,277.5 million	Disbursements from the Fund SEK 1,368.3 million (of which SEK 5.5 million in management costs)

## Breakdown of fund capital by payer

The paid-in fees are earmarked for each payer and may only be used to cover the costs attributable to that particular payer. Joint costs are allocated among the payers. If the paid-in fees for a reactor owner should not suffice to cover that reactor owner's costs, fees paid in by another reactor owner may not be used to make up the difference. If fund assets are left over for a reactor owner after all costs relating to that reactor owner have been paid, these surplus fees must be paid back to the payer. This repayment obligation does not apply to Studsvik fees, however. Any surplus Studsvik fees in the Fund go to the state.

The breakdown of the fund capital by payer at 31 December 2007 is shown in the following chart.



The method for keeping track of each payer's share of the Nuclear Waste Fund is described in greater detail in the presentation of results in the Annual Report.

## Return

The table shows the rate of return on the Fund's capital since the current management rules were introduced in 1996.

The **nominal return** consists of the sum of realized and unrealized value changes in the Fund's investments as well as interest received (including inflation compensation on index-linked investments).

The **real return** consists of the nominal return less inflation.

The consumer price index reported by SCB for December, the 12-month change in percent (rate of inflation), is used as a measure of **inflation**.

The **active return** relative to the index consists of the nominal return less the index return and shows how successful the Fund has been managed in relation to a market benchmark.

Year	Nominal return (%)	Comparison index (%) <sup>1)</sup>	Inflation (%)	Active return relative to index (%)	Real avkastning (%)
1996	10.6	10.8	0.1	-0.2	10.5
1997	9.9	7.4	1.9	2.5	8.0
1998	3.3	4.7	-0.6	-1.4	3.9
1999	-0.8	-0.6	1.2	-0.2	-2.0
2000	12.9	9.8	1.4	3.1	11.5
2001	3.5	4.7	2.9	-1.2	0.6
2002	14.9	11.8	2.3	3.1	12.6
2003	6.7	5.8	1.4	0.9	5.3
2004	13.2	11.2	0.4	2.0	12.8
2005	8.2	7.5	0.9	0.7	7.3
2006	1.2	2.5	1.6	-1.3	-0.4
2007	3.3	3.3	3.5	0.0	-0.2
Average per year <sup>2)</sup>	7.1	6.5	1.4	0.6	5.7

<sup>1)</sup> As from October 2003: 100% OMRX-Real. Up until September 2003: 75% OMRX Real, 15% Stockholmsbörsens Alla Total and 15% Penningmarknad 1 month.

<sup>2)</sup> Calculated as the geometric mean of the annual values.

According to the Government's regulations, the Fund must be managed to ensure a good return and satisfactory liquidity. The Board of Governors has formulated its return goal in the following manner in its investment strategy:

"The goal is – taking into account the rules governing the activities – to attain the highest possible real return on the managed capital. The goal of the Board is to exceed the comparison index (OMRX Real Return Bond Index) over a five-year period."

As is evident from the table above, the real return since the start in 1996 has amounted to an average of 5.7% per annum.

The nominal return has exceeded the comparison index by an average of 0.5 percentage point per annum during the past five-year period and by an average of 0.6 percentage point during the entire period since the introduction of the current management rules in 1996.

The Fund was initially able to take advantage of the high real interest rates on the treasury bond market for long-term investments. When the real market rates fell during the period 2000 – 2005, this led to a sharp increase in the market value of the investments, which

can be seen in the high real return figures during the period. Since 2005 the market and inflation trend has made it more difficult to achieve a good real return on the investments.

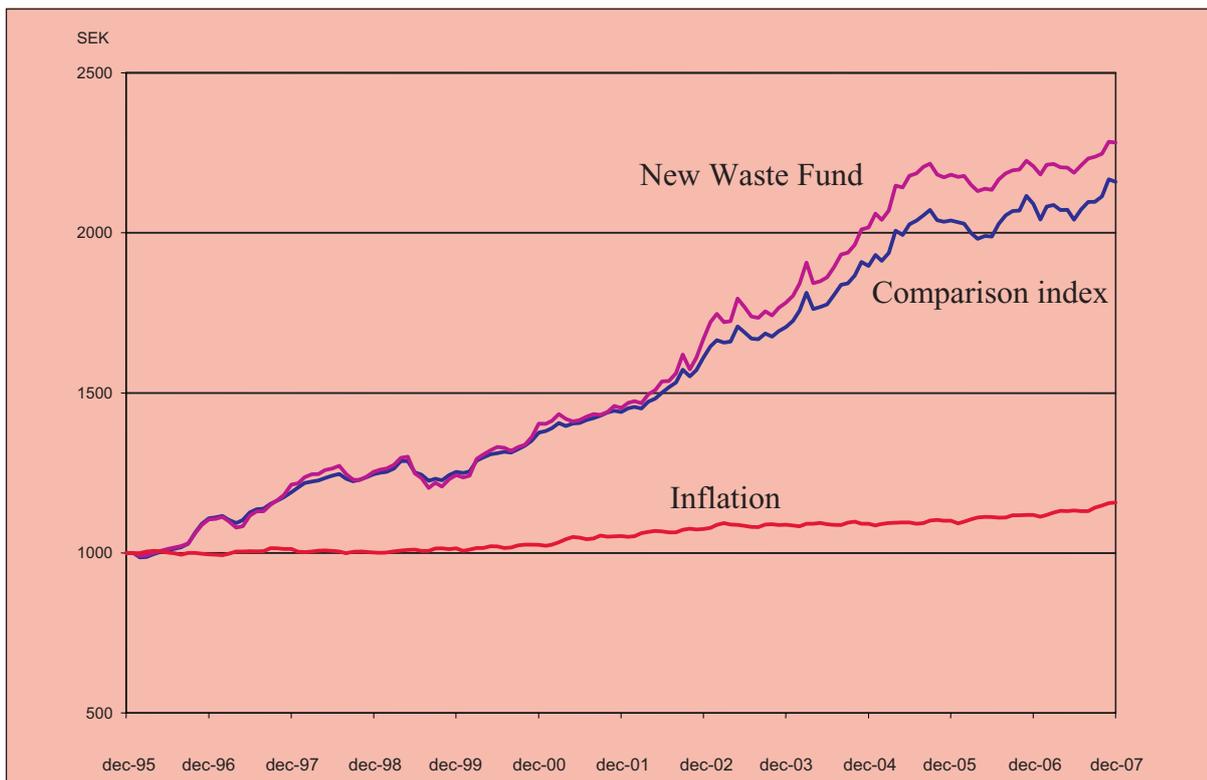
The following graph shows the **change in value of SEK 1,000** that was paid into the Nuclear Waste Fund on 1 January 1996. For comparison, the change in value of SEK 1,000 with the comparison index return

is also shown, along with how much has been used to compensate for inflation during the period.

SEK 1,000 in the Nuclear Waste Fund has grown to SEK 2,284

SEK 1,000 that has changed with the comparison index has grown to SEK 2,160

SEK 158 has been used to compensate for inflation.



## Investments

According to the Government's regulations, the assets in the Nuclear Waste Fund must be deposited in an interest-bearing account at the National Debt Office or invested in treasury bills. This means that the Fund has the following investment options.

- Spot market investment via deposits in accounts at the National Debt Office, with nominal return based on the repo rate.
- Short-term deposits at a fixed interest rate at the National Debt Office with an investment period that can vary between one month and one year.
- Investments on the market in treasury bills, fixed-income bonds and index-linked bonds issued by the National Debt Office. Index-linked bonds provide guaranteed compensation for inflation in addition to the interest rate.

Each year the Board adopts an investment strategy for the Nuclear Waste Fund. The investment strategy has to do with the division of responsibility between the Board and the Legal, Financial and Administrative Services Agency, which handles the investments, as well as return goals, restrictions with regard to the long-term distribution between index-linked and fixed-income investments, comparison indexes, risks and risk limitations, as well as follow-up and reporting. The current investment strategy is posted at [www.karnavfallsfonden.se](http://www.karnavfallsfonden.se)

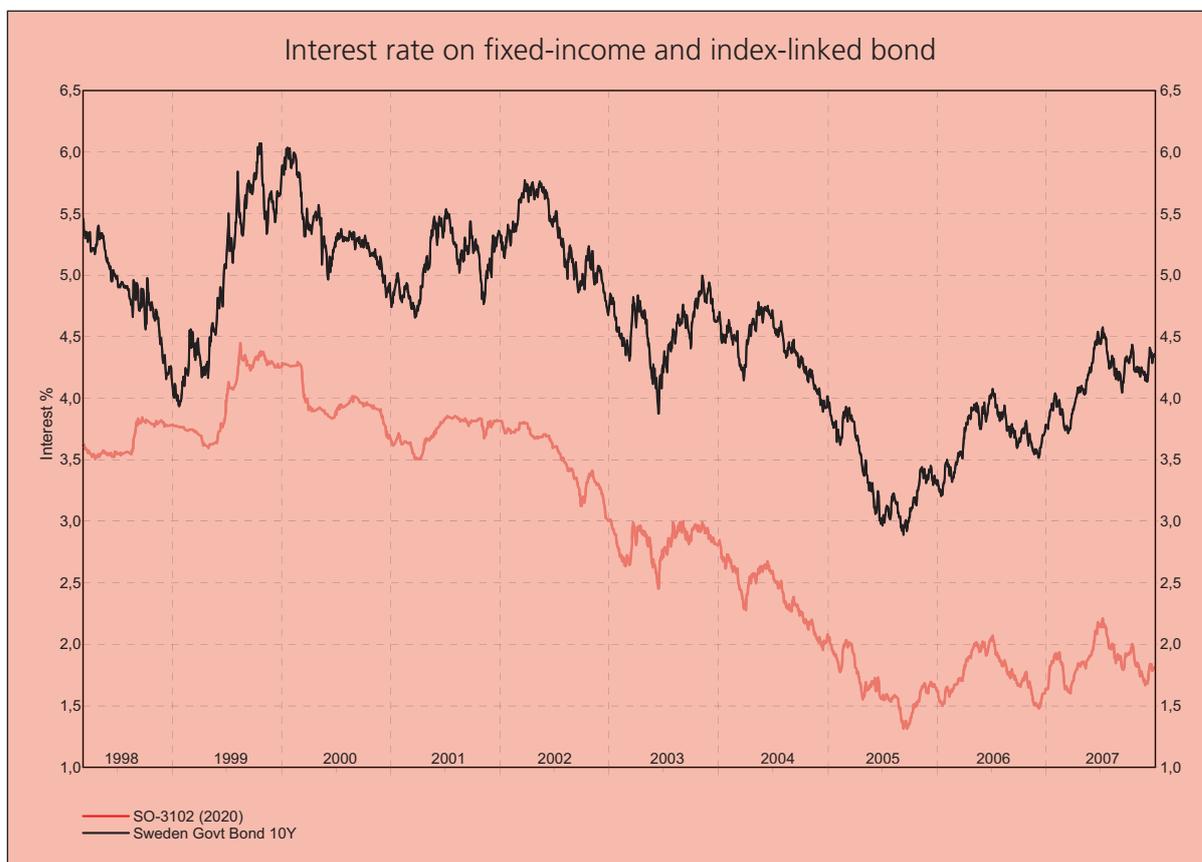
Due to the investment rules, the Nuclear Waste Fund's options for influencing the rate of return are limited to two parameters:

- Choice between fixed-income and index-linked investments.
- Choice of duration in the investments.

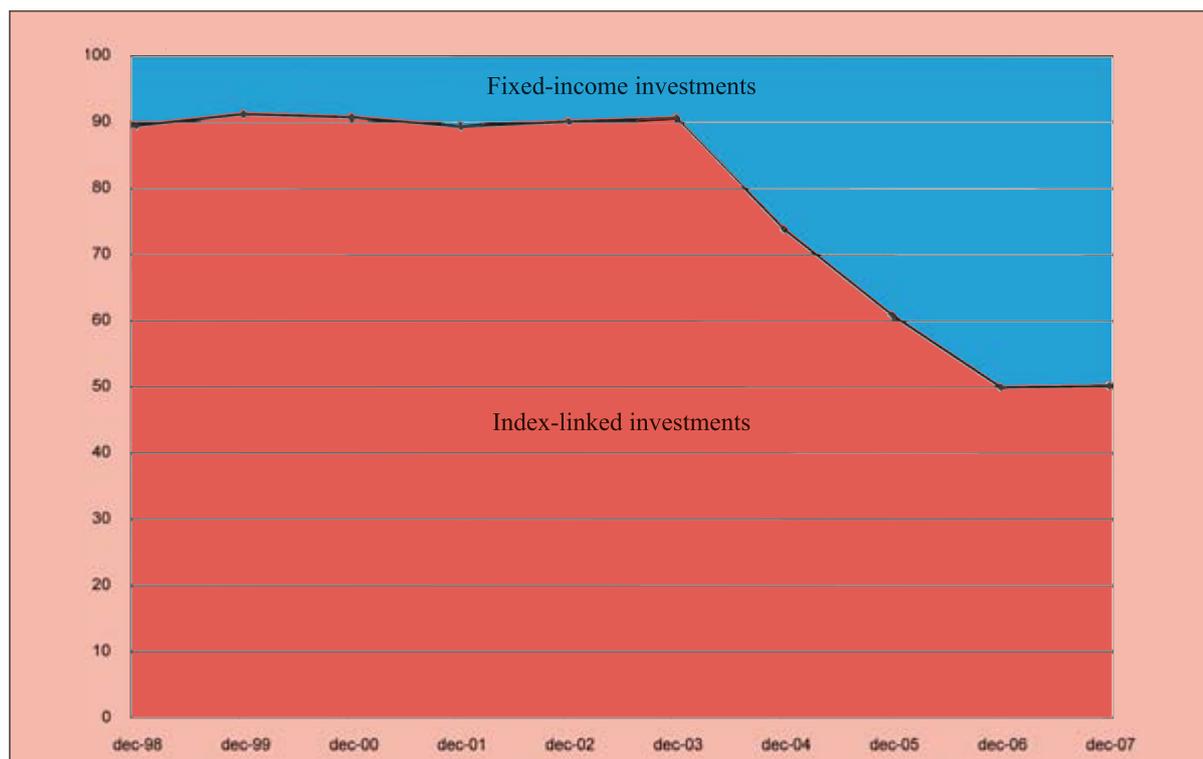
The following graph shows the change in interest rates over the past ten years for a long-term index-linked bond maturing in 2020 and for fixed-income bonds with a maturity of ten years. In the case of the index-linked bond, compensation is obtained for inflation (measured as the change in the consumer price index) in addition to the interest rate indicated in the

graph. The difference in interest rate level between the index-linked and the fixed-income bond thereby shows what the inflation expectations have been on the market at different points in time.

As is evident from the graph, the real market interest rate has gone down since 1999 from around 4.25% to around 1.75%.



The proportions (%) of fixed-income and index-linked investments are shown in the following graph.



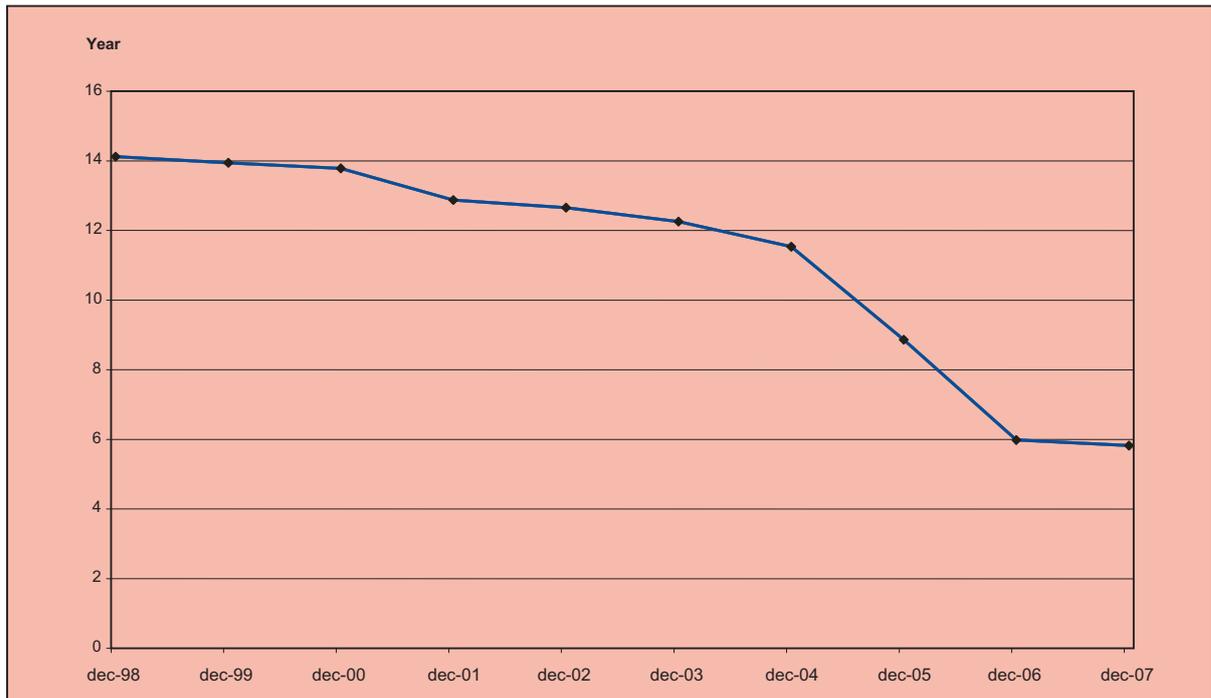
Up until 2004, the proportion of index-linked investments was around 90%. Since then this percentage has declined to about 50%.

When the current expectation model started in 1996, Sweden had experienced long periods with high inflation. There was therefore concern that the value of the Fund would be undermined by inflation. At the same time the National Debt Office had recently begun issuing index-linked bonds with a long maturity. The real interest rate on these bonds was high, around 4.5% in addition to inflation compensation. For this reason, a high proportion of the investments were made in index-linked bonds.

Since then conditions have changed. The Riksbank's inflation target, which was introduced in 1993,

contributed greatly to a low and stable inflation rate below the target of 2%. At the same time, the real market rates fell sharply. In addition, the Nuclear Waste Fund's investment rules were changed in 2002 so that investments are now made on the open market for treasury bonds. Previously the Fund had only been allowed to deposit assets in an account with the National Debt Office on terms similar to those for treasury bonds. This means the assets were fully liquid and could be converted immediately at a market rate of interest. The investments on the open market entail that the liquidity in index-linked treasury bonds is lower than for fixed-income treasury bonds. All of this induced the Board to reduce the proportion of index-linked investments.

The change in the **duration of the investments** with time is shown in the following graph.



Duration is a measure of the interest rate risk in the portfolio. By interest rate risk is meant the change in value of an interest-bearing security that occurs when the market interest rate rises or falls. A longer duration leads to a greater change in value at a given change in market rates.

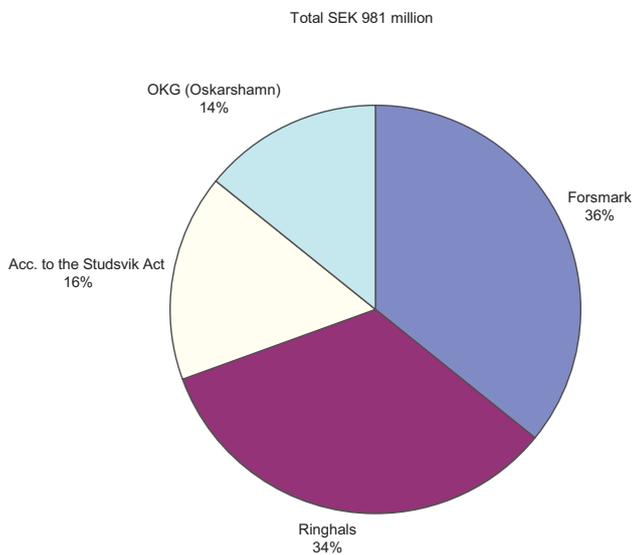
In connection with the transition to a higher proportion of fixed-income investments, the duration has also been reduced in recent years.

## Payments to the Fund

According to law, the holder of a licence to own or operate a nuclear facility that gives or has given rise to waste products shall pay a nuclear waste fee. Prior to 1 January 2008 this waste fee liability applied to the holder of a licence to own or operate a nuclear power reactor and was limited to the time the reactor is in operation. As from 2009 the nuclear power-producing companies must also pay a special fee to finance the development of the research reactors in Studsvik and certain other costs for the early Swedish nuclear power programme.

These fees are calculated in relation to the energy that is delivered and established as a certain number of öre (1 öre = SEK 0.01) per delivered kWh. The fee is differentiated for each fee payer and is calculated so that the total fees for each payer cover that payer's total costs. After 1 January 2008 the fee can also be established as a given amount in SEK, for example for a fee payer that no longer delivers nuclear energy.

The fee payments in 2007 amounted to SEK 981 million, broken down according to the following chart.



## Disbursements from the Fund

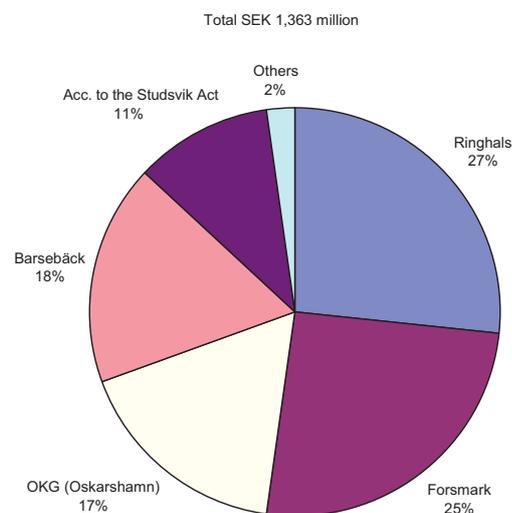
The nuclear waste fee is used to cover

- the licensees' costs for safe management and disposal of waste products,
- the licensees' costs for safe decommissioning and dismantling of nuclear facilities,
- the licensees' costs for the necessary research and development,
- the state's costs for management of the fund assets and examination of questions concerning fees, disbursement of funds etc.,
- the state's costs for supervision of the decommissioning and dismantling of nuclear facilities,
- the state's costs for examination of questions concerning final disposal and monitoring and control of the final repository,
- the licensees', the state's and the municipalities' costs for information to the public in matters relating to management and disposal of spent nuclear fuel and nuclear waste, and
- costs for support to non-governmental organizations for efforts in connection with questions concerning siting of facilities for management and disposal of spent nuclear fuel.

The special Studsvik fee will be used to cover the costs of the early Swedish nuclear power programme.

Disbursements in 2007 amounted to SEK 1,363 million.

They are broken down as shown by the following chart.



# The Nuclear Waste Fund's Board of Governors and administration

**Yvonne Gustafsson**  
 Born in 1952. Bachelor of Science (Economics and Business),  
 Director General, The Swedish National Financial Management  
 Authority, Chairman.



**Peter Norman**  
 Born in 1958.  
 BSc, Executive  
 President,  
 Seventh AP Fund.





**Hans Borgström**  
 Born in 1947.  
 Master of  
 Laws Degree,  
 Financial Director,  
 E.ON Sverige AB



**Jan Hedendahl**  
 Born in 1954.  
 Bachelor of Science  
 (Economics and Business),  
 Investment Controller,  
 Vattenfall AB.



**Ing-Marie Gren**  
 Born in 1951.  
 Ph. D. in economics,  
 Professor,  
 Swedish University of  
 Agricultur Sciences.



The Board of Governors of the Nuclear Waste Fund is appointed by the Government. The Board comprise the following members.

	Appointed until
Yvonne Gustafsson, Chairman	2008
Hans Borgström	2009
Ing-Marie Gren	2009
Jan Hedendahl	2010
Peter Norman	2008
Urban Hansson Brusewitz, from March 27, 2008	2010
Susanne Lindh, from March 27, 2008	2010

In 2007 the Board also included Christina Nyman, Vice Chairman, up to and including 29 February 2008, and Per Anders Bergendahl up to and including 30 April 2007.

The Nuclear Waste Fund has no employed staff. The Legal, Financial and Administrative Services Agency performs administrative services for the Fund under a contract between the Fund and the Agency, including capital management. Total management costs in 2007 amounted to SEK 5.5 million. This was equivalent to 0.014% of the average managed capital, of which 0.007% was for capital management and 0.007% was for administration.

# Annual Report 2007 for the Nuclear Waste Fund

## Presentation of results

### Regulatory framework

As from 1 January 2008, the activities of the Nuclear Waste Fund are governed by the provisions of

- the Act (2006:647) on Financial Measures for the Management of Waste Products from Nuclear Activities and the Act (1988:1597) on the Financing of the Management of Certain Radioactive Waste etc. (the Studsvik Act)
- the Ordinance (2007:161) on Financial Measures for the Management of Waste Products from Nuclear Activities
- the Ordinance (2007:1055) with Terms of Reference for the Nuclear Waste Fund

The following legislation applied instead during 2007:

- the Act (1992) on the Financing of Future Expenses for Spent Nuclear Fuel etc. (the Financing Act) and the Act (1988:1597) on the Financing of the Management of Certain Radioactive Waste etc. (the Studsvik Act)
- the Ordinance (1981:671) on the Financing of Future Expenses for Spent Nuclear Fuel etc.
- the Ordinance (1995:1548) with Terms of Reference for the Board of the Nuclear Waste Fund

The new regulatory framework entails that the name of the authority, which was the Board of Governors of the Nuclear Waste Fund in 2007, is now the Nuclear Waste Fund. The name "Nuclear Waste Fund" is used in the following for events during 2007 as well.

### Scope of activities

The primary task of the Nuclear Waste Fund is to manage the fees paid into the Fund under the above-mentioned laws. The Fund also receives the fees that are paid in and arranges disbursements at the request of the Swedish Nuclear Power Inspectorate (SKI).

During 2007 the Fund managed the supplementary guarantees which the reactor owners are supposed to provide for waste-related expenses that are not covered by paid-in fees. This task was transferred to the National Debt Office as of 1 January 2008.

According to the Ordinance with Terms of Reference for the Nuclear Waste Fund, the Legal, Financial and Administrative Services Agency performs administrative services for the Fund under a contract between the Fund and the Agency. Under this contract, the Agency assumes responsibility for the following tasks:

- Case management and implementation of the Fund's decisions.
- Secretarial services for the Board.
- Capital management.
- Cash management and accounting.
- Preparation of annual report etc.
- Registration and filing.
- Office services and provision of premises.

The Fund has no employed staff.

The Government has approved a budget for the Nuclear Waste Fund's administration. According to this decision, administrative expenses for 2007 may not exceed SEK 6,350,000 (SEK 6,150,000 in 2006). Actual total administrative expenses amounted to SEK 5,456,000 (SEK 5,494,000), of which SEK 4,800,000 (SEK 4,800,000) comprised compensation to the Legal, Financial and Administrative Services Agency. Total administrative expenses, which include both capital management and administrative services, corresponded to 0.014% of the market value of the average managed capital in 2007.

### Capital management

#### Goal

The Financing Act (Section 7 a) states that the assets in the Nuclear Waste Fund shall be managed to en-

sure a good return and satisfactory liquidity. No more specific goals have been set by the state.

The Board of the Nuclear Waste Fund has formulated its return goal in the following manner:

“The goal is – taking into account the rules governing the activities – to attain the highest possible real return on the managed capital. The goal of the Board is to exceed the comparison index (OMRX Real Return Bond Index) over a five-year period.”

The OMRX Real Return Bond Index consists of all issued index-linked treasury bonds and is calculated by OMX AB (publ.)

### Investment restrictions

The Financing Act (Section 7 a) states that the assets in the Nuclear Waste Fund shall be deposited in an interest-bearing account at the National Debt Office or invested in treasury bills. The Studsvik Act (Section 3) states that the fees under that Act shall be transferred to the Nuclear Waste Fund and that the rules in the Financing Act shall be applied to their management.

This means that investments are restricted to the following options:

- Spot market investment at the National Debt Office, with nominal return based on the repo rate.
- Short-term deposits at a fixed interest rate at the National Debt Office with an investment period that can vary between one month and one year.
- Investments on the market in treasury bills, fixed-income bonds and index-linked bonds issued by the National Debt Office.

### Return

The nominal and real returns achieved during the past five years are shown in the following table.

Year	Nominal return (%) <sup>1</sup>	Inflation (%) <sup>2</sup>	Real return (%)
2003	6.7	1.4	5.3
2004	13.2	0.4	12.8
2005	8.2	0.9	7.3
2006	1.2	1.6	-0.4
2007	3.3	3.5	-0.2
<b>Average per year<sup>3</sup></b>	<b>6.5</b>	<b>1.6</b>	<b>4.9</b>

The nominal returns achieved in relation to the comparison index for the past three years are shown in the following table.

Year	Nominal return (%) <sup>1</sup>	Comparison index (%) <sup>4</sup>	Active return (%) <sup>5</sup>
2003	6.7	5.8	0.9
2004	13.2	11.2	2.0
2005	8.2	7.5	0.7
2006	1.2	2.5	-1.3
2007	3.3	3.3	0.0
<b>Average per year<sup>3</sup></b>	<b>6.5</b>	<b>6.0</b>	<b>0.5</b>

<sup>1)</sup> The nominal return consists of the sum of realized and unrealized value changes in the investments as well as interest received (including inflation compensation on index-linked investments).

<sup>2)</sup> The percentage change in the consumer price index reported by SCB for the past 12 months is used as a measure of inflation.

<sup>3)</sup> Calculated as the geometric mean of the annual values.

<sup>4)</sup> OMRX Real Return Bond Index.

<sup>5)</sup> Return above comparison index.

As is evident from the tables, the nominal return in 2007 amounted to 3.3%. Since inflation increased sharply, amounting to 3.5%, the real return was slightly negative, -0.2%.

The return in 2007 was on a level with the comparison index established by the Board of governors. The goal of the Board in its active management is to exceed the comparison index over a five-year period. During the five-year period 2003 – 2007, the nominal rate of return amounted to an average 6.5% per annum, compared to the index of 6.0%. The active return (excess return relative to index) thus amounted to 0.5% per annum during the five-year period.

### Investment strategy

The Board of Governors has established an investment strategy for the Nuclear Waste Fund. The investment strategy has to do with the division of responsibility between the Fund and the Legal, Financial and Administrative Services Agency as well as return goals, restrictions with regard to the long-term distribution between index-linked and fixed-income investments, comparison indexes, risks and risk limitations, as well as follow-up and reporting. The investment strategy must be reviewed at least once a year. The current investment strategy was adopted by the Board on 13 June 2007.

### Distribution between index-linked and fixed-income investments

According to the investment strategy adopted by the Board, the proportion of index-linked investments should be at least 50%. This proportion has been close to this minimum level throughout 2007. The proportion of index-linked investments declined sharply during the years leading up to 2007. The reasons for this were described in detail in the annual report for 2006.

### Duration

Duration is a measure of the interest rate risk in the portfolio. By interest rate risk is meant the change in value of an interest-bearing security that occurs when the market interest rate rises or falls. A longer duration leads to a greater change in value at a given change in market rates. The duration was shortened slightly during 2007 and amounted to 5.8 years at the end of the year.

According to the investment strategy adopted by the Board, the duration of the Nuclear Waste Fund's investments may not deviate by more than 4 years from the duration of the investments included in the comparison index (OMRX Real Return Bond Index). The duration of the index at year-end was 9.8 years. The Fund's duration was thus as short as possible in relation to the comparison index. The interest rate risk was thereby at the lowest possible level according to the investment strategy.

### Repurchase transactions (repos)

According to the investment strategy adopted by the Board in June 2007, the Nuclear Waste Fund may participate in the market for repurchase transactions (repos) for treasury bills and treasury bonds (including index-linked bonds). A repo entails that the Fund sells treasury bills or bonds to a counterparty under an agreement to repurchase equivalent treasury bills or bonds at a later date at a certain agreed-upon price. The purpose of repos is to achieve a higher return. According to the investment strategy, it is permitted to sell one or more securities under a repurchase agreement and deposit the proceeds in a spot market account in the National Debt Office or invest them on the repo market, provided that the reverse repo relates to a security that is permitted for investments.

Trading in repos started at the end of August 2007. By means of repos, the Fund increased its return by SEK 8.3 million in 2007.

### Liquidity planning

The Financing Act (Section 7 a) states that the Nuclear Waste Fund shall be managed to ensure satisfactory liquidity.

The restriction to investments in treasury bills and bonds means that the liquidity risk in the investments is very low overall. Treasury bills and index-linked treasury bonds normally have good liquidity on the interest rate market. The market for index-linked bonds (real return bonds) is, however, normally not so liquid that large volumes can be cashed in at short notice.

To reduce the interest rate risk, the Fund tries to adjust its investments to the need for cash for future disbursements for the Fund's purposes. Based on data from SKI on calculated future annual fee payments and disbursements, the Fund makes a liquidity forecast that is constantly updated.

In order to ensure good liquidity in the short term, funds that are expected to be needed for disbursements during the coming 12-month period are only deposited in a spot market account or invested in treasury bills (or an account with a similar maturity).

### Summary assessment

The nominal return in 2007 was on a level with the comparison index. For the past five-year period, the comparison index was exceeded by an average of 0.5 percentage point per annum. The goal established by the Board of exceeding the comparison index over a five-year period has thereby been achieved. Investment activities were developed during 2007 by the use of the repo market to achieve a higher return. All in all, the Board judges that the management result is good, particularly considering the investment restrictions imposed on the Fund.

The Board's assessment is supported by an evaluation conducted by Agenta Advisors, a consulting firm engaged by the Fund. Agenta evaluated the Fund's capital management during the period 2002 – 2007 by analyzing the Fund's return and risk in relation to overall goals, a comparison index and the performance of similar investment managers (peer group

comparison). Agenta concludes that during the studied period, the Fund had a excess return relative to both the index and to an even greater degree its peer group.

The real return (i.e. the nominal return less inflation) was slightly negative in both 2006 and 2007. One reason for this is that inflation increased during both of these years. Inflation amounted to 3.5% in 2007, which is the highest annual figure for inflation since the Nuclear Waste Fund's current management rules entered into effect in 1996.

As mentioned previously, the goal of the Board is to achieve the highest possible real rate of return on the managed capital, given the restrictions imposed. Based on the market rates that prevailed when the current management rules entered into effect in 1996, a long-range goal was defined for the period 1996 – 2020 of at least 4% average annual real return. Due to a favourable trend on the market for index-linked bonds and successful management, the real return during the period 1996 – 2007 averaged 5.7% per annum. The market interest rates on index-linked bonds are currently around 1.6%. At this interest rate level, it is not realistic to expect to achieve the original goal of 4% annual real return for the period 1996 – 2020 with the investment restrictions that are currently applicable. A precise long-range real return goal was therefore not stipulated in the investment guidelines adopted in June 2007.

In view of the difficulties of achieving the previously stipulated real return goal with current interest rate levels and investment restrictions, the Nuclear Waste Fund intends to return to the Government with a proposal for broadened investment options for the Fund.

## Payments to the Fund

According to its terms of reference, the Fund shall receive the fees that are paid under the Financing Act. The fees are calculated in relation to the energy that is delivered and are determined annually by the Government on the basis of a proposal by SKI.

These fees were as follows (öre/kWh):

	2007	2006
Forsmarks Kraftgrupp AB	1.5	1.2
OKG AB (Oskarshamn)	0.9	0.6
Ringhals AB	1.3	0.7
Barsebäck Kraft AB	0.0	0.0

Moreover, all reactor owners must pay a fee under the Studsvik Act. In 2007, this fee amounted to 0.20 öre/kWh during the first half of the year and 0.30 öre/kWh during the second half. In 2006 the fee was 0.15 öre/kWh.

The Fund has received the following amounts (SEK thousand):

	2007	2006
<b>Acc. to the Financing Act</b>	<b>820,837</b>	<b>550,535</b>
Forsmarks Kraftgrupp AB	351,052	267,316
OKG AB (Oskarshamn)	138,578	94,418
Ringhals AB	331,207	188,801
<b>Acc. to the Studsvik Act</b>	<b>159,678</b>	<b>97,476</b>
<b>Total</b>	<b>980,515</b>	<b>648,011</b>

## Disbursements from the Fund

According to its terms of reference, the Fund shall arrange disbursements at the request of SKI. Furthermore, according to special decisions by SKI and/or the Government, reimbursement is paid to municipalities for information activities in conjunction with investigations for siting of a final repository for spent nuclear fuel, as well as certain other reimbursement. The Government has accordingly decided that the costs incurred for certain information activities by the county administrative boards in Kalmar and Uppsala counties, SKI and the Swedish Radiation Protection Authority (SSI), as well as costs for the Swedish National Council for Nuclear Waste, are to be paid from the Nuclear Waste Fund. The Government has also decided to provide support from the Fund for the efforts of non-governmental organizations in connection with questions concerning siting of facilities for management and disposal of spent nuclear fuel. Such compensation may be paid during the period 2005–2008 up to a maximum of SEK 3 million per annum.

Disbursements have been made from the Fund in the following amounts (SEK thousand).

	2007	2006
Forsmarks Kraftgrupp AB	346,950	314,411
OKG AB (Oskarshamn)	236,596	214,291
Ringhals AB	363,432	329,228
Barsebäck Kraft AB	239,184	236,825
Acc. to the Studsvik Acc	147,344	119,428
Government agencies	11,537	5,678
Municipalities	14,796	11,975
Non-governmental organizations	2,970	2,958
<b>Total</b>	<b>1,362,809</b>	<b>1,234,884</b>

More detailed information on disbursements is provided in Note 6 to the Income Statement.

## Change in the Fund

The balance (market value) in the Nuclear Waste Fund increased during 2007 by SEK 889,670,000 from SEK 38,934,942,000 to SEK 39,824,612,000.

The change consisted of the following components (SEK thousand):

Payment of fees	980,515
Financial income	1,913,592
Financial expenses	-531,198
Change in unrealized gains	-104,974
Disbursement of reimbursement/subsidies	-1,362,809
Operating expenses	-5,456
<b>Total</b>	<b>889,670</b>

## Distribution between reactor owners

According to the Fund's terms of reference, the annual report shall be prepared in such a manner that it shows how large a proportion of the Fund's assets accrue to each reactor owner.

The Fund has decided to use the same method as is employed for investment funds to keep track of each reactor owner's stake in the Fund. In brief, this method entails the following:

- A nominal share value was calculated at the start and each reactor owner was allotted the number of shares that corresponded to the reactor owner's balance at the time the new management rules were adopted.
- The market value (balance) of the Fund is determined daily. The market value of the Fund's assets is divided by the number of outstanding shares to obtain the current share value.
- Fee payments and disbursements relating to a reactor owner are made in the form of "purchases/sales" of shares at the current share value. When a fee payment is made, the reactor owner's number of shares increases, and when a disbursement is made it decreases.
- The market value of each reactor owner's stake in the Fund is calculated by multiplying the current number of shares held by the reactor owner by the current share value. The distribution of the Fund among the reactor owners is calculated by dividing the number of shares held by

a given reactor owner by the total number of outstanding shares.

- The rate of return for a given period is calculated by measuring the change in the share value during the period.

The distribution at the end of each year was as follows (market value in SEK thousand):

	2007	2006
<b>Acc. to the Financing Act</b>	<b>38,766,994</b>	<b>37,981,485</b>
Forsmarks Kraftgrupp AB	11,824,835	11,471,797
OKG AB (Oskarshamn)	9,011,809	8,833,442
Ringhals AB	12,842,557	12,508,991
Barsebäck Kraft AB	5,087,793	5,167,255
<b>Acc. to the Studsvik Act</b>	<b>765,143</b>	<b>785,650</b>
<b>Not yet distributed</b>	<b>292,475</b>	<b>167,807</b>
<b>Total</b>	<b>39,824,612</b>	<b>38,934,942</b>

The amount not yet distributed consists mainly of accrued fees from the reactor owners for the fourth quarter of each year and the balance in the Fund's interest account for fee payments and disbursements less the Fund's liabilities. More detailed information on the distribution of the Fund's assets is provided in Note 10 to the Balance Sheet.

## Basis for calculating the fee

According to its terms of reference, the Fund must keep SKI informed of its activities in such a manner that SKI can calculate fees, estimate future disbursements and otherwise discharge its duties under the Financing Act and the Studsvik Act. The task of the Fund in connection with the calculation of the fee is to report to SKI the current Fund balance and its estimate of what real rate of return can be expected for the capital which the Board is responsible for investing. The Fund has provided this information to SKI.

## Guarantees

According to the Financing Act, the reactor owner must also provide guarantees for waste-related expenses that are not covered by paid-in fees.

In order to compensate for the fees that will not be paid to the Fund in the event of premature shut-down of a reactor, the reactor owner must provide acceptable guarantees (Guarantee I). These guarantees mean that money will be contributed to the Fund at the same rate as would have been the case if the reac-

tor were still in operation. This ensures that the Fund will be built up as planned, regardless of whether one or more reactors are shut down before they have been in operation for the length of time on which the fee calculation is based.

The reactor owners must also provide adequate guarantees to cover the shortage of Fund capital in the event that the Fund balance, after all of the reactors have been shut down, should prove to be inadequate to finance the disposal of the spent nuclear fuel (Guarantee II). Even if the Fund has been built up as planned, such a shortage of funds can arise if certain measures prove to be more expensive than estimated, if certain measures must be adopted earlier than planned, or if the return on the capital should be lower than assumed in the fee calculation.

The Government determines the size of the guarantees annually on the basis of a proposal by SKI. The Government further decides which types of securities are acceptable, based on a statement by the National Debt Office Type.

The Government decided on the following guarantees for 2007 (SEK thousand).

	Guarantee I	Guarantee II
Forsmarks Kraftgrupp AB	690,000	2,980,000
OKG AB (Oskarshamn)	370,000	2,000,000
Ringhals AB	450,000	3,260,000
Barsebäck Kraft AB	0	1,390,000
<b>Total</b>	<b>1,510,000</b>	<b>9,630,000</b>

According to its terms of reference, the Fund was responsible for managing the securities during 2007. The Government determined the guarantees for 2007 by a decision on 21 December 2006. In a supplementary decision on 16 May 2007, the Government declared that guarantees for the determined amounts could be provided by the owners of Forsmarks Kraftgrupp AB, OKG AB, Ringhals AB and Barsebäck Kraft AB. All of the guarantees had been received by the Nuclear Waste Fund as of August 2007.

# Accounting Principles

The format of the Income Statement and Balance Sheet follows the regulations and recommendations of the Swedish National Financial Management Authority. The annual report for 2006 contains certain deviations from these regulations and recommendations. Comparisons have been adjusted with reference to the new format.

In view of the long time horizon in the investment strategy, all investments with a maturity longer than one year are recognized as non-current assets.

Investments with a longer maturity than one year are recognized in the Balance Sheet at historic cost.

In the case of deposits in interest-bearing accounts, accrued interest is recognized as interest income in the Income Statement and as a cut-off item in the Balance Sheet.

In the case of fixed-income coupon investments, accrued interest is recognized as interest income in the Income Statement and as a cut-off item in the Balance Sheet.

Index-linked investments are accounted for annually as described below.

- In the case of index-linked zero coupon investments, accrued interest and accrued inflation compensation are recognized as interest income in the Income Statement and as revaluation of the carrying amount in the Balance Sheet.
- In the case of index-linked coupon investments, accrued interest including inflation compensation on the coupon rate is recognized as interest income in the Income Statement and as a cut-off item in the Balance Sheet. Accrued inflation compensation on invested capital is recognized as interest income in the Income Statement and as revaluation of the carrying amount in the Balance Sheet.

The presentation of results shows how capital is contributed to the Nuclear Waste Fund and how this capital is to be used. The accounting principles comply with the Swedish National Financial Management Authority's guidelines ESV 1998:7 on accounting for funds and provisions in government agencies (in Swedish only).

# Income Statement

SEK '000		2007	2006
<hr/>			
<b>Operating expenses</b>			
Other running costs	(Note 1)	-5,456	-5,494
<b>Total expenses</b>		<b>-5,456</b>	<b>-5,494</b>
<b>Result of operations</b>		<b>-5,456</b>	<b>-5,494</b>
<b>Transfers</b>			
Other funds obtained for financing of subsidies	(Note 2)	980,515	648,011
Financial income	(Note 3)	1,913,592	3,519,449
Financial expenses	(Note 4)	-531,198	-43,645
Provisions to reserves for transfer purposes	(Note 5)	-994,644	-2,883,437
Subsidies provided	(Note 6)	-1,362,809	-1,234,884
<b>Total transfers</b>		<b>5,456</b>	<b>5,494</b>
<b>Change in capital for the year</b>		<b>0</b>	<b>0</b>
<hr/>			

# Balance Sheet

SEK '000

<b>Assets</b>	<b>31 Dec. 2007</b>	<b>31 Dec. 2006</b>
<b>Long-term investments</b>		
Other investments held as non-current assets (note 7)	37,251,144	36,286,477
<b>Total long-term investments</b>	<b>37,251,144</b>	<b>36,286,477</b>
<b>Receivables</b>		
Receivables from other government agencies	25	12
Other receivables	4	1,573
<b>Total receivables</b>	<b>29</b>	<b>1,585</b>
<b>Accruals and deferrals</b>		
Prepaid expenses (Note 8)	7	10
Accrued income (Note 9)	824,977	778,703
<b>Total accruals and deferrals</b>	<b>824,984</b>	<b>778,713</b>
<b>Cash and bank balances</b>		
Balance in interest-bearing account at National Debt Office	5,135	2,504
Other balances at National Debt Office	616,451	634,824
<b>Total cash and bank balances</b>	<b>621,586</b>	<b>637,328</b>
<b>Total assets</b>	<b>38,697,743</b>	<b>37,704,103</b>
<b>Capital and liabilities</b>		
<b>Reserves</b>		
Nuclear Waste Fund (Note 10)	38,694,397	37,699,753
<b>Total reserves</b>	<b>38,694,397</b>	<b>37,699,753</b>
<b>Liabilities etc.</b>		
Liabilities to other government agencies (Note 11)	3,265	2,664
Trade payables	4	1,612
<b>Total liabilities etc.</b>	<b>3,269</b>	<b>4,276</b>
<b>Accruals and deferrals</b>		
Accrued expenses (Note 12)	77	74
<b>Total accruals and deferrals</b>	<b>77</b>	<b>74</b>
<b>Total capital and liabilities</b>	<b>38,697,743</b>	<b>37,704,103</b>

# Notes

<b>Note 1</b>	<b>Other operating expenses</b>	<b>SEK '000</b>	<b>2007</b>	<b>2006</b>
	Director's fees etc.		-249	-300
	Other operating expenses		-5,207	-5,194
	<b>Total operating expenses</b>		<b>-5,456</b>	<b>-5,494</b>

## **Note 2 Other funds obtained for financing of subsidies**

### **Fee income**

Fees are paid by the reactor owners in relation to the energy delivered.

<b>Fee acc. to Financing Act</b>	<b>SEK '000</b>	<b>2007</b>	<b>2006</b>
Forsmarks Kraftgrupp AB		351,052	267,316
OKG AB		138,578	94,418
Ringhals AB		331,207	188,801
<b>Total acc. to Financing Act</b>		<b>820,837</b>	<b>550,535</b>
<b>Fee acc. to Studsvik Act</b>		<b>159,678</b>	<b>97,476</b>
<b>Total fee income</b>		<b>980,515</b>	<b>648,011</b>

	Fee in öre per kWh		Electricity delivered TWh (= 1,000,000,000 kWh)	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Forsmarks Kraftgrupp AB	1.5	1.2	23.4	22.3
OKG AB	0.9	0.6	15.4	15.7
Ringhals AB	1.3	0.7	25.5	27.0
<b>Total</b>			<b>64.3</b>	<b>65.0</b>

Fee acc. to Studsvik Act,

1 Jan.–30 June 2007

0.2

0.15

Fee acc. to Studsvik Act

1 July–30 Dec. 2007

0.3

<b>Note 3</b>	<b>Financial income</b>	<b>SEK '000</b>	<b>2007</b>	<b>2006</b>
	<i>Interest income on investments etc.</i>			
	Interest-bearing account for payments and disbursements		121	74
	Spot market account		35,882	19,699
	Fixed-income investments		953,699	919,450
	Index-linked investments		910,313	669,078
	Repurchase transactions (repos)		8,276	0
	<b>Total</b>		<b>1,908,291</b>	<b>1,608,301</b>
	Calculated accrued interest income on advance payments to reactor owners		5,301	0
	<b>Total interest income</b>		<b>1,913,592</b>	<b>1,608,301</b>
	Capital gains		0	1,911,148
	<b>Total financial income</b>		<b>1,913,592</b>	<b>3,519,449</b>

<b>Note 4</b>	<b>Financial expenses</b>	<b>SEK '000</b>	<b>2007</b>	<b>2006</b>
	Interest expenses		-1	-1
	National Debt office, account charges		-20	-20
	SE-Banken, custody account charge		-77	-94
	<b>Total interest expenses</b>		<b>-98</b>	<b>-115</b>
	Capital losses		-531,100	-43,530
	<b>Total financial expenses</b>		<b>-531,198</b>	<b>-43,645</b>

<b>Note 5</b>	<b>Transfers to reserves for financing purposes</b>	<b>SEK '000</b>	<b>2007</b>	<b>2006</b>
	Other operating expenses		-5,456	-5,494
	Other funds obtained for financing of subsidies		980,515	648,011
	Financial income		1,913,592	3,519,449
	Financial expenses		-531,198	-43,645
	Subsidies provided		-1,362,809	-1,234,884
	<b>Total transfers to reserves</b>		<b>994,644</b>	<b>2,883,437</b>
	Transferred to Nuclear Waste Fund		-994,644	-2,883,437
	<b>Balance</b>		<b>0</b>	<b>0</b>

**Note 6 Subsidies provided****Reimbursement to reactor owners etc.**

The reactor owners are entitled to reimbursement for certain expenses.

	<b>SEK '000</b>	<b>2007</b>	<b>2006</b>
Forsmarks Kraftgrupp AB		-346,950	-314,411
OKG AB		-236,596	-214,291
Ringhals AB		-363,432	-329,228
Barsebäck Kraft AB		-239,184	-236,825
<b>Total acc. to Financing Act</b>		<b>-1,186,162</b>	<b>-1,094,755</b>
<b>Acc. to Studsvik Act</b>		<b>-147,344</b>	<b>-119,518</b>
<b>Total reimbursement to reactor owners etc.</b>		<b>-1,333,506</b>	<b>-1,214,273</b>

In accordance with the Swedish National Financial Management Authority's recommendations (ESV 1999:24) regarding accounting of transfers at government agencies, advance reimbursement to reactor owners etc. is recognized as expense at the time of disbursement. Of the reimbursement amounts in the above table, the following amounts had not been settled at 31 December 2007:

	<b>2007</b>	<b>2006</b>
Forsmarks Kraftgrupp AB	15,669	5,250
OKG AB	10,411	3,404
Ringhals AB	16,020	5,468
Barsebäck Kraft AB	6,896	2,316
<b>Total acc. to Financing Act</b>	<b>48,996</b>	<b>16,438</b>
<b>Acc. to Studsvik Act</b>	<b>19,872</b>	<b>18,318</b>
<b>Grand total</b>	<b>68,868</b>	<b>34,756</b>

**Support to NGOs**

	<b>2007</b>	<b>2006</b>
Swedish Environmental Movement's Nuclear Waste Secretariat	-895	-1,000
Environmentalists for Nuclear Power	0	42
Swedish Renewable Energies Association	-150	-75
Swedish NGO Office for Nuclear Waste Review	-1,925	-1,925
<b>Total support to NGOs</b>	<b>-2,970</b>	<b>-2,958</b>

**Reimbursement to municipalities**

Municipalities can obtain reimbursement for information activities relating to final disposal of spent nuclear fuel and nuclear waste.

	<b>2007</b>	<b>2006</b>
Hultsfred Municipality	-1,475	-1,573
Oskarshamn Municipality	-8,000	-6,000
Östhammar Municipality	-3,053	-3,359
Regional Council in Uppsala County	-716	-900
Regional Council in Kalmar County	-1,552	-143
<b>Total reimbursement to municipalities</b>	<b>-14,796</b>	<b>-11,975</b>

**Reimbursement to other government agencies**

Reimbursement according to special Government decisions

	<b>2007</b>	<b>2006</b>
Kalmar County Administrative Board	-300	-300
Uppsala County Administrative Board	-400	-400
Swedish Nuclear Power Inspectorate	-2,870	0
Swedish Radiation Protection Authority	-1,500	-1,000
Government Offices	-720	0
Swedish National Council for Nuclear Waste	-5,994	-4,093
<b>Total reimbursement to other government agencies</b>	<b>-11,784</b>	<b>-5,793</b>

**Repayments from other government agencies**

According to special Government decisions

	<b>2007</b>	<b>2006</b>
Kalmar County Administrative Board	68	109
Uppsala County Administrative Board	63	6
Swedish Nuclear Power Inspectorate	116	0
<b>Total repayments from other government agencies</b>	<b>247</b>	<b>115</b>
<b>Total subsidies provided</b>	<b>-1,362,809</b>	<b>-1,234,884</b>

**Note 7 Other securities held as non-current assets 31 Dec. 2007 SEK '000**

	<b>Maturity date</b>	<b>Nom. holding</b>	<b>Carrying amount</b> (Historical cost)	<b>Average historical rate</b>	<b>Market rate</b>	<b>Market value</b>
<b>Fixed-income investments</b>						
SO 1040	080505	680,000	747,885	2.79	4.190	684,964
SO 1043	090128	2,678,000	2,818,797	3.09	4.190	2,700,201
SO 1048	091201	3,858,000	3,932,551	3.51	4.120	3,849,397
SO 1045	110315	3,100,000	3,337,854	3.49	4.155	3,199,479
SO 1046	121008	4,490,000	4,768,517	4.26	4.200	4,736,860
SO 1041	140505	1,788,500	2,070,527	4.65	4.245	2,032,720
SO 1049	150812	1,042,000	1,042,960	4.45	4.280	1,056,400
SO 1047	201201	350,000	371,062	4.38	4.390	370,688
<b>Total fixed-income investments</b>			<b>19,090,153</b>			<b>18,630,709</b>
<b>Index-linked investments with 1 percent coupon</b>						
SO 3106	120401	7,163,000	7,363,091	1.46	1.705	7,289,857
<b>Index-linked investments with 3.5 percent coupon</b>						
SO 3105	151201	3,538,000	4,502,905	1.98	1.715	4,589,175
SO 3104	281201	2,620,000	2,974,488	3.57	1.810	3,882,159

**Index-linked investments with 4 percent coupon**

SO 3102	201201	2,662,000	3,320,507	3,60	1,810	3,989,459
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**Total index-linked**

<b>investments</b>		<b>18,160,991</b>				<b>19,750,650</b>
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**Total other securities held as non-current assets**

<b>31 Dec. 2007</b>		<b>33,969,500</b>	<b>37,251,144</b>			<b>38,381,359</b>
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*Total other securities held as non-current assets*

<i>31 Dec. 2007</i>		<i>32,745,500</i>	<i>36,286,477</i>			<i>37,521,666</i>
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The value of the nominal holding is the amount that is obtained if the investment is held to maturity. Inflation compensation is added for index-linked investments.

<b>Note 8</b>	<b>Prepaid expenses</b>	<b>SEK '000</b>	<b>31 Dec. 2007</b>	<b>31 Dec. 2006</b>
	Agresso AB		4	4
	TerraTel AB		3	3
	Plusgirot		0	3
	<b>Total prepaid expenses</b>		<b>7</b>	<b>10</b>

**Note 9** **Accrued income****Accrued fees from reactor owners etc.**

The fees are paid by the reactor owners quarterly in arrears, within one month of the end of the quarter. The accrued fees pertain to the fourth quarter of the year in question.

	<b>SEK '000</b>	<b>31 Dec. 2007</b>	<b>31 Dec. 2006</b>
Forsmarks Kraftgrupp AB		101,562	71,363
OKG AB		34,670	21,643
Ringhals AB		95,241	49,982
Acc. to Studsvik Act		53,848	25,042
<b>Total accrued fees from reactor owners etc.</b>		<b>285,321</b>	<b>168,030</b>

	<b>31 Dec. 2007</b>	<b>31 Dec. 2006</b>
<b>Accrued interest income on investments</b>		
Interest-bearing account	29	28
Fixed-income investments	448,053	536,983
Index-linked investments	86,273	73,662
Accrued interest, power companies	5,301	0
<b>Total accrued interest income on investments</b>	<b>539,656</b>	<b>610,673</b>
<b>Total accrued income</b>	<b>824,977</b>	<b>778,703</b>

<b>Note 10 Nuclear Waste Fund</b>			
<b>Market value of Fund and distribution at year-end</b>			
	<b>SEK '000</b>	<b>31 Dec. 2007</b>	<b>31 Dec. 2006</b>
<b>Carrying amount of fund capital acc. to Balance Sheet</b>		<b>38,694,397</b>	<b>37,699,753</b>
Unrealized gains on long-term investments		1,130,215	1,235,189
<b>Unrealized gains on long-term investments</b>		<b>39,824,612</b>	<b>38,934,942</b>
	<b>31 Dec. 2007</b>	<b>31 Dec. 2007</b>	<b>31 Dec. 2006</b>
	<b>Number of shares</b>	<b>Market value</b>	<b>Market value</b>
<b>Of which acc. to Financing Act</b>			
Forsmarks Kraftgrupp AB	51,775,799.3694	11,824,835	11,471,797
OKG AB	39,458,783.7409	9,011,809	8,833,442
Ringhals AB	56,231,959.9385	12,842,557	12,508,991
Barsebäck Kraft AB	22,277,227.5799	5,087,793	5,167,255
<b>Total acc. to Financing Act</b>	<b>169,743,770.6287</b>	<b>38,766,994</b>	<b>37,981,485</b>
<b>Of which acc. to Studsvik Act</b>	<b>3,350,226.3825</b>	<b>765,143</b>	<b>785,650</b>
<b>Total<sup>1</sup></b>	<b>173,093,997.0112</b>	<b>39,532,137</b>	<b>38,767,135</b>
<b>Undistributed assets at closing of accounts</b>		<b>292,475</b>	<b>167,807</b>
<b>Total</b>		<b>39,824,612</b>	<b>38,934,942</b>

<sup>1</sup> The distribution is calculated solely on the Fund's long-term investments, including accrued interest income and spot market investments.

Share value at 31 December 2007 (SEK thousand): 228,3854

<b>Note 11 Liabilities to other government agencies</b>			
	<b>SEK '000</b>	<b>2007-12-31</b>	<b>2006-12-31</b>
Government Offices / Swedish National Council for Nuclear Waste		2,008	1,433
Legal, Financial and Administrative Services Agency		1,200	1,200
Swedish National Audit Office		40	13
Swedish National Tax Board		17	18
<b>Total liabilities to other government agencies</b>		<b>3,265</b>	<b>2,664</b>

<b>Note 12 Accrued expenses</b>			
	<b>SEK '000</b>	<b>2007-12-31</b>	<b>2006-12-31</b>
Swedish National Audit Office		60	58
Swedish National Tax Board (social security contributions)		17	16
<b>Total accrued expenses</b>		<b>77</b>	<b>74</b>

<b>Other</b>	<b>Remunerations, benefits, directorships</b>		
	<i>Board members</i>	<i>Fee, SEK</i>	<i>Other directorships</i>
	Per Anders Bergendahl until 30 April 2007	4,850	
	Hans Borgström	21,500	E.ON Fastigheter Sverige AB E.ON Fastigheter Nord AB E.ON Tyfonen AB Sydkraft Polen AB
	Ing-Marie Gren	21,500	Expert Group for Environmental Studies
	Yvonne Gustafsson, Chairman	67,600	National Government Employee Pensions Board (SPV) BAE Systems AB Swedish Expert Council for Studies in Public Economics (ESO) Swedish Export Credits Guarantee Board (EKN) Swedish National Defence College
	Jan Hedendahl	23,600	Strafina AB
	Peter Norman	23,600	Legal, Financial and Administrative Services Agency's Fund Commission
	Christina Nyman	28,500	
	<i>Total fees</i>	<i>191,150</i>	

**The 2007 annual report for the Nuclear Waste Fund was adopted at the Board meeting on 14 February 2008**

**Board of Governors of the Nuclear Waste Fund**

Yvonne Gustafsson <i>Chairman</i>	Christina Nyman <i>Vice Chairman</i>	Hans Borgström
Ing-Marie Gren	Jan Hedendahl	Peter Norman

# Auditors' Report

On March 13, 2008, the Swedish National Audit Office submitted the following auditors' report:

The Swedish National Audit Office has examined the Nuclear Waste Fund's annual report, decided on February 14, 2008, for the financial year 2007.

The management of the authority is responsible for ensuring that the activity is conducted efficiently and as stipulated. This responsibility includes ensuring that the Government obtains a reliable account of the activity in the annual report.

It is the responsibility of the Swedish National Audit Office, in accordance with Generally Accepted Auditing Standards in Sweden, to audit the authority's annual report. The aim is to evaluate whether the report and underlying accounts are reliable and whether the financial statements present a true and fair view as well as to examine whether the administration by the management is in agreement with the applicable regulations and special Government decisions.

We conducted our audit in accordance with Generally Accepted Auditing Standards in Sweden. Those Standards require that we plan and perform the audit to obtain a reasonable basis for establishing whether the annual report presents a true and fair view. Thus, the audit comprised assessing, on a test basis, significant transactions and administration decisions.

In the opinion of the Swedish National Audit Office the annual report essentially presents adequate and appropriate evidence for the following audit statement.

The financial statements have been prepared in accordance with the Ordinance concerning annual reports and budget documents, agency directives and in accordance with other decisions that apply to the authority.

In the opinion of the Swedish National Audit Office the annual report essentially presents a true and fair view.

The Audit Director, Bertil Forsslundh has decided on this matter. Accountant Nenus Jidah was the rapporteur.

Bertil Forsslundh

Nenus Jidah