NUMBERS

NUMBERS

The facts in figures.

TABLE OF CONTENTS

ADMINISTRATION REPORT 5
FINANCIAL STATEMENTS – GROUP 9
Income statement 9
Balance sheet 10
Changes in equity 12
Cash flow analysis 13
FINANCIAL STATEMENTS – PARENT COMPANY 15
Income statement 15
Balance sheet 16
Changes in equity 18
Cash flow analysis 19
NOTES 20
AUDIT REPORT 61

ADMINISTRATION REPORT

The Board of Directors and Managing Director of Proventus AB, 556042-3443, hereby present the annual report for the operations of the Parent Company and the Group for the 2005 financial year. The following income statements and balance sheets, specifications of changes in equity, cash flow analyses, accounting principles and notes to the accounts, comprise an integral part of the annual accounts.

Financial Year of 2005

OPERATIONS

Proventus AB is a privately-owned company that invests in companies in need of change and actively contributes to their development. Proventus also provides expansion and restructuring capital to medium-sized companies and conducts its own asset management operations.

In addition to investment operations, Proventus is the owner of two cultural institutions: Stockholm Konsthall Magasin 3 and Judiska Teatern.

Operations are conducted in the following business areas: Active Investments, Asset Management, Development Capital and other operations.

Proventus was founded in 1980 by Robert Weil who, since 1999, owns 100% of the company.

THE GROUP

The most accurate reflection of the Group's development is net worth (the market value of total assets minus total liabilities) and the change in net worth. The net worth of the company per 31 December 2005 amounted to MSEK 2,700 (2,527). Change in the value of material assets during 2005 amounted to MSEK 173 (2004: MSEK 467, of which MSEK 510 refers to a new share issue). Minority interest is included in the calculation of net worth, as the majority of such interests are represented by the principal owner via companies that are not part of the Group. Consolidation of family owned companies not included in the group would have an effect of MSEK 27.8 (11.6) on net profit as well as equity.

The Group's operating income amounted to MSEK 151.6 (-29.7). Income after financial items amounted to MSEK 153.5 (-43.6). Net profit for the year amounted to MSEK 123.9 (43.6). The increase from the previous year is mainly attributable to an increase in the value of active investments and an improvement in the results of the asset management operations, where there was a considerable improvement in the company's position in the S&P500 share index, as well as to an increase in the value of core holdings. The strengthening of the Euro against the SEK also provided a positive contribution to the results.

Two large acquisitions were executed during the year. In January, 8.5% of the capital and 15.2% of the votes in the Finnish media group

Alma Media were acquired. The transaction subsequently resulted in Proventus forming a joint company with Bonnier and Bonnier AB, Nordic Broadcasting Oy, into which each company contributed its shares from Alma Media. The shares in Alma Media were, thereafter, exchanged for shares in Alma Media's wholly-owned subsidiary, MTV3. In January, the equivalent of 15.1% of capital and votes in TV4 were acquired. Together, these investments amounted to MSEK 1,262. The transactions were financed via the sale of securities. On the basis of these transactions, a large portion of the capital in Proventus has been reallocated from the asset management operations to active investments.

At the end of the financial year, the Group's liquid funds amounted to MSEK 53.0 (76.0). Interest-bearing current and long-term liabilities amounted to MSEK46.0 (50.4). The equity ratio was 93.6 (93.9)%.

THE PARENT COMPANY

The Parent Company's operating income amounted to MSEK 64.3 (-3.1). Net income for the year amounted to MSEK 35.8 (-18.8). The improvement in the total income compared with the previous year is due to a better result within asset management operations, where there was a considerable improvement in the Parent Company's position in the S&P500 share index. The strengthening of the Euro against the SEK also contributed positively to the result.

The investments undertaken in the media industry meant that funds invested within asset management operations were reduced in order to finance acquisitions. In total, an amount of approximately MSEK 780 was transferred. This transfer brought about no significant effect on results, as the capital was invested in liquid bonds with short terms to maturity.

The Parent Company's balance sheet total per 31 December 2005 amounted to MSEK 2,280 (2,228). Equity amounted to MSEK 2,127 (2,051).

Operations

ACTIVE INVESTMENTS

Investment operations are conducted primarily within Proventus Industrier, in which Proventus and the subsidiary Proventus Capital own 36%. The remaining 64% of Proventus Industrier AB is owned by Robert Weil AB and Daniel Sachs AB. Proventus Industrier AB has primarily been financed on the basis of conditional shareholders' contributions from Proventus AB and Proventus Capital. Proventus Industrier AB was previously reported as an associated company and has been consolidated according to the equity method. In conjunction with the transition to IFRS, share-based investments will be reported at net fair value with changes in value reported in the income statement. In accordance with IAS 28 p.1, participations in associated companies will also be reported in the same manner. The new reporting method provides a true and fair view of the operations. The change in value that is included is equivalent to Proventus' participation in the change in the net worth of Proventus Industrier AB. The change in value of the Proventus Group is adjusted in regard to the terms of the shareholders' contributions.

The toy company BRIO and the media Groups MTV3 and TV4 are included in the active investments. In addition, the Design Research holding is also treated as an active investment, although due to historical reasons, it is accounted for under other operations and is consolidated as a subsidiary.

The market value of active investments per 31 December 2005 amounted to MSEK 1,504 (117). Market value increased by a total of 10.9 (28.4) %. Of the total value, MSEK 1,262 comprises the acquisition cost for the new investments which were carried out during 2005, and MSEK 91 comprises the acquisition cost for investments during 2004.

The booked changes in value of the holdings are summarised below.

BRIO. The BRIO share has experienced relatively favourable progress since the Proventus acquisition in July 2004. The B share increased by 43% during 2004 which was better than index. The positive movements in the market price continued during 2005 and the share reached a high of SEK 80. On 31 December 2005, the share was quoted at SEK 74.5 per share, which implied an increase of approximately 9% during 2005.

TV4. The TV4 share increased by a total of 37% during the year. From Proventus' perspective, the share increased by 24% since the time of the acquisition.

NORDIC BROADCASTING. The share in Nordic Broadcasting, with the subsidiary MTV3, has only been re-valued with respect to the positive reinforcement brought on by the Euro. The underlying value in local currency is assessed to be the same as the initial investment. The development of the company was initially somewhat weaker than expected, but is now well in line with the expectations.

DEVELOPMENT CAPITAL

During 2005, Proventus began conducting lending operations with the purpose of building up a portfolio of development financing for small and medium-sized companies. As of 31 December 2005, the portfolio amounted to MSEK 70.

ASSET MANAGEMENT

Return on investments from the asset management operations amounted to MSEK 113.5 (22.5). The improvement in results compared to 2004 is primarily due to a positive development in the position of the American share index S&P500. The strengthening of the Euro against the Swedish crown has also had a positive effect. Income from the long-term bond portfolio decreased due to the reallocation that took place between asset management operations and other investment operations.

For further information regarding Proventus' holdings and underlying positions in the derivative contracts, see Notes 3 and 23.

OTHER OPERATIONS

Other business operations include the design company Design Research (with subsidiaries Artek and Tom Dixon), Stockholms Konsthall, Magasin 3, Judiska Teatern and the advertising agency Voice The Brand Liberation Company. Other operations also include Proventus Israel and Proventus Inc, which own the Group's properties.

Other operations impacted the Group's result by MSEK -24.4 (-60.7) after tax. The Group invested a total of MSEK -29.4 (-26.4) in cultural operations.

Financial expenses

During 2004, Proventus redeemed a convertible promissory note in advance of maturity. In conjunction with this, MSEK 9 was charged to the results of the Parent Company and the Group.

Personnel

The number of employees within the Group amounts to 111 (112). Of these, 6 (5) work primarily within investing operations.

Work of the Board of Directors within Proventus AB

The Board of Directors consists of four individuals, including the Managing Director. Since the last general meeting of shareholders on 22 April 2005, the Board of Directors have had four scheduled board meetings.

Proventus has board representation in all investments of major significance.

Risks and risk control

The risks in Proventus' asset management operations are monitored on a daily basis. All positions are taken based on our own macroeconomic analysis. The analyses are supplemented with supporting documentation from external analysts. An investment committee comprised of both internal and external members supports the adopted strategies. The Board thereafter determines a risk mandate for the different strategies. Risks and results are reported to management every week and a smaller group of senior managers within Proventus continually evaluates the asset management operations based on these reports. For further information regarding holdings and positions, see Note 23.

Transition to reporting according to IFRS

As the listed holdings, of which Proventus indirectly owns a significant portion, apply accounting according to IFRS in 2005, Proventus has also decided to change its principles. Given that Proventus' primary operations have a financial emphasis, the possibility of reporting financial instruments at market value provides a better view of the Group's results and financial position than previous principles. Information regarding the transition to IFRS for companies applying the rules and regulations for the first time is provided in the IFRS 1 standard. This standard stipulates that a company transferring from national accounting principles shall present at least one year's comparable information according to IFRS (optional for financial instruments). Furthermore, the company shall explain the manner in which the transition from previous principles to IFRS has affected the company's financial position, results and cash flow. This information shall be presented for the first time in conjunction with the new standard being applied. Proventus' Board made the decision to adopt IFRS during the autumn, which implies that these annual accounts are the first to be prepared after the change.

A description of the effects of transition to IFRS can be found in Note 36 of the annual report.

Future developments

The main emphasis of Proventus' operations is to invest in companies which need to change and actively develop them. The profits of Proventus, shall be generated by these companies as a result of vigorous change programmes, which improve the profitability of the companies and increase their value. Sustainable change in these companies is partially based on enhanced product or service offerings – processes that normally require a relatively long time to carry through.

Significant events after balance sheet date

No significant events have taken place after the balance sheet date.

Dividend

The size of Proventus AB's dividend is determined by the financial position and growth possibilities of the Group. The Board proposes a dividend of SEK 5,950 per Class A and Class C share. The total dividend amounts to KSEK 34,688, calculated on the total number of issued shares as per 31 December 2005. The size of the proposed dividend is based upon an adjustment of the Group's capital structure and its opportunities for future growth. The Board is of the opinion that the proposed dividend does not prevent the company nor any other of the companies of the Group from fulfilling their short- and long-term obligations.

The so-called rule of prudence of the Swedish Companies Act has been taken into account and the proposed dividend can thus be justified (Chapter 17, Section 3, Swedish Companies Act 2005:551).

Non-restricted equity includes unrealised profits on assets and libilites valued at fair value in an amount of MSEK 36.0.

Appropriation of profits

The proposed appropriation of profits is presented on page 59.

INCOME STATEMENT FOR THE GROUP

1 January – 31 December

KSEK	Note	2005	2004
Investing activities			
Dividends		–	-1,520
Interest income		6,611	1,178
Changes in value	7	198,281	42,871
Administrative expenses		-26,895	-28,416
Net income – investing activities		**177,998**	**17,153**
Other operations			
Net sales		140,364	119,829
Cost of goods sold		-71,350	-67,517
Selling expenses		-29,324	-33,956
Research and development costs		-2,322	-318
Administrative expenses		-73,173	-66,391
Other income		11,214	5,513
Other costs		-1,856	-4,042
Net income – other operations		**-26,446**	**-46,882**
Operating profit/loss	6, 8, 9, 10	**151,552**	**-29,729**
Financial income	11	3,762	397
Financial expenses	12	-1,852	-14,274
Net financial income		**1,910**	**-13,877**
Profit/loss before tax		**153,462**	**-43,606**
Tax on net income for the year	13	-29,597	15
Net profit/loss for the year		123,864	**-43,591**
Attributable to:			
The Parent Company's shareholders		99,387	-40,991
Minority interest		24,477	-2,600
		123,864	**-43,591**

BALANCE SHEET FOR THE GROUP

31 December

KSEK	Note	2005	2004
Assets			
Intangible fixed assets	14	48,305	49,946
Tangible fixed assets	15		
Land and buildings		309,514	245,601
Equipment		33,276	30,829
		342,790	276,430
Financial fixed assets			
Participations in associated companies	16	1,420,086	100,694
Receivables from associated companies		27,301	1,168
Other long-term securities holdings	17	818	3,405
Deferred tax receivables	19	174,099	203,513
Long-term receivables	20	86,190	23,523
Pension commitments	26	281	-
		1,708,774	332,303
Total fixed assets		**2,099,869**	**658,679**
Inventories	21	119,237	112,287
Current receivables	22		
Accounts receivable – trade		16,952	16,958
Other receivables		31,486	33,401
Prepaid expenses and accrued income		15,597	22,528
Current investments	23	547,895	1,771,166
Cash and bank	24	52,963	75,973
Total current assets		**784,130**	**2,032,313**
Total assets		**2,883,998**	**2,690,992**

BALANCE SHEET FOR THE GROUP

31 December

KSEK	Note	2005	2004
Equity			
Share capital	25	58,300	58,300
Capital contributed		31,431	31,431
Other reserves		24,963	-23,091
Profit brought forward		2,038,358	1,938,971
Equity attributable to Parent Company's shareholders		**2,153,052**	**2,005,611**
Minority interests		547,047	521,769
Total equity		**2,700,099**	**2,527,380**
Long-term liabilities			
Pension commitments	26	-	162
Other provisions	27	39,560	39,560
Other long-term liabilities	28	46,016	50,450
Total long-term liabilities		**85,576**	**90,171**
Current liabilities			
Accounts payable – trade		17,229	12,433
Income tax liabilities		499	93
Other liabilities	29	66,924	38,489
Accrued expenses and deferred income	30	13,672	22,425
Total current liabilities		**98,323**	**73,440**
Total liabilities		**183,899**	**163,612**
Total equity and liabilities		**2,883,998**	**2,690,992**
Pledged assets	32		
Pledged assets for forward exchange/option agreements		203,620	203,924
Total pledged assets		**203,620**	**203,924**
Contingent liabilities	33		
Other contingent liabilities		2,885	2,827
Total contingent liabilities		**2,885**	**2,827**

CHANGES IN EQUITY – GROUP

KSEK	Attributable to Parent Company shareholders: Share capital	Other added capital	Other reserves	Profit/loss brought forward	Minority interest	Total equity
Opening balance as per 1 January 2004	**58,300**	**21,989**		**1,979,962**	**149**	**2,060,400**
Transactions accounted for in equity						
Convertible promissory notes – equity		9,442				9,442
Exchange rate differences – (translation difference)			-23,091		-561	-23,652
Total transactions accounted for directly in equity		**9,442**	**-23,091**		**-561**	**-14,210**
Equity issued by minority					524,781	524,781
Net profit/loss for the year				-40,991	-2,600	-43,591
Closing balance as per 31 December 2004	**58,300**	**31,431**	**-23,091**	**1,938,971**	**521,769**	**2,527,380**
Opening balance as per 1 January 2005	**58,300**	**31,431**	**-23,091**	**1,938,971**	**521,769**	**2,527,380**
Transactions accounted for in equity						
Hedged net investment			-8,021			-8,021
Exchange rate differences (translation gains/losses on consolidation)			56,075		801	56,875
Total transactions accounted for in equity			**48,054**		**801**	**48,855**
Net profit/loss for the year				99,387	24,477	123,864
Closing balance as per 31 December 2005	**58,300**	**31,431**	**24,963**	**2,038,358**	**547,047**	**2,700,099**

CASH FLOW STATEMENT GROUP

1 January – 31 December

KSEK	Note	2005	2004
Cash flow from operating activities			
Active investments		-	1,520
Received dividends			
Asset management			
Acquisition/sale net		1,352,250	-247,957
Development capital			
Received interest		6,611	1,178
Other activities and operational expenses		-34,843	-65,646
Taxes paid		-183	-10
	31	**1,323,835**	**-310,915**
Cash flow from investment activities			
Active investments			
acquisitions		-1,260,779	-91,204
sale		-	-
Development capital			
acquisitions		-66,380	-7,194
sale		-	-
Other activities			
Acquisition of subsidiaries		-	-721
Sale of subsidiaries		-	8,443
Acquisition of intangible fixed assets		-261	-
Acquisition of tangible fixed assets		-30,266	-26,301
Sale of tangible fixed assets		100	-
Increase of long-term receivables		-	-1,251
Decrease of long-term liabilities		-4,876	-17,389
Increase of current receivables		-	-1,051
		-1,362,462	**-136,668**
Cash flow from financing activities			
New share issue		-	510,000
Reduction of long-term receivables other activities		3,713	-
Increase of short-term liabilities other activities		3,283	-
Change of short-term receivables other activities		8,621	-80,825
		15,617	**429,175**
Cash flow for the year		**-23,011**	**-18,408**
Liquid funds at the beginning of the year		75,973	94,381
Liquid funds at the end of the year		**52,963**	**75,973**

INCOME STATEMENT FOR PARENT COMPANY

1 January – 31 December

KSEK	Note	2005	2004
Investing activities			
Dividends		-	1,513
Changes in value	7	88,903	32,724
Administrative expenses		-26,279	-27,537
Net income – investing activities		**62,623**	**6,700**
Other operations			
Administrative expenses		-3,740	-1,201
Other income		10,576	3,163
Other expenses		-5,136	-11,771
Net income – other operations		**1,700**	**-9,809**
Operating profit/loss	6, 8, 9, 10	**64,323**	**-3,109**
Financial income	11	3,004	1,185
Financial expenses	12	-2,119	-16,930
		885	**-15,745**
Profit/loss before tax		**65,208**	**-18,854**
Tax on income for the year	13	-29,414	25
Net profit/loss for the year		**35,794**	**-18,829**

BALANCE SHEET FOR PARENT COMPANY

31 December

KSEK	Note	2005	2004
Assets			
Tangible fixed assets	15		
Land and building		21,227	21,623
Equipment		15,234	15,408
		36,462	37,031
Financial fixed assets			
Participations in Group companies	18	168,531	168,431
Receivables from Group companies		556,982	464,999
Participations in associated companies	16	843,169	90,036
Receivables from associated companies		27,301	1,168
Other long-term securities holdings	17	-	2,589
Deferred tax receivables	19	174,099	203,513
Long-term receivables	20	13,152	12,700
		1,783,233	943,436
Total fixed assets		**1,819,695**	**980,467**
Current receivables	22		
Accounts receivable – trade		91	22
Receivables from Group companies		326	305
Other receivables		8,475	12,052
Prepaid expenses and accrued income		8,904	17,713
		17,796	30,092
Current investments	23	430,106	1,163,491
Cash and bank	24	12,841	54,157
Total current assets		**460,743**	**1,247,740**
Total assets		**2,280,438**	**2,228,207**

BALANCE SHEET FOR PARENT COMPANY

31 December

KSEK	Note	2005	2004
Equity			
Restricted equity			
Share capital	25	58,300	58,300
Statutory reserve		31,411	31,411
		89,711	89,711
Non-restricted equity			
Other reserves		25,425	-22,899
Profit brought forward		1,976,373	2,003,008
Net profit/loss for the year		35,794	-18,829
		2,037,592	1,961,280
Total equity		**2,127,303**	**2,050,991**
Provisions			
Pension provision	26	14,136	14,245
Total provisions		**14,136**	**14,245**
Long-term liabilities			
Other long-term liabilities	28	39,206	44,799
Liabilities to Group companies		32,228	61,763
Total long-term liabilities		**71,434**	**106,562**
Current liabilities			
Accounts payable – trade		691	1,070
Liabilities to Group companies		6,507	6,760
Other liabilities	29	55,519	32,086
Accrued expenses and deferred income	30	4,848	16,493
Total current liabilities		**67,565**	**56,409**
Total liabilities		**153,135**	**177,216**
Total equity, provisions and liabilities		**2,280,438**	**2,228,207**
Pledged asset	32		
Pledged assets for forward exchange/option agreements		198,245	196,349
Total pledged assets		**198,245**	**196,349**
Contingent liabilities	33		
Non-funded pension commitments in foundations		3,779	902
Guarantees		6,344	6,059
Other contingent liabilities		2,855	2,827
Total contingent liabilities		**12,978**	**9,788**

CHANGES IN EQUITY – PARENT COMPANY

KSEK	Share capital	Statutory reserve	Other funds	Profit/loss brought forward	Net profit/loss for the year	Total equity
Opening balance as per 1 January 2004	**58,300**	**21,969**		**2,014,202**		**2,094,471**
Convertible promissory notes – equity		9,442				9,442
Exchange rate differences (translation difference)			-22,899			-22,899
Group contribution				-11,194		-11,194
Total transactions accounted for in equity		**9,442**	**-22,899**	**-11,194**		**-24,651**
Net profit/loss for the year					-18,829	-18,829
Balance carried forward as per 31 December 2004	**58,300**	**31,411**	**-22,899**	**2,003,008**	**-18,829**	**2,050,991**
Opening balance as per 1 January 2005	**58,300**	**31,411**	**-22,899**	**2,003,008**	**-18,829**	**2,050,991**
Hedged net investment			-8,022			-8,022
Exchange rate differences (translation differences)			56,346			56,346
Group contribution				-7,806		-7,806
Transfer of previous years' profit/loss				-18,829	18,829	
Total transactions accounted for in equity			**48,324**	**-26,635**	**-18,829**	**40,518**
Net profit/loss for the year					35,794	35,794
Closing balance as per 31 December 2005	**58,300**	**31,411**	**25,425**	**1,976,373**	**35,794**	**2,127,303**

Other funds consist of

Fair value reserve	
Opening balance as per 1 January 2004	-
Change	-22,899
Opening balance as per 1 January 2005	-22,899
Change	48,324
Closing balance as per 31 December 2005	25,425
Total other funds	**25,425**

CASH FLOW STATEMENT PARENT COMPANY

1 January – 31 December

KSEK	Note	2005	2004
Cash flow from operating activities			
Active investments			
Received dividends			
Asset management			
Acquisition/sale net		835,661	323,578
Received dividends			
Other activities and operational expenses		-25,392	-51,257
Taxes paid			
	31	**810,269**	**272,321**
Cash flow from investment activities			
Active investments			
Acquisitions		-753,133	-90,036
Long-term receivables associated companies		-26,133	-1,168
Other activities			
Acquisition of tangible fixed assets		-843	-2,285
Acquisition of subsidiaries		-100	-90,659
Increase of long-term receivables Group		-43,895	-74,426
Increase of other long-term receivables		-	-1,231
Decrease of long-term liabilities		-35,237	-3,143
Decrease of current liabilitie		-4,540	-40,836
		-863,881	**-303,784**
Cash flow from financing activities			
Reduction of short-term receivables other activities		12,296	11,766
		12,296	11,766
Cash flow for the year		**-41,316**	**-19,697**
Liquid funds at the beginning of the year		54,157	73,854
Liquid funds at the end of the year		12,841	54,157

NOTES

1. General Information

The Parent Company is a limited liability company with its registered offices in Stockholm, Sweden. The address of the main office is Birger Jarlsgatan 25, Box 1719, SE-111 87 Stockholm. In spring 2006, the company will move to Katarinavägen 15.

This annual report was approved by the Board of Directors on 28 March 2006.

2. Summary of significant accounting principles

From 1 January 2005, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). This annual report has been prepared in accordance with IAS 1 and the Swedish Annual Accounts Act (ÅRL). Information regarding the effects of the transition to IFRS is reported in Note 36.

The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act, and with those International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the EU Commission. The consolidated accounts are also covered by IFRS 1: First Time Adoption, as these are the first consolidated accounts to be prepared in accordance with the IFRS approved by the EU. Recommendation RR 30, Supplementary Reporting Regulations for Groups, issued by the Swedish Financial Accounting Standards Council has also been applied.

The most important accounting principles applied in the preparation of these consolidated accounts are stated below. These principles have been consistently applied for all financial years presented, unless stated otherwise.

2.1 Basis of the preparation of the Group's financial reports

The Parent Company's functional currency is the SEK, which is also the reporting currency for both the Parent Company and the Group. All amounts are rounded to the nearest thousand unless stated otherwise. The consolidated accounts are prepared according to the cost method, except as regards certain financial assets and liabilities which are valued at fair value. Financial assets valued at fair value consist of shares in associated companies, current investments and derivatives. These are classified as financial assets at fair value and financial assets held for sale.

The preparation of reports in accordance with IFRS requires the utilisation of important auditing estimations. Furthermore, this preparation requires that management make certain assessments in the application of the company's accounting principles. Areas that involve a high degree of assessment, areas that are complex or areas in which estimations bear great significance for reporting are specified in Note 4.

The Parent Company applies the same accounting principles, with the exceptions and additions stipulated in RR 32, "Reporting for Legal Entities". Accounting principles for the Parent Company are provided in section 2.19, "Parent Company accounting principles".

2.2 New IFRS and interpretations that will be applied in future periods

The new IAS 39 rules that address the "Fair Value Option" shall be applied as of 2006. The application of the new rules is not expected to have an effect on reporting of financial instruments.

A revised version of IAS 19 referring to the reporting and disclosure of actuarial profits and losses is to be applied as of 2006. At present, Proventus estimates that all actuarial profits and losses will continue to be reported directly in the income statement.

In 2005, the IASB issued IFRS 7, which addresses disclosures regarding financial instruments. A large portion of the content is currently present in IAS 32. The standard shall be applied as of 2007, but earlier application is encouraged. Proventus has decided to not implement IFRS 7 for the 2005 financial year.

2.3 Consolidated accounts

Subsidiaries

Subsidiaries are those companies in which the Group has the right to formulate financial and operational strategy in a manner that normally results from share ownership corresponding to more than half of the voting rights. Subsidiaries are consolidated from the date on which controlling interest is transferred to the Group. Subsidiaries are deconsolidated on the date on which the Group ceases to exercise control.

The acquisition method is utilised for accounting of the Group's acquisition of subsidiaries. The acquisition cost for an acquired subsidiary consists of the fair value of the assets provided as compensation, issued equity instruments and liabilities arising or assumed per transfer date, plus costs directly attributable to the acquisition. Identifiable acquired assets and assumed liabilities and contingent liabilities in a company acquisition are initially valued at fair value on acquisition date, regardless of the scope of any minority interest. The surplus consisting of the difference between acquisition cost and the fair value of the Group's participation in the identifiable net assets is reported as goodwill. If the acquisition cost is below the fair value of the acquired subsidiary's net assets, the difference is reported directly in the income statement.

Intra-Group transactions and balance sheet items and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated if the transaction does not constitute evidence that a write-down is necessary regarding the transferred asset. The subsidiaries' accounting principles have, in certain cases, been altered in order to guarantee consistent application of the Group's principles.

Associated companies

Considering the primary focus of its operations, Proventus has chosen to report participations in associated companies at fair value with changes in value reported in the income statement, in accordance with IAS 39 and paragraph 1 of IAS 28.

2.4 Segment reporting

Segment reporting is divided among the Group's business areas: Active Investments, Asset Management, Development Capital and Other Operations. Operations are divided internally in a corresponding manner.

Segment reporting is not prepared as regards geographical areas. The majority of the Group's operations are concentrated in Sweden, regardless of the fact that operations are conducted in England, Finland, Israel and the USA. Asset management operations have a global focus and positions are taken in the larger securities, interest and currency markets, but this does not justify geographic segment reporting.

2.5 Translation of foreign currency

Items included in the financial reports for the various units within the Group are valued in the currency used in the economic environment in which the respective company primarily operates. The functional currency in the consolidated accounts is the SEK, which is the functional and reporting currency of the Parent Company.

Receivables and liabilities in foreign currencies are translated at the closing rate of exchange. Exchange rate differences arising within investment and asset management operations are reported in operating income. Exchange rate differences arising in other receivables and liabilities are reported among financial items.

The assets and liabilities of foreign (non-Swedish) subsidiaries are reported at the closing rate of exchange, while income and expenses are translated at the average rate of exchange. Exchange rate differences arising in conjunction with the translation of net assets of foreign subsidiaries are reported directly against equity. During 2005, net assets in foreign subsidiaries were partially hedged. Exchange rate differences referring to these currency contracts have been offset in the consolidated accounts against translations differences arising in preparation of the consolidated accounts.

The Group has loans in foreign currencies to certain subsidiaries, where the loans represent a permanent portion of the Parent Company's financing of the subsidiary. The loans are translated at the closing rate of exchange and any exchange rate differences are reported directly in the equity.

2.6 Tangible fixed assets

Buildings and equipment are reported at acquisition cost. Additional expenses are added to acquisition cost when it is deemed that such expenses increase the value of the property. All other forms of reparations and maintenance are reported as expenses in the income statement in the period in which they occur. Depreciation begins from the date value-adding actions are considered complete.

Land is not depreciated. Depreciation on buildings and equipment is performed on a straight-line basis over the asset's estimated useful lifetime according to the following:

– Buildings 20–50 years
– Equipment 5 years

2.7 Intangible fixed assets

Goodwill consists of the amount by which acquisition cost exceeds the fair value of the Group's participation in the acquired subsidiary's identifiable net assets at the time of acquisition. Goodwill regarding acquisitions of subsidiaries is reported as intangible fixed assets. Goodwill regarding associated companies is not relevant, as associated companies are valued at fair value in conjunction with transition to IFRS.

Goodwill is reported at acquisition cost less accumulated amortisation. Impairment tests are performed annually. In conjunction with transition to IFRS, remaining un-amortised goodwill has been established as a new acquisition cost in the opening balance. Reported goodwill is deemed to be negligible in relation to the Group's balance sheet total.

Rental rights are reported at acquisition cost. Additional expenses are added to acquisition cost when such expenses are deemed to increase the value of the asset. Repairs and maintenance are reported in the income statement during the period in which they arise. Rental rights are amortised on a straight-line basis over a period of 20 years.

2.8 Financial Instruments

The Group classifies its financial instruments as financial investments reported as fixed assets, as current investments reported as current assets, and as other current liabilities. Instruments reported as other current liabilities refer to derivative contracts with a negative value.

Financial investments reported as fixed assets
Investments intended to be held for more than one year are included among financial investments reported as fixed assets. The majority of these refer to investments in the associated company Proventus Industrier AB, in which Proventus has chosen to place those holdings in which Proventus takes an active ownership role. The holdings placed in Proventus Industrier AB are valued at market value. Proventus' holding in Proventus Industrier AB is valued at market value, which is equivalent to the value of material assets in Proventus Industrier AB adjusted for conditional compensations to be paid to the Proventus Group prior to distribution of dividends to other shareholders.

Current investments reported as operating assets
Current investments reported as operating assets include primarily those transactions executed within the asset management operations. The investments consist mainly of interest-bearing corporate bonds with high liquidity, but a portion is also placed in securities. Current investments reported as operating costs also include equity swaps, interest rate swaps, forward exchange agreements and options which have a positive market value per balance sheet date.

Derivative instruments are used both for taking market positions and for the hedging of assets and liabilities in foreign currencies. Derivative instruments used for hedging purposes are primarily utilised for the hedging or investments in foreign subsidiaries. The results arising from hedging instruments are reported directly in equity for the purpose of eliminating translation differences arising in conjunction with consolidation. Derivative instruments used for trading purposes are reported at fair value with changes in value in the income statement.

Current investments reported as other current liabilities
Derivative instruments with negative values are reported under other current liabilities. The change in value of these instruments is reported in the income statement as changes in value in cases in which the instrument is held for trading purposes, and directly against equity in cases in which the purpose of the instrument is the hedging of foreign subsidiaries.

Valuation principles for financial instruments
Listed holdings are valued from the holdings' stock-exchange price (bid price, where such is noted) on the balance sheet date.

Unlisted holdings are valued from the valuation method assessed to be most appropriate for the respective holding. Consideration is taken if a financing round or transaction at "arm's length" has recently taken place. In other cases, the value is assessed through the use of relevant multiples on the actual company's ratio (for example, EBITA). During assessment of relevant multiples, consideration is given to the specific line of business in which the company operates.

In the cases where there are other methods which better reflect market value, then these are applied.

Holdings in foreign currency are valued at market levels in local currency and thereafter recalculated to SEK on the basis of currency rates established by The Swedish Central Bank.

2.9 Inventory

Inventory is valued at the lowest of either acquisition cost or net realisable value. Acquisition cost is determined using the first-in, first-out method. The acquisition cost of finished products is comprised of raw materials, direct salaries and other direct, and other directly attributable indirect production overheads (based on normal manufacturing capacity). Borrowing costs are not included. Net realisable value is the estimated sales price in current operations, with deductions for applicable variable sales costs.

The art held in Stockholm Konsthall, Magasin 3 is also reported in the inventory. The art is valued at acquisition cost.

2.10 Accounts receivable

Accounts receivable are valued at the nominal value less any provisions for reduction in value. Provisions are made individually on the basis what is expected to be received.

2.11 Liquid funds

Cash and bank balances, as well as bank overdraft facilities with positive balances, are included in liquid funds. Utilised overdraft facilities are reported as borrowings among accounts payable.

2.12 Borrowings

The Group's borrowings consist of deposits from the company's owner, convertible instruments issued to the family, and utilised overdraft facilities in one of its subsidiaries. The issued convertibles have been divided into a loan portion and equity portion. The portion reported against equity consists of the difference between the discounted present value of the convertible and the nominal value at the time of issue, with consideration of deferred taxes. The tax portion is reported against deferred tax assets. The tax liability is changed in corresponding amounts as interest is allocated.

2.13 Deferred tax

Deferred tax is reported in its entirety according to the balance sheet method on all temporary differences arising between the written-down value of assets and liabilities and their reported value in the consolidated financial statements. Deferred tax is calculated using the application of tax rates (and tax laws) which have been decided upon or announced as per the balance sheet date and that are expected to apply when the deferred tax claim in question is utilised or the deferred tax liability is settled.

Deferred tax assets are reported to the extent to which it is likely that future tax surplus will be available against which the temporary differences can be applied.

2.14 Employee Benefits

Benefits to employees following termination

The majority of the Group's pension plans are defined contribution plans, and a minority are defined benefits. For defined contribution plans, the company pays a determined fee and has thereafter fulfilled its obligations. The fee principally follows the ITP plan and is dependant on the employee's age and income. The Group's result is charged as the benefits are earned.

As regards defined benefit plans, remuneration is payable to employees and former employees based on the number of years in service and salary at the time of retirement. The Group bears the risk for payment of the offered benefits. Commitments regarding defined benefit plans are established via actuarial calculations based on a number of actuarial assumptions. The calculations are performed annually by an independent actuary. The defined benefit commitments are secured in two different ways. A portion of the plans are reported as liabilities in the company's own balance sheet. The commitments are secured through FPG/PRI as well as SPP Livförsäkring AB. The other defined benefit plans are secured via two pension funds.

Defined benefit plans

The current value of future predetermined commitments has been calculated on an actuarial basis according to actuarial assumptions. The pension levels prevailing on balance sheet date have formed the basis for the calculation of current value. Pension commitments are reported in the balance sheet under the heading "provisions for pensions and similar commitments".

Actuarial profits and losses arising from changes in actuarial assumptions which exceed the greater of either 10% of the value of plan assets or 10% of the defined benefit commitment are reported as expense or income over the employees' estimated average remaining period of service.

Defined contribution plans

The company's commitments for each period are comprised of the amount which the company will contribute during the actual period. Consequently, no actuarial assumptions are required in order to calculate the commitment or expenses.

Foreign subsidiaries

All foreign subsidiaries have defined contribution plans.

Remuneration upon termination

Provisions for remuneration in conjunction with termination are only reported in cases where the employee does not have any formal obligation to work but at the same time has a right to remuneration.

Share-based compensation

Proventus AB does not have an options programme for its employees. However, an option programme is available in the associated company Proventus Industrier AB and the subsidiary Proventus Invest AB. The latter company has not had any operations in recent years but there is intent to build up an operation based on investment in unlisted companies. Since Proventus Invest did not conduct any operations during 2004, the options programme did not have any value on 31 December 2005. The options programme in Proventus Industrier AB covers a total of 6 individuals within the Group. The value of the options programme has been taken into consideration during the valuation of the shares in Proventus Industrier AB.

2.15 Provisions

A provision is reported in the balance sheet when there is a formal or informal commitment resulting from an incident for which it is likely that an outflow of resources is required to settle the commitment and when a reliable estimation of the amount can be made.

2.16 Revenue recognition

Revenue is primarily composed of capital gains, changes in the value of securities, dividends and sales of goods and services in other operations. Revenue is recognised in the income statement when it is likely that the future economic benefits will accrue to the company and these advantages can be calculated in a reliable manner. Revenue is reported at the fair value of the amount which has been received or is to be received.

Dividends are reported when the right to receive payment has been established. Revenue in other operations is reported when the goods are delivered. Fees are reported as they arise.

2.17 Dividends

Dividends to the Parent Company's shareholders are reported as a liability in the Group's financial reports in the period in which the dividends were approved by the Parent Company's shareholders.

2.18 Write-downs

The reported value of Group assets, with the exception of financial assets reported at fair value with value changes in the income statement, are tested for impairment in conjunction with each balance sheet date. A write-down is reported when the fair value is deemed to be lower than the reported value. Write-downs are expensed to the income statement.

2.19 Accounting principles – Parent Company

Subsidiary companies
Shares in subsidiary companies are reported in the Parent Company according to the cost method. Reported values are assessed every reporting day indicating if there is any need for write-downs. As income is only reported as obtained dividends under the condition that these derive from profit funds gained after the acquisition. Dividends that exceed earned profits are considered a repayment on the investment and reducing the shares fair value.

Associated Companies
The associated companies are reported in the Parent Company at acquisition cost in accordance with the Swedish Annual Accounts Act.

Pensions
The company applies the Swedish Annual Accounts Act. Pension commitments regarding former employees are reported in the company's own balance sheet. The current value of the commitments has been calculated according to actuarial commitments and based on actuarial assumptions. The commitment has been reinsured within the FPG/PRI system.

Costs for defined benefit plans are reported as they arise.

3. Financial risk management

Financial risk factors
Through its operations, Proventus is exposed to a number of financial risks; primarily exchange risks and price risks, but also liquidity, counterpart and operational risks. A central finance department performs risk management for the Parent Company and certain subsidiaries, while the associated companies have their own risk management.

The associated companies' risk is mainly of a hedging character, consequently reducing price risk. The Board has established a written policy for the finance department's operations which stipulates measurement methods, liquidity targets, and directives for the taking of positions.

Currency risk
Proventus' balance sheet at Group level in usually hedged against the EUR. This hedging can, in certain years, produce significant effects in the balance sheet and income statement in SEK.

Price risk
Proventus is exposed to price risk, mainly regarding securities, but also in considerable amounts within currencies and interest instruments. Proventus measures its actual price risk in the active holdings on the basis of long-term development in the companies and strives to increase value through an active dialogue with corporate managements and other owners.

Within the security operations, earnings and risk are measured over longer periods of time, and in certain years, the price risk can be significant. The risk is measured through an internally developed method, whereby the

Board establishes a risk level for each individual strategy and for the portfolio as a whole. The Managing Director and the Financial Manager continuously follow up this risk.

Liquidity risk

The Board has established a framework dictating the types of liquidity reserves the Parent Company is to have. Normally, a significant portion of the assets (more than MSEK 250) within the securities operations is held as liquid funds available on short notice. Furthermore, Proventus has legally binding promises of credit and a framework for the pledging of assets which together provide good preparation for new transactions.

Counterparty risk

Counterparty risk refers to the risk that a counterparty or intermediary will not be able fulfil their commitments. In its policy, the Board has stipulated the types of counterparty risk which are acceptable. The company may only use counterparties with high creditworthiness, i.e. those having received a credit rating of A or higher from Moody's or Standard & Poor's. Proventus further limits risk by using a number of intermediaries and business contracts to spread the counterparty risk.

Operational risk

Operational risk is the risk for loss due to shortcomings in internal routines and systems. Proventus strives to reduce operational risk within the central finance department as to the greatest degree possible by means of clear instructions and division of responsibilities, as well as via controls and follow-ups. Other subsidiaries and associated companies have their own instructions that are designed according to the risks handled at the respective company.

4. Important estimates and assessments for accounting targets

Buildings

With regard to the difficulty of making a relevant market valuation of all property, the Group's property is reported at acquisition value. Due to its character and geographic location, the market value of the property in Israel is difficult to estimate while the value of the Group's property in central New York is significantly easier to determine. The value of the Group's property is assessed as being satisfactory.

Shares in associated companies

The Group's participation in the associated company Proventus Industrier AB is valued at market value based on the market values of underlying holdings. The adjusted net value of assets is calculated based in the company's income and the market value of the company's underlying holdings.

Holdings in listed companies maintained in Proventus Industrier AB, BRIO and TV4 are valued at the quoted buying price as at balance sheet date. This price is deemed to be true and fair considering Proventus' knowledge of the company's future earnings.

Holdings in unlisted companies in Proventus Industrier AB are valued on the basis of the underlying company's earnings with application of relevant EBIDA calculations for comparable companies within the same line of business. Relevant calculations are based on information received from Goldman Sachs Global Investment Research.

Deferred tax receivables

Deferred tax receivables are reported as assets to the extent it is deemed possible to utilise them during the next 5-year period. Earnings have been estimated based on holdings in short-term investments and underlying derivative positions. The assumptions applied regarding future earnings are reinforced by historical results from the management of the assets.

Convertible

Equity share of the issued convertible has been calculated with a discount rate corresponding to a government bond with the same term. The low interest rate is explained by the Proventus Group's good solidarity and the general interest rate situation.

5. Segment information

Proventus' investing operations are primarily organised according to the following lines of business: (1) Active share investments where Proventus invests in companies in need of change. (2) Asset management, which comprises both internal and external management. External management primarily takes place with very liquid fixed-interest securities with short maturity periods. Internal management comprises a more active approach to the taking of positions regarding securities, interest and currencies. The taking of long-term risks is based on analyses of the business environment and expected scenarios based on these analyses. (3) Development capitals offer financing in the form of intermediate-term capital to medium-sized companies. The financing is adapted to each individual case. These operations began during 2005.

Other operations within the Group mainly relate to design and culture. The furniture and design companies Design Research and Artek are included in the Group. Other operations also included are the culture organisations Judiska Teatern and the art museum Stockholms Konsthall Magasin 3.

Develpoment per business line, 1 Jan 2005 – 31 Dec 2005

KSEK	Active investments	Asset management	Development capital	Other operations	Total
Dividends					
Interest income			6,611		6,611
Change in value	84,746	113,535			198,281
Net sales				140,364	140,364
Cost of goods sold				-71,350	-71,350
Operating costs	-20,303	-4,097	-2,493	-104,818	-131,711
Other income				11,214	11,214
Other costs				-1,857	-1,857
Operating profit/loss	**64,443**	**109,438**	**4,118**	**-26,447**	**151,552**
Net profit/loss after financial items				1,910	1,910
Tax		-29,717		120	-29,597
Profit/loss after tax	**64,443**	**79,721**	**4,118**	**-24,417**	**123,864**
Total assets	**1,420,086**	**547,895**	**69,380**	**846,637**	**2 883,998**

Developments per business line, 1 Jan 2004 – 31 Dec 2004

KSEK	Active investments	Asset management	Development capital	Other operations	Total
Dividends	1,520				1,520
Interest income			1,178		1,178
Change in value	20,382	22,489			42,871
Net sales				119,829	119,829
Cost of goods sold				-67,517	-67,517
Operating costs	-22,018	-5,519	-879	-100,665	-129,081
Other income				5,513	5,513
Other costs				-4,042	-4,042
Operating profit/loss	**-116**	**16,970**	**299**	**-46,882**	**-29,729**
Net profit/loss after financial items				-13,877	-13,877
Tax				15	15
Profit/loss after tax	**-116**	**16,970**	**299**	**-60,744**	**-43,591**
Total assets	**100,694**	**1,771,166**	**7,194**	**811,938**	**2,690,992**

6. Employees, personnel costs and information regarding the senior management's benefits

Group

Salaries and remuneration

KSEK	2005				2004			
Board & Managing Director	Salaries	Social security contributions	Of which pensions	Total	Salaries	Social security contributions	Of which pensions	Total
Parent Company	1,970	765	17	2,735	1,674	706	6	2,380
Swedish subsidiary	1,147	372		1,519	869	284		1,153
Total in Sweden	**3,117**	**1,137**	**17**	**4,254**	**2,543**	**990**	**6**	**3,533**
England	2,831			2,831	1,050	189		1,239
Finland	604	148		752	675	155		830
Israel								
USA								
Total abroad	**3,435**	**148**		**3,583**	**1,725**	**344**		**2,069**
Other employees								
Parent Company	6,924	3,359	923	10,283	6,060	2,971	790	9,031
Swedish subsidiary	7,359	2,842	340	10,201	11,934	3,747	365	15,681
Total in Sweden	**14,283**	**6,201**	**1,263**	**20,484**	**17,994**	**6,718**	**1,155**	**24,712**
England	4,063		4,063		3,786	488		4,274
Finland	14,419	3,556		17,975	12,212	3,993		16,205
Israel	943	156	104	1,099	1,137	140	70	1,277
USA	2,692			2,692				
Total Abroad	**22,117**	**3,712**	**104**	**25,829**	**17,135**	**4,621**	**70**	**21,756**
Total	**42,952**	**11,198**	**1,384**	**54,150**	**39,397**	**12,673**	**1,231**	**52,070**

In total, the number of individuals in senior management is 15 (14), of which 5 (5) are women. Senior management is defined as members of the Board, the Managing Director and individuals included in the management groups of the respective operations.

Absence due to illness
Information regarding absence due to illness is not provided, as each group of employees is too small to be covered by the disclosure requirement.

Agreements regarding severance pay
No significant agreements regarding severance pay exist.

Average number of employees

	2005			2004		
	Men	Women	Total	Men	Women	Total
Parent Company	9	9	18	9	8	17
Swedish subsidiary	13	13	26	15	17	32
Total in Sweden	**22**	**22**	**44**	**24**	**25**	**49**
England	8	9	17	5	5	10
Finland	16	29	45	17	30	47
Israel	2	2	4	3	3	6
USA	1		1			
Total abroad	**27**	**40**	**67**	**25**	**38**	**63**
Total	**49**	**62**	**111**	**49**	**63**	**112**

7. Changes in value

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Financial investments valued at fair value via the income statement				
Interest income – development capital	6,611	1,178	-	-
	6,611	**1,178**	**-**	**-**
Bonds and shares	49,944	36,782	40,346	35,088
Derivative instruments	63,591	-4,568	48,557	-2,364
Changes in fair value for associated companies	84,746	10,657	-	-
Total change in value	**198,281**	**42,871**	**88,903**	**32,724**

8. Costs allocated by type

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Cost of goods sold in other operations	-64,621	-61,127	-	-
Personnel expenses (note 9)	-54,570	-58,827	-12,530	-12,484
Rental and office expenses	-16,972	-20,082	-3,389	-3,802
Other overhead expenses	-49,945	-48,515	-12,688	-10,643
Depreciations and write-downs (Notes 14, 15)	-16,955	-13,046	-1,412	-1,809
Total costs	**-203,063**	**-196,598**	**-30,019**	**-28,738**

9. Remuneration to employees

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Salaries, including restructuring costs and compensation in connection with resignation	-42,952	-39,397	-8,971	-7,894
Social security contributions	-9,817	-12,102	-3,127	-2,740
Pensions costs – defined contribution and defined benefit plans	-1,384	-571	-1,251	-1,338
Refund of surplus funds, Alecta/SPP	1,387	-	1,387	-
Other personnel costs	-1,807	-1,757	-568	-512
	-54,570	**-53,827**	**-12,530**	**-12,484**

10. Remuneration to auditors

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Audit assignment	-1,206	-917	-368	-397
Other assignments	-370	-610	-370	-475
Total	**-1,576**	**-1,527**	**-738**	**-872**

For the information regarding remuneration to auditors, the Swedish Institute of Authorised Public Accountants' guidelines for "Accounting in limited share companies" has been applied for the classification of audit assignments and other assignments.

11. Financial income

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Interest income	1,430	397	722	1,185
Exchange rate gains	2,332	-	2,282	-
Total	**3,762**	**397**	**3,004**	**1,185**

12. Financial costs

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Interest costs				
– convertible debt instruments	-1,081	-8,766	-1,081	-8,766
– bank loans	-238	-2,022	-50	-
– other interest costs	-	-	-266	-4,272
– pensions	-533	-635	-533	-635
Write-down of shares in subsidiaries	-	-	-189	-100
Exchange rate losses	-	-2,851	-	-3,157
	-1,852	**-14,274**	**-2,119**	**-16,930**

13. Tax on income for the year

Current tax

Tax on the Group's income for the year before tax differs from the theoretical amount which would have arisen if a weighted average tax rate had been applied to the results in the consolidated companies, as follows:

	Group		Parent Company	
Tax on income for the year	**2005**	**2004**	**2005**	**2004**
Current tax expense	-183	-10	-	-
Deferred tax referring to temporary differences	-29,414	25	-29,414	25
Total	**-29,597**	**15**	**-29,414**	**25**

Information regarding the relationship between the period's tax expenses and the reported income before tax.

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Reported income	153,463	-43,606	65,208	-18,854
Tax according to the applied tax rate, 28%	-42,970	12,210	-18,258	5,279
Tax effect of non-deductible costs	-2,421	1,290	-1,779	-449
Tax effect of non-taxable costs	31,812	-	8,022	-
Tax effect of unreported taxable income	-12,430	578	-12,529	205
Utilised loss-carry forward amounts which have not been capitalised	8,717	-	-	-
Effect of net Group contributions paid	-	-	2,186	3,134
Deferred tax expense referring to temporary differences	-7,056	14,369	-7,056	11,357
Non-capitalised loss-carry forward amounts referring to Swedish and foreign subsidiaries	-5,066	-28,422	-	-19,501
Tax paid	-183	-10	-	-
Reported tax expense	**-29,597**	**15**	**-29,414**	**25**

14. Intangible fixed assets

	Goodwill	Rental rights	Total
Group			
As per 1 January 2005			
Acquisition cost	15,017	48,742	63,759
Accumulated amortisation and write-downs	-	-13,813	-13,813
Book value	**15,017**	**34,929**	**49,946**
1 January – 31 December 2005			
Opening book value	15,017	34,929	49,946
Exchange rate differences	-	22	22
Acquisitions	54	207	261
Sales and disposals, net	-	-	-
Amortisation	-	-1,924	-1,924
Closing book value	**15,071**	**33,234**	**48,305**
As per 31 December 2005			
Acquisition cost	15,071	49,533	64,604
Accumulated amortisation	-	-16,299	-16,299
Book value	**15,071**	**33,234**	**48,305**
As per 1 January 2004			
Acquisition cost	9,533	48,149	57,682
Accumulated amortisation and write-downs	-8,884	-11,106	-19,990
Book value	**649**	**37,043**	**37,692**
1 January – 31 December 2004			
Opening book value	649	37,043	37,692
Exchange rate differences	-	-7	-7
Acquisitions	15,017	636	15,653
Sales and disposals, net	-	-	-
Write-downs	-	-2,743	-2,743
Amortisation	-649	-	-649
Closing book value	**15,017**	**34,929**	**49,946**
As per 31 December 2004			
Acquisition cost	15,017	48,742	63,759
Accumulated amortisation	-	-13,813	-13,813
Book value	**15,017**	**34,929**	**49,946**

Consideration of write-down requirements for goodwill

The Group's goodwill refers to the English company Design Research and subsidiary Artek. The reported value for goodwill arose in conjunction with the merger with Design Research during 2004 when Proventus reported the subsidiary Artek as a part of Design Research. Impairment tests are carried out on an annual basis in order to evaluate the need for any write-downs. The operations have developed according to plan and no write-down requirement is deemed to exist.

The rental rights are valued at acquisition cost less accumulated amortisation.

15. Tangible fixed assets

KSEK	Buildings and land	Equipment	Total
Group			
As per 1 January 2005			
Acquisition cost	261,554	45,935	307,489
Accumulated depreciations and write-downs	-15,953	-14,752	-30,705
Book value	**245,601**	**31,183**	**276,784**
1 January – 31 December 2005			
Opening book value	245,601	31,183	276,784
Exchange rate differences	48,190	2,681	50,871
Acquisitions	26,864	3,402	30,266
Sales and disposals, net	-	-100	-100
Depreciations	-11,141	-3,890	-15,031
Closing book value	**309,514**	**33,276**	**342,790**
As per 31 December 2005			
Acquisition cost	338,441	51,972	390,413
Accumulated depreciations	-28,927	-18,696	-47,623
Book value	**309,514**	**33,276**	**342,790**
Tax assessment value, Swedish properties	4,429		
Equivalent to book value	**21 227**		
As per 1 January 2004			
Acquisition cost	282,542	58,256	340,798
Accumulated depreciations and write-downs	-15,854	-29,831	-45,685
Book value	**266,688**	**28,425**	**295,113**
1 January – 31 December 2004			
Opening book value	266,688	28,425	295,113
Exchange rate differences	-22,900	-643	-23,543
Acquisitions	12,893	15,991	28,884
Sales and disposals, net	-5,240	-8,775	-14,015
Depreciations	-5,840	3,815	-9,655
Closing book value	**245,601**	**31,183**	**276,784**
As per 31 December 2004			
Acquisition cost	261,554	45,935	307,489
Accumulated depreciations	-15,953	-14,752	-30,705
Book value	**245,601**	**31,183**	**276,784**
Tax assessment value, Swedish properties	4,429		
Corresponding book value	21,623		

The Group's buildings and land are reported at acquisition value reduced by accumulated depreciations. Each property has been divided up into components according to IAS 16. Different depreciation periods have been applied for each individual component based on an estimated economic life.

The Group's properties are located in Stockholm, New York and Tel Aviv. The market value of the property in Tel Aviv is difficult to determine. A write-down requirement, however, is assessed not to exist. Depreciation amounting to -362 (-383) is included in cost of goods sold, -436 (-874) in selling costs, and -15,421 (-13,776) in administration costs.

KSEK	Buildings and land	Equipment	Total
Parent company			
As per 1 January 2005			
Acquisition cost	27,681	22,272	49,953
Accumulated depreciations and write-downs	-6,058	-6,864	-12,922
Book value	**21,623**	**15,408**	**37,031**
1 January – 31 December 2005			
Opening book value	21,623	15,408	37,031
Exchange rate differences			
Revaluation			
Acquisitions	162	781	943
Sales and disposals, net	-	-100	-100
Depreciations	-558	-855	-1,413
Closing book value	**21,227**	**15,234**	**36,461**
As per 31 December 2005			
Acquisition cost	27,843	22,615	50,458
Accumulated depreciations	-6,616	-7,381	-13,997
Book value	**21,227**	**15,234**	**36,461**
Tax assessment value, Swedish properties	**4 429**		
Equivalent to book value	**21 227**		
As per 1 January 2004			
Acquisition cost	26,858	20,811	47,669
Accumulated depreciations and write-downs	-5,505	-5,609	-11,114
Book value	**21,353**	**15,202**	**36,555**
1 January – 31 December 2004			
Opening book value	21,353	15,202	36,555
Exchange rate differences	-	-	-
Revaluation	-	-	-
Acquisitions	824	1,461	2,285
Sales and disposals, net	-	-	-
Depreciations	-554	-1,255	-1,809
Closing book value	**21,623**	**15,408**	**37,031**
As per 31 December 2004			
Acquisition cost	27,681	22,272	49,953
Accumulated depreciations	-6,058	-6,864	-12,922
Book value	**21,623**	**15,408**	**37,031**
Tax assessment value, Swedish properties	**4,429**		
Equivalent to book value	**21,623**		

The Parent Company's buildings and land are reported at acquisition cost less accumulated depreciation. Depreciation amounting to -1,412 (-1,809) is included in the administrative costs.

16. Participations in associated companies

Group	2005	2004
Participations in associated companies		
At the beginning of the year	100,694	-
Changes in value via income statement	84,746	10,658
Acquisitions / capitalised contribution	1,234,646	90,036
Disposals	-	-
At year end	**1,420,086**	**100,694**

Active investments are placed in Proventus Industrier AB, of which the Proventus Group owns 36%.
The market value of Proventus' Industrier is affected by the valuation of the underlying companies.

Participation in associated companies	Number of shares	Capital share	Voting share	Market value 31 Dec 2005	Market value 31 Dec 2004
Proventus Industrier AB	360	36%	36%	1,420,086	100,694

Valuation of holdings in Proventus Industrier AB

	Number of shares	Market value per share 31 Dec 2005	Market value per share 31 Dec 2004	Price trends 2005 (%)	Market value 31 Dec 2005	Market value 31 Dec 2004
BRIO	1,200,00 A	74,50	68,50	8.8%	89,400	82,200
	518,811 B	74,50	68,50	8.8%	38,651	34,854
					128,051	117,054
TV 4	3,020,013 A	207	-	21.8%	625,143	-
Nordic Broadcasting	184	4,079	-	0.3%	750,536	-
					1,503,730	117,054

	Share of equity (%) 31 Dec 2005	Share of voting rights (%) 31 Dec 2005	Share of equity (%) 31 Dec 2004	Share of voting rights (%) 31 Dec 2004
BRIO	30.7%	42.5%	30.7%	42.5%
TV 4	15.1%	15.1%	-	-
Nordic Broadcasting	50.0%	50.0%	-	-

16. Participations in associated companies

Parent company	2005	2004
Shares and participations in associated companies		
At the beginning of the year	90,036	-
Changes in value via income statement	-	-
Acquisitions	753,133	90,036
Disposal	-	-
At year end	**843,169**	**90,036**

Proventus paid shareholders' contributions to Proventus Industrier AB at the beginning of 2005 as financing for the acquisitions in TV4 and Nordic Broadcasting.

Participation in associated companies	Number of shares	Capital share	Voting share	Market value 31 Dec 2005	Market value 31 Dec 2004
Proventus Industrier AB, corporate identity number 556604-9135	350	35%	35%	914,430	100,457

Proventus' total market value may be seen in the note above that refers to the Group's participations. The company has its registered offices in Stockholm. In addition to the above, Proventus' principal owner, Robert Weil controls a further 49% through Robert Weil AB.

17. Other long-term security holdings

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Other long-term security holdings				
At the beginning of the year	3,405	3,335	2,589	2,589
Changes in value via income statement	-2,589	103	-2,589	-
Acquisitions	1	-	-	-
Sales	-	-33	-	-
At year end	**818**	**3,405**	**-**	**2,589**

Other long-term security holdings are valuated at the acquisition cost which is deemed to correspond with the fair value.

18. Participations in Group companies

Parent Company	2005	2004
Shares in Group companies		
At the beginning of the year	168,431	168,431
Changes in value via income statement	-	-
Acquisitions	100	-
Sales	-	-
At year end	**168,531**	**168,431**

The subsidiary Vindflöjeln AB was acquired during the year. The company did not carry out operations during 2005.

No impairment is deemed to exist regarding the Parent Company's holdings in Group companies. Impairment is tested annually.

Specification of Note 18, holdings of participations in Group companies

	Registered offices	Country	Corporate Identity Number	2005	2004
AB Art and Technology by Proventus	Stockholm	Sweden	556012-1807	15,000	15,000
AB Judiska Teatern i Sverige	Stockholm	Sweden	556543-4858	100	100
Djurgårdsbrunns Wärdshus AB	Stockholm	Sweden	556495-8626	1,000	1,000
Grafon AB	Stockholm	Sweden	556065-6497	24,336	24,336
Hodius Irland Ltd	Dublin	Ireland		3,853	3,853
Magasin 3 Tel-Aviv Ltd	Tel-Aviv	Israel		21	21
Proventus Capital AB	Stockholm	Sweden	556349-4748	90,659	90,659
Proventus Invest AB	Stockholm	Sweden	556641-3653	850	850
Proventus Holdings Inc	New York	USA		30,000	30,000
Proventus Pagoda Ltd	Tel-Aviv	Israel		-	-
Stockholms Konsthall Magasin 3 KB	Stockholm	Sweden	916615-6738	2,225	2,225
Parcom AB	Stockholm	Sweden	556553-7437	100	100
Voice the Brand Liberation Company AB	Stockholm	Sweden	556312-4741	287	287
Vindflöjeln AB	Stockholm	Sweden	556692-9211	100	-
				168,531	**168,431**

		2005		**2004**	
	Number	Capital	Votes	Capital	Votes
AB Art and Technology by Proventus	40,000	100%	100%	100%	100%
AB Judiska Teatern I Sverige	100	100%	100%	100%	100%
Djurgårdsbrunns Wärdshus AB	1,000	100%	100%	100%	100%
Grafon AB	3,810,000	100%	100%	100%	100%
Hodius Irland Ltd	3,852,773	100%	100%	100%	100%
Magasin 3 Tel-Aviv Ltd	28,000	100%	100%	100%	100%
Proventus Capital AB	27,729,603	15%	64%	15%	64%
Proventus Invest AB	8,500	85%	85%	85%	85%
Proventus Holdings Inc	200	100%	100%	100%	100%
Proventus Pagoda Ltd	32,700	100%	100%	100%	100%
Stockholms Konsthall Magasin 3 KB	99	99%	99%	99%	99%
Parcom AB	100	100%	100%	100%	100%
Voice the Brand Liberation Company AB	10,000	100%	100%	100%	100%
Vindflöjeln AB	1,000	100%	100%	-	-

19. Deferred income tax receivables

Deferred income tax receivables refers to the following assets and liabilities.

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Deferred tax receivables				
Tangible fixed assets	1,120	1,120	1,120	1,120
Temporary differences derivatives, reported as other current liabilities	3,020	-	3,020	-
Provisions	560	560	560	560
Loss carry-forward	182,974	205,480	182,974	205,480
Total deferred income tax receivables	**187,674**	**207,160**	**187,674**	**207,160**
Provisions for deferred tax				
Convertible promissory notes	-3,345	-3,647	-3,345	-3,647
Temporary differences in investment assets	-10,230	-	-10,230	-
	-13,575	**-3,647**	**-13,575**	**-3,647**
Net liabilities and receivables	**174,099**	**203,513**	**174,099**	**203,513**
To be utilised after more than 12 months	141,008	203,513	141,008	203,513
To be utilized within 12 months	33,091	-	33,091	-
	174,099	**203,513**	**174,099**	**203,513**

Unreported deferred income tax recoverables
The Parent Company and the subsidiary Proventus Capital have unutilised deficits amounting to MSEK 66.6 (66.6) and MSEK 160.4 (176.1) respectively. The deficits have, according to the applicable practices, no time restrictions and can be used at any time.

The Parent Company and the Group have reported deferred tax assets in the amounts estimated to be used during the coming five-year period. The return on the capital investments, both during the year and historically, has proven that it is possible to obtain results that permit the utilisation of capitalised deficits.

Changes in deferred tax in temporary differences and loss carry-forward

	Amount at beginning of year	Reported in income statement	Reported in equity	Amount at year end
Tangible fixed assets	1,120	-	-	1,120
Convertible promissory notes	-3,647	303	-	-3,345
Temporary differences derivative	-	3,020	-	3,020
Provisions	560	-	-	560
Loss carry-forward	205,480	-22,507	-	182,973
Temporary differences investment assets	-	-10,230	-	-10,230
	203,513	**-29,414**	-	**174,099**

20. Long-term receivables

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Other long-term receivables, interest-bearing	81,281	18,644	11,901	11,449
Other long-term receivables, non interest-bearing	4,909	4,879	1,251	1,251
	86,190	**23,523**	**13,152**	**12,700**

Other long-term receivables are valuated at the acquisition cost which is deemed to correspond with the fair value.

21. Inventories

	Group	
	2005	**2004**
Raw materials	2,471	2,972
Finished products	116,766	109,315
	119,237	**112,287**

The inventories refer to trade inventories in the other operations. Previously, securities belonging to security trading companies within the Group were also reported as inventories. These are now reported in conjunction with the transition to IFRS instead as short-term investments.

Art attributable to Stockholms Konsthall Magasin 3 amounting to MSEK 95.8 (MSEK 92.0) is included in the finished products inventory.

22. Current Receivables

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Accounts receivable – trade				
Accounts receivable – trade	16,952	16,958	91	22
Accounts receivable, net	**16,952**	**16,958**	**91**	**22**

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Receivables, Group companies				
Receivables, Group companies	-	-	326	305
	-	**-**	**326**	**305**

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Other receivables				
Income tax recoverable	875	771	430	402
Advance payment from suppliers	85	171	-	-
Other receivables, interest-bearing	21,779	23,728	1,285	6,255
Other receivables, non-interest-bearing	8,747	8,731	6,760	5,395
	31,486	**33,401**	**8,475**	**12,052**

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Prepaid expenses and accrued income				
Rent	1,454	1,349	708	621
Insurance	1,120	1,238	140	208
Pensions	356	535	356	608
Interest	8,920	13,824	6,988	12,000
Other prepaid expenses	438	1,166	25	25
Other accrued income	3,309	4,416	687	4,251
	15,597	**22,528**	**8,904**	**17,713**

23. Current investments

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Listed securities				
Government and corporate bonds – countries within the Euro area	349,030	687,311	327,037	463,704
Government and corporate bonds – U.S.A.	3,716	781,028	3,716	526,979
Government and corporate bonds – Sweden, England	10,276	106,776	7,431	72,783
Derivatives	32,769	62,187	20,231	42,978
Unlisted securities				
Shares and fund shares – countries within the Euro area	65,078	65,021	-	-
Shares and fund shares – Sweden	87,026	68,843	71,691	57,047
	547,895	**1,771,166**	**430,106**	**1,163,491**

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
At the beginning of the year	1,771,166	1,491,865	1,163,491	1,491,865
Change in value via income statement	60,448	16,350	41,526	13,862
Acquisitions/sales, net	-1,283,719	262,951	-774,911	-342,236
At the end of the year	**547,895**	**1,771,166**	**430,106**	**1,163,491**

In its asset management activities, Proventus has a number of strategies which are taken in the context of the company's macro-understanding and the market's pricing of risk. The total contribution to income is estimated to be approximately SEK 50–100 million should the strategies be successful, and the negative effect on income is estimated at SEK 25–50 million should the market move in the opposite direction.

The following tables specify the underlying nominal and fair values of the derivative instruments in which the Group and the Parent Company have exposure.

Derivatives – Group

	Group **2005**		Group **2004**	
	Assets	Liabilities	Assets	Liabilities
Securities futures – held for trade	-	-	-	6,495
Securities options – held for trade	817	46,825	-	24,034
Interest futures – held for trade	1,037	212	410	-
Currency futures – held for trade	30,916	5,955	61,777	215
Currency futures – held for hedging of foreign net assets	-	4,911	-	-
Total	**32,769**	**57,903**	**62,187**	**30,744**

Derivatives with negative values are reported as other current liabilities, see note 29.

Group 2005, share derivatives	Currency	Type	Maturity DATE	Exposure*) (KSEK)	Fair value (KSEK)
Options with positive values that are held for trade					
Securities options	USD	put	March	-	262
Securities options	USD	put	June	-	555
				-	**817**
Options with negative values that are held for trade					
Securities options	USD	call	January	-111,817	-4,902
Securities options	USD	call	March	-203,369	-30,865
Securities options	USD	call	June	-189,158	-11,058
				-504,344	**-46,825**

*) (-) = sold position

Group 2005, interest derivatives	Currency	Duration (years)	Bought (nominal) (KSEK)	Sold (nominal) (KSEK)	Fair value (KSEK)
Futures with positive values that are held for trade					
Interest futures, government bonds 10 yrs	USD	10	-	177,300	-
Interest futures, government bonds 5 years	USD	5	-	108,552	-
Interest futures, corporate bonds 10 yrs	EUR	10	-	343,252	824
Interest futures, corporate bonds 5 years	EUR	5	343,252	-	213
			343,252	**629,104**	**1,037**
Futures with negative values that are held for trade					
Interest futures, corporate bonds 5 years	EUR	5	-	25,659	-212
			-	**25,659**	**-212**

Interest futures in USD are recognized in revenue daily and therefore lack market value per year-end.

Group 2005, currency contracts	Currency	Bought (KSEK)	Sold (KSEK)	Fair value (KSEK)
Futures with positive values that are held for trade	EUR/SEK	1,190,738	-1,162,567	28,171
	SEK/EUR	465,231	-462,486	2,745
		1,655,969	**-1,625,053**	**30,916**
Futures with negative values that are held for trade	EUR/USD	4,148	-4,294	-146
	JPY/USD	156,782	-162,546	-5,764
	SEK/USD	3,670	-3,715	-45
		164,600	**-170,555**	**-5,955**
Futures with negative values that are held for hedging of foreign net assets	EUR/USD	271,429	-276,340	-4,911
		271,429	**-276,340**	**-4,911**

Group 2004, share derivatives	Currency	Type	Maturity DATE	Exposure*) (KSEK)	Fair value (KSEK)
Options with positive values that are held for trade					
Securities futures	USD	put	March	-736,128	-6,495
				-736,128	**-6,495**
Securities options	USD	put	March	-	202
Securities options	USD	put	June	-	790
Securities options	USD	put	July	-	732
Securities options	USD	call	March	-	-17,419
Securities options	USD	call	June	-78,535	-8,339
				-78,535	**-24,034**

*) (-) = sold position

Group 2004, interest derivatives	Currency	Duration (years)	Bought (nominal) (KSEK)	Sold (nominal) (KSEK)	Fair value (KSEK)
Futures with positive values that are held for trade					
Interest futures, government bonds 5 yrs	USD	5	-	246,468	410
			-	**246,468**	**410**

Group 2004, currency contracts	Currency	Bought (KSEK)	Sold (KSEK)	Fair value (KSEK)
Futures with positive values that are held for trade	AUD/USD	8,291	-8,199	92
	EUR/USD	840,343	-789,289	51,054
	USD/EUR	108,358	-119,749	-11,391
	EUR/SEK	149,386	-147,418	1,968
	JPY/USD	69,847	-62,590	7,257
	KRW/USD	2,461	-2,415	46
	SEK/USD	121,978	-109,396	12,582
	SGD/USD	8,160	-8,117	43
	THB/USD	8,399	-8,309	90
	TWD/NZD	7,963	-7,851	112
	NZD/USD	8,037	-8,098	-61
	GBP/USD	16,387	-16,402	-15
		1,349,610	**-1,287,833**	**61,777**
Futures with negative values that are held for trade	SGD/USD	40,767	-40,982	- 215
		40,767	**-40,982**	**-215**

Derivatives – Parent Company

	Group **2005**		Group **2004**	
	Assets	Liabilities	Assets	Liabilities
Securities futures – held for trade	-	-	-	6,495
Securities options – held for trade	554	41,531	-	20,943
Interest futures – held for trade	700	143	276	-
Currency futures – held for trade	18,977	4,080	42,702	145
Currency futures – held for hedging of foreign net assets	-	4,911	-	-
Total	**20,231**	**50,665**	**42, 978**	**27,583**

All derivatives are reported at fair value. Changes in value referring to derivatives that are held for trade are reported under changes in value for investing activities. Currency contracts which are held for hedging purposes refer mainly to the hedging of net investments in foreign subsidiaries. Changes in value for these contracts are reported directly against equity in other reserves.

Parent Company 2005, share derivatives	Currency	Type	Maturity date	Exposure*) (KSEK)	Fair value (KSEK)
Options with positive values held for trade					
Securities options	USD	put	March	-	177
Securities options	USD	put	June	-	377
				-	**554**
Options with negative values held for trade					
Securities options	USD	call	Jan	-100,381	-4,431
Securities options	USD	call	March	-164,773	-28,010
Securities options	USD	call	June	-156,995	-9,090
				-422,149	**-41,531**

*) (-) =sold position

Parent Company 2005, interest rate derivatives	Currency	Duration (year)	Bought (nominal) (KSEK)	Sold (nominal) (KSEK)	Fair value (KSEK)
Futures with positive values held for trade					
Interest rate futures, government bonds 10 years	USD	10	-	119,629	-
Interest rate futures, government bonds 5 years	USD	5	-	73,243	-
Interest rate futures, corporate bonds 10 years	EUR	10	-	231,601	556
Interest rate futures, corporate bonds 5 years	EUR	5	231,601	-	114
			231,601	**424,473**	**700**
Futures with negative values held for trade					
Interest rate futures, corporate bonds 5 years	EUR	5	-	17,285	-143
			-	**17,285**	**-143**

Interest futures in USD are recognized in revenue daily and therefore lack market value per year-end.

Parent Company 2005, currency contracts	Currency	Bought (KSEK)	Sold (KSEK)	Fair value (KSEK)
Futures with positive values held for trade	EUR/SEK	723,789	-706,586	17,203
	SEK/EUR	299,635	-297,861	1,774
		1,023,424	**1,004,447**	**18,977**
Futures with negative values held for trade	EUR/USD	4,148	-4,294	-146
	JPY/USD	105,785	-109,674	-3,889
	SEK/USD	3,670	-3,715	-45
		11,3603	**-117,683**	**-4,080**
Futures with negative values hedging of foreign net assets	EUR/USD	271,429	-276,340	-4,911
		271,429	**-276,340**	**-4,911**

Parent Company 2004, share derivatives	Currency	Type	Maturity date	Exposure*) (KSEK)	Fair value (KSEK)
Options with positive values held for trade					
Securities futures	USD		March	-736,128	-6,495
				-736,128	**-6,495**
Securities options	USD	Put	March	-	168
Securities options	USD	Put	June	-	556
Securities options	USD	Put	July	-	516
Securities options	USD	Call	March	-	-16,312
Securities options	USD	Call	June	-55,289	-5,871
				-55,289	**-20,943**

*) (-) = sold position

Parent Company 2004, interest rate derivatives

	Currency	Duration (years)	Bought (nominal) (KSEK)	Sold (nominal) (KSEK)	Fair Value (KSEK)
Futures with positive values held for trade					
Interest futures, government obligations 5 years	USD	5	-	166,072	276
			-	**166,072**	**276**

*) (-) =sold position

Parent company 2004, currency contracts

	Currency	Bought (KSEK)	Sold (KSEK)	Fair value (KSEK)
Futures with positive values that are held for trade	AUD/USD	5,594	-5,532	62
	EUR/USD	567,001	-532,554	34,447
	USD/EUR	108,358	-119,749	-11,391
	EUR/SEK	149,386	-147,418	1,968
	JPY/USD	47,060	-42,172	4,888
	KRW/USD	1,660	-1,630	30
	SEK/USD	121,978	-109,396	12,582
	SGD/USD	5,506	-5,477	29
	THB/USD	5,667	-5,606	61
	TWD/NZD	5,373	-5,296	77
	NZD/USD	5,423	-5,464	-41
	GBP/USD	11,057	-11,067	-10
		1,034,063	**-991,361**	**42,702**
Futures with negative values that are held for trade	SGD/USD	27,506	-27,652	-146
		27,506	**-27,652**	**-146**

24. Liquid funds

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Cash and cash equivalents	52,963	75,973	12,841	54,157
	52,963	**75,973**	**12,841**	**54,157**

Proventus has the following credit facilities:

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Variable interest				
Bank overdraft facilities	56,346	56,062	50,000	50,000
	56,346	**56,062**	**50,000**	**50,000**

Credits are renewed on an annual basis on consultation with the respective credit institutions.
Of which utilised credits, see note 28.

25. Share Capital

	Parent Company 2005	Parent Company 2004
Share Capital	58,300	58,300
	58,300	**58,300**

Class of shares	Number of shares	Number of votes	Participations in % Capital	Participations in % Votes
A 1 vote per share	4,820	4,820	83%	96%
C 1/5 vote per share	1,010	202	17%	4%
Total	5,830	5,022	100%	100%

There are no issued options within the parent company. A convertible promissory note exists. Equity of this convertible is accounted for in the Group under Additional contributing capital and borrowing, see Note 28. Division of shares in different class of shares is accounted for below.

26. Pension commitments

	Group 2005	Group 2004
Commitments in the Balance Sheet for		
Pension benefits	-281	162
	-281	**162**

(-) = receivables reported as long-term receivables.

Reporting in the Income Statement regarding (Note 9)

	Group 2005	Group 2004
Benefits earned during the period	671	509
Interest	1,872	1,969
Return on plan assets	-2,170	-2,242
Net actuarial losses reported during the year	549	-
Total, included in Personnel expenses (Note 9)	**922**	**236**

Costs are reported in their entirety in administration costs.

The actual return on the plan assets amounted to KSEK 1,902 (577). The pension plan's fund assets primarily consist of interest-bearing bonds.

	2005	2004
Pension provision		
Commitments' present value at the end of the period	56,474	53,835
Reduced by the fair value of plan assets at the end of the period	-43,185	-43,408
Unreported actuarial profit (+) / loss (-)	-13,570	-10,265
Reported pension provision	**-281**	**162**

Changes in liabilities that are reported in the Balance Sheet are the following

	2005	2004
At the beginning of the year	162	1,027
Pension costs during the period	922	236
Pension payments	-3,490	-3,128
Compensation	2,125	2,027
At the end of the year	**-281**	**162**

The most important actuarial assumptions that were used are the following

	2005	2004
Discount rate	3.5%	4%
Expected return on plan assets	5%	5%
Future wage increases	2%	2%
Future pension increases	1.5%	1.5%

Health care benefits after terminated employment
Employees within the Proventus Group receive no health care benefits after employment is terminated.

	Parent Company	
	2005	2004
Commitments in the Balance Sheet for		
Pension benefits	14,136	14,245
	14,136	**14,245**

	2005	2004
At the beginning of the year	14,245	14,392
Pension costs during the period	-2,113	-2,119
Interest on pension provisions	-533	-635
Provisions	412	580
Compensation from pension fund	2,125	2,027
Booked value at the end of the year	**14,136**	**14,245**

27. Other provisions

	Group	
	2005	2004
Other provisions	39,560	39,560
	39,560	**39,560**

	2005	2004
Long-term portion	39,560	39,560
Short-term portion	-	-
	39,560	**39,560**

The provision refers to commitments associated with previous subsidiaries. The probability that the commitment is realised is assessed to be large at the point in time when the provision is made. Over time, conditions change and the risk of realisation is assessed to be lower at the end of the period.

28. Other long-term liabilities

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Loans from shareholders	14,594	20,761	11,631	18,305
Convertible loans	27,575	26,571	27,575	26,494
Utilised bank overdraft facilities	3,847	3,118	-	-
	46,016	**50,450**	**39,206**	**44,799**

Utilised bank overdraft facilities in the subsidiary Artek. Granted credit amounts to a total of MSEK 6.3, see Note 24.

Loans from shareholders refer to liabilities to Proventus' owner Robert Weil. Interest on the liability is calculated using the average government loan interest rate + 1percent 4.24% in 2005 and 5.30% in 2004. The owner has committed to refraining from raising the capitalised interest rate.

During 2004, the Parent Company issued a convertible promissory note. The loan runs with a 0% annual interest rate up to and including 30 November 2014 and can be converted to 95 series A shares in an amount of SEK 39,520,000.

There was another convertible loan during 2004 in the subsidiary Proventus Capital. The loan amounted to KSEK 77. During 2005, a decision was made to redeem the loan, which was carried out on 14 January. Redemption took place at 198% of the nominal amount.

Convertible promissory notes are reported in the Balance Sheet according to the following

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Convertibles issued in Proventus Capital	77	77	-	-
Nominal value of convertible issued 30 November 2004	39,520	39,520	39,520	39,520
Share in equity	-13,114	-13,114	-13,114	-13,114
Liability share at issue on 30 November 2004	**26,483**	**26,483**	**26,406**	**26,406**
Accumulated interest expenses	1,169	88	1,169	88
Premature redemption of convertible in Proventus Capital	-77	-	-	-
Interest paid	-	-	-	-
Liabilities as per 31 December	**27,575**	**26,571**	**27,575**	**26,494**

The fair value of the liability portion and the equity portion is determined when the promissory note is issued.

The fair value of the liability portion has been calculated using a risk-free 10-year interest rate. The equity portion is reported net after tax under profit brought forward. The tax portion is reported as deferred income tax recoverable.

The interest expenses have been calculated using the risk-free interest rate.

The maturity dates for long-term borrowings are as follows

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Between 1 and 2 years	3,847	3,195	-	-
Between 2 and 5 years	14,594	20,761	11,631	18,305
More than 5 years	27,575	26,494	27,575	26,494
	46,016	**50,450**	**39,206**	**44,799**

29. Other current liabilities

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Derivatives, see note 23	57,903	30,744	50,665	27,583
Advance payments from customers	2,812	72	-	-
Other current liabilities	6,209	7,673	4,854	4,503
	66,924	**38,489**	**55,519**	**32,086**

Derivatives refer to positions with a negative market value at the end of the year. Received premiums are entered as a liability in conjunction with their respective dates of issue. Net market value after reductions for received or paid premiums is reported per contract as current investments or as other current liabilities.

30. Accrued expenses and deferred income

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Salaries and holiday pay	4,703	4,092	1,504	1,288
Audit and consultancy remuneration	522	691	330	260
Accrued interest expenses	728	12,748	725	12,745
Other accrued expenses	7,543	4,894	2,113	2,200
Deferred rental income	176	-	176	-
	13,672	**22,425**	**4,848**	**16,493**

31. Cash flow from operations

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Profit for the period	123,864	-43,591	35,794	-18,829
Adjustments for:				
- tax	29,414	25	29,414	-
- depreciations on tangible fixed assets	14,777	11,033	1,413	1,809
- depreciations on intangible fixed assets	1,924	2,743	-	-
- profit/loss for sales of tangible fixed assets	-112	-	-112	-
- unrealised profits current investments	-57,859	-16,350	-41,525	-60,465
- unrealised losses current investments	12,854	8,855	10,784	6,701
- acquisition/sale of current investments, net	1,283,719	-262,951	774,501	343,105
- unrealised profits in associated companies	-84,746	-10,679	-	-
Cash flow from operations	**1,323,835**	**-310,915**	**810,269**	**272,321**

32. Pledged assets

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Other assets	5,375	7,575	-	-
Current investments	198,245	196,349	198,245	196,349
	203,620	**203,924**	**198,245**	**196,349**

Bonds, reported as short-term investments, comprise pledged assets for derivative contracts.

33. Contingent liabilities

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Non-funded pension commitments in foundations	-	-	3,779	902
Guarantees for subsidiaries	-	-	6,344	6,059
Contingent liabilities, FPG/PRI	2,855	2,827	2,855	2,827
	2,855	**2,827**	**12,978**	**9,788**

The Group has contingent liabilities that refer to pension commitments in previous subsidiaries. Submitted guarantees amount to MSEK 2,855 (2,827). No liabilities are expected to arise as a result of these contingent liabilities.

34. Transactions with affiliates

In addition to what has been previously reported in this annual report, further information is provided below regarding transactions with affiliates.

Sales of goods and services

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Sales of services				
- associated companies	3,750	-	-	-
- subsidiaries	-	-	8,174	1,473
- affiliated companies	1,383	559	1,383	559
Rent for premises				
- subsidiaries	-	-	716	228
	5,133	**559**	**10,273**	**2,260**

Services invoiced to the associated company Proventus Industrier AB refer to the investing organisation's work in conjunction with company acquisitions. Services invoiced to subsidiaries refer to administrative services, which are carried out by the parent company on the subsidiaries' behalf. Invoicing has even taken place for the investing organisation's work in conjunction with those loan transactions that are carried out in Proventus Capital AB.

Transactions with affiliated companies refer to invoiced remunerations to the board member Mikael Kamras' company. Proventus is assisting the company with macro analysis, capital management services and administrative services. Proventus also rents out premises in the form of subletting contracts to the company.
Purchases of goods and services

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Purchases of services				
- subsidiaries	-	-	1,679	-
	-	**-**	**1,679**	**-**

Loans to affiliates

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Loans to Board members and senior management in the Parent Company (and their families):				
At the beginning of the year	586	7,098	586	7,098
Loans amortised during the year	-285	-6,512	-285	-6,512
At year-end	**301**	**586**	**301**	**586**
Lending to associated companies:				
At the beginning of the year	1,168	-	1,168	-
Loans paid out during the year	26,133	1,168	26,133	1,168
At year-end	**27,301**	**1,168**	**27,301**	**1,168**

Receivables refer to payments made by Proventus AB for acquisition costs in conjunction with Proventus Industrier AB's company acquisitions.

Other financial transactions

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Other current investments				
At the beginning of the year	-	-	-	-
Actual change in value in the income statement	25,592	-	15,611	-
At year-end	**25,592**	**-**	**15,611**	**-**

Proventus Industrier AB has hedged investments in Nordic Broadcasting on the basis of forward exchange agreements with Proventus and Proventus Capital. The hedged amount totals MEUR 80, which in turn is hedged against the SEK. As a result of the SEK's weakening against the EUR, Proventus and Proventus Capital had an unrealized profit on the contract equivalent to MSEK 25.6 at the close of 2005. The forward agreement is valued at fair value and reported as a current investment.

Loans from affiliates

	Group		Parent Company	
	2005	**2004**	**2005**	**2004**
Loans from affiliates	-	11,759	-	11,759
Loans from owners	14,594	20,761	11,631	18,305
Convertible promissory notes (nominal amount)	39,520	39,520	39,520	39,520
	54,114	**60,281**	**51,151**	**57,825**

Convertible promissory notes have been issued within the Weil family and run with a 0% interest rate. Interest referring to transactions with owners is calculated on a monthly basis, see further note 28.

35. Events after balance sheet date

No events of significance to the company have occurred between balance sheet date and the submission of the annual report.

36. Transition to reporting according to IFRS

In accordance with IFRS, this note presents how the transition to the new accounting standards has affected the Group's reporting. The transition has affected equity by MSEK -7.1, as calculated on 1 January 2004.

In accordance with the IAS regulations that were adopted by the EU in 2002, listed companies within the entire union must apply the international accounting standards – International Financial Reporting Standards – IAS as of 2005 in their consolidated accounts. The standards, which are provided by the International Accounting Standards Board, are obligatory for European companies at the same rate by which the EU commission approves them. Proventus has, through its holdings in listed companies, decided to follow the international standards.

Standard IFRS 1 deals with the transition to the IFRS for those companies that are applying the framework for the first time. The standard prescribes that a company, during the transition from national accounting principles, shall present at least one year's comparable information according to IFRS. The company shall furthermore explain how the transition has affected the financial position and cash flow. Proventus made a decision regarding the IFRS during the fall of 2005. The annual report for 2005, therefore, is the first official report whereby the new standard is applied.

Consolidated Income Statement

1 January – 31 December

KSEK	Note	2004	Adjustment IFRS	IFRS 2004
Net sales		3,281,213	-3,281,213	-
Cost for goods sold		-3,238,274	3,238,274	-
Gross profit/loss	1	**42,939**	**-42,939**	**-**
Investing operations				
Dividends	2		1,520	1,520
Interest income	2		1,178	1,178
Change in values	3		42,871	42,871
Operating expenses	4		-28,416	-28,416
Net profit/loss – investing operations				**17,153**
Net sales	5		119,829	119,829
Cost for goods sold	5		-67,517	-67,517
Sales expenses		-33,956		-33,956
Research and development costs		-318		-318
Administration costs	5	-97,777	31,386	-66,391
Other income		5,513		5,513
Other expenses		-4,042		-4,042
Operating profit/loss		**-87,641**	**57,912**	**-29,729**
Financial income	6		397	397
Financial expenses	6		-14,274	-14,274
Profit/loss during sale of subsidiaries	6	606	-606	-
Share in associated companies profit/loss	7	-9,724	9,724	-
Profit/loss from other securities and receivables	5	1,520	-1,520	-
Interest income	5	1,575	-1,575	-
Interest expenses	5	-11,335	11,335	-
Exchange rate differences	5	-2,851	2,851	-
Net financial income/expense		**-20,209**	**6,332**	**-13,877**
Profit/loss before income tax		**-107,850**	**64,244**	**-43,606**
Income tax		-10	25	15
Minority share in net profit/loss for the year	8	2,600	-2,600	-
Profit/loss for the year		**-105,260**	**61,669**	**-43,591**

Balance sheet for the Group

31 December 2004

KSEK	Note	31 Dec 2004	Adjustment IFRS 3	IAS 39 IAS 28	IAS 39	IAS 19	IFRS 31 Dec 2004
Assets							
Intangible fixed assets	1	47,944	2,002				49,946
Tangible fixed assets							
Land and buildings		245,601					246,601
Equipment		30,829					30,829
		276,430					276,430
Financial fixed assets							
Participations in associated companies	2	80,312		20,382			100,694
Receivables from associated companies	3			1,168			1,168
Other long-term securities holdings		3,405					3,405
Deferred tax receivables	4	207,106			-3,647		203,513
Long-term receivables		23,523					23,523
		314,400					332,303
Total fixed assets		**638,774**					**658,679**
Inventories	5	1,867,274		-1,754,987			112,287
Current receivables							
Accounts receivable – trade		16,958					16,598
Other receivables		34,398		-997			33,401
Prepaid expenses and accrued income		22,528					22,528
Current investments	5			1,771,166			1,771,166
Cash and bank		75,973					75,973
Total current assets		**2,017,131**					**2,032,313**
Total assets		**2,655,905**	**2,002**	**36,732**	**-3,647**	**-**	**2,690,992**

KSEK	Note	31 Dec 2004	Adjustment IFRS 3	IAS 39 IAS 28	IAS 39	IAS 19	IFRS 31 Dec 2004
Equity							
Share capital		58,300					58,300
Other Capital contributed	4	21,989			9,442		31,431
Other reserves			-23,091				-23,091
Profit brought frwrd	4	1,871,981	25,093	27,877	-63	14,083	1,938,971
Equity attributable to Parent Company's shareholders		1,952,270					2,005,611
Minority interests		521,769					521,769
Total equity		**2,474,039**					**2,527,380**
Long-term liabilities							
Pension commitments	6	13,184				-13,022	162
Other provisions		39,560					39,560
Other long-term liabilities	4	63,476			-13,026		50,450
Total long-term liabilities		116,220					90,171
Current liabilities							
Accounts payable – trade		12,433					12,433
Income tax liabilities		93					93
Other liabilities	5	29,634		8,855			38,489
Accrued expenses and deferred income	6	23,486				-1 061	22 425
Total current liabilities		65,646					73,440
Total liabilities		**181,866**					**163,612**
Total equity and liabilities		**2,655,905**	**2 002**	**36 732**	**-3 647**	**-**	**2,690,992**

Balance Sheet – Group
1 January 2004

KSEK	Note	1 Jan 2004	Adjustment IFRS 3	IAS 39 IAS 28	IAS 39	IAS 19	IFRS 1 Jan 2004
Assets							
Intangible fixed assets		37,692					37,692
Tangible fixed assets							
Land and buildings		266,688					266,688
Equipment		28,071					28,071
		294,759					294,759
Financial fixed assets							
Participations in associated companies							
Receivables from associated companies							
Other long-term securities holdings		4,203					4,203
Deferred tax receivables		207,160					207,160
Long-term receivables		11,505					11,505
		222,868					222,868
Total fixed assets		**555,319**					**555,319**
Inventories	5	1,611,494		-1,465,492			146,002
Current receivables							
Accounts receivable – trade		18,982					18,982
Other receivables		47,612					47,612
Prepaid expenses and accrued income		20,588					20 588
Current investments	5			1,491,865			1,491,865
Cash and bank		94,381					94,381
Total current assets		**1,793,057**					**1,819,430**
Total assets		**2,348,376**		**26,373**	-	-	**2,374,749**

KSEK	Note	1 Jan 2004	Adjustment IFRS 3	IAS 39 IAS 28	IAS 39	IAS 19	IFRS 1 Jan 2004
Equity							
Share capital		58,300					58,300
Other Capital contributed		21,989					21,989
Other reserves							
Profit brought frwrd		1,987,077		-20,230	13,115		1,979,962
Equity attributable to Parent Company's shareholders		2,067,366					2,060,251
Minority interests		149					149
Total equity		**2,067,515**					**2,060,400**
Long-term liabilities							
Pension commitments	6	16,058			-12,011		4,047
Other provisions		64,000					64,000
Other long-term liabilities		79,913					79,913
Total long-term liabilities		159,971					147,960
Current liabilities							
		11,959					11,959
Accounts payable – trade		21,408					21,408
Income tax liabilities		130					130
Other liabilities	5	56,327		46,603			102,930
Accrued expenses and deferred income	6	31,066			-1,104		29,962
Total current liabilities		120,890					166,389
Total liabilities		**280,861**					**314,349**
Total equity and liabilities		**2,348,376**		**26,373**	**-**	**-**	**2,374,749**

Notes to adjustment in the Income statement

Note 1
Sales and costs of sold goods previously included trade in securities conducted within the Group. With the transition to IFRS, these items are reported net under changes in value, see also note 2. As previously, sales and costs of sold goods regarding Group companies which do not engage in the trade of securities are reported gross under Other operations.

Note 2
Interest income and dividends regarding the investing activities, which were previously reported as net financial income/expense, are reported separately under Investing activities.

Note 3
Changes in value include both realized and unrealized profits and losses referring to trade in securities that are operated within capital management. Previously, equity method was applied for associated companies. These holdings are now reported at fair value with changes in value reported in the income statement. The transfer to IFRS has entailed that associated companies are also reported as fair value with the changes in value in the income statement which presents a more accurate representation of the operations.

Note 4
The costs refer to the organization associated with the investment activity. The costs have previously been reported as administration costs together with other operations.

Note 5
Other operations refer mainly to the design operations Artek and Design Research, as well as to the artistic units of the Proventus Group, Stockholm Konsthall Magasin 3 and Judiska Teatern. Operating costs are adjusted by previously reported goodwill amortizations regarding Design Research. Goodwill is tested for impairment on an ongoing basis and write-downs are performed when deemed necessary.

Note 6
Financial income and expenses and costs include interest income, interest expenses and currency results which do not refer to investing operations.

Note 7
Associated companies previously reported according to the equity method are reported at fair value as part of investing operations.

Note 8
According to IFRS, no deduction is made in the income statement for minority participation in the results for the period. There is, instead, a division of the results between the Parent Company's shareholders and the minority interest in conjunction with the income statement.

Notes to adjustment items in the Balance sheet

Note 1
Goodwill is not amortised on a straight line basis, as previously. The value of reported goodwill is, instead, tested regularly, and write-downs are done if necessary.

Note 2
Participations in associated companies are reported at fair value. The holdings are a portion of the Proventus Group's investing operations. Changes in value are reported in the Income statement.

Note 3
Receivables from associated companies were previously reported under Other receivables, reclassified.

Note 4
Convertible promissory notes are reported in accordance with IFRS as long-term liabilities, equity and deferred tax liabilities. The equity portion is calculated by the discounting of the nominal amount using market level interest rates at the time of issue. Deferred tax regarding the equity portion is reported in net amounts against deferred tax liabilities. Interest and tax are reported on an on-going basis in the Income statement over the term to maturity.

Note 5
Financial instruments are reported at fair value. Unrealised gains are reported under current investments. Changes in value are reported in the Income statement.

Stock options were previously valued excluding the value over time of the options. With transition to IFRS, the options are reported at fair value. The valuation has resulted in further provisions for unrealised losses, which are reported under Other current liabilities.

Note 6
Pensions include pension funds with ties to Proventus. The fair value of the funds' assets and the net present value of all commitments are reported in the Group. Actuarial gains are reported directly against equity.

Note 7
The statutory reserve has been reclassified to other reserves in the Group.

Reconciliation of equity as reported according to IFRS and Equity as reported according to previous principles.

	Attributable to Parent Company shareholders				Minority interests	Total equity
	Share capital	Other contribut. capital	Statutory reserve	Profit brought forward		
Opening balance per 1 Jan 2004	**58,300**	**11,433**	**10,556**	**1,987,077**	**149**	**2,067,515**
Note 5 – Fair value profits, after tax				-20,230		20,230
Note 6 – Change in method, pension provision				13,115		13,115
		10,556	-10,556			
Opening balance per 1 Jan 2004	**58,300**	**21,989**	**-**	**1,979,962**	**149**	**2,060,400**

Note 37. Introduction of RR32, Reporting for Legal Entities

Reconciliation of the Income statement as reported according to RR32 and the Income statement as reported according to previous accounting principles.

KSEK	Note	According to previous principles	Adjustments	According to RR32
Net sales	1	2,697,192	-2,697,192	-
Cost of goods sold		-2,705,720	2,705,720	-
Gross profit/loss		**-8,528**	**8,528**	**-**
Investment operations				
Dividends	2		1,513	1,513
Changes in value	3		32,724	32,724
Operating expenses	4		-27,537	-27,537
Net profit/loss				**6,700**
Administration expenses for other operations	5	-28,738	27,537	-1,201
Other income		3163		3,163
Other expenses			-11,771	-11,771
Operating profit/loss		**-34,103**	**42,765**	**3,109**
Financial income	6		1,185	1,185
Financial expenses	6		-16,930	-16,930
Results from limited partnership	6	-11,771	11,771	-
Income from sales of subsidiaries	5	606	-606	-
Income from other securities and receivables	5	1,153	-1,513	-
Write down of participation in Group companies	5	-100	100	-
Interest income	5	1,185	-1,185	-
Interest expenses	5	-13,585	13,585	-
Translation differences		-3,157	3,157	-
Net financial income/expenses		**-25,309**	**9,564**	**-15,745**
Profit/loss after financial items		-59,412	52,329	-18,854
Tax		-3,134	3,159	25
Net profit/loss for the year		**-62,546**	**55,888**	**-18,829**

Note information for the Parent Company is, in most instances, in agreement with the Group (see above). An exception is the reporting of associated companies, which in the Parent Company are reported at acquisition cost and not, as in the Group, at fair value. In addition, pensions are reported according to the Swedish Annual Accounts Act, which, among other things, entails that pension funds tied to Proventus not be included.

Administration expenses for other operations refer to personnel costs for employees in the Parent Company who perform services for other Group companies.

Reconciliation of equity as reported according to RR 32 and equity as reported according to previous accounting principles.

	Share Capital	Share premium	Statutory reserve	Other funds	Profit carried forward	Profit/ loss for the year	Total Equity
Opening balance per 1 Jan 2004	**58,300**	**11,433**	**10,536**	**-**	**1,791,230**	**243,202**	**2,114,701**
Note 5 – Fair-value profits on financial instruments					-20,230		-20,230
Profit brought forward		-11,433	11,433		243,202	-243,202	
Opening balance per 1 Jan 2004	**58,300**	**-**	**21,969**	**-**	**2,014,202**	**-**	**2,094,471**

Non-restricted equity in the Group per 31 December 2005 amounted to MSEK 2,063. Allocation to restricted reserves is not necessary. The Board of Directors and the CEO propose that available profits in Proventus AB of

Profit brought forward	2,001,798
Profit for the year	35,794
Total	**2,037,592**
To be appropriated as follows:	
To the shareholders, a dividend of SEK 5,950/share, totaling	34,688
To be carried forward	2,002,904
Total	**2,037,592**

The Board's motivation of the dividend is found in the administration report on page 8.

Stockholm, 28 March 2006

Robert Weil
Chairman

Daniel Sachs
CEO

Mikael Kamras

David Neuman

AUDIT REPORT

(translation)

To the annual meeting of the shareholders of
Proventus AB
Corporate identity number 556042-3443

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Proventus AB for the year 2005. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

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 reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, 28 March 2006

Peter Clemedtson
Authorized
Public Accountant

Ulf Westerberg
Authorized
Public Accountant

PROVENTUS

KATARINAVÄGEN 15
BOX 1719
SE-111 87 STOCKHOLM, SWEDEN
PHONE +46 (0)8 723 31 00
FAX +46 (0)8 20 57 25

STAY UPDATED AT
WWW.PROVENTUS.SE

PRODUCED BY VOICE THE BRAND LIBERATION COMPANY, STOCKHOLM.
PRINTED 2006 BY WASSBERG+SKOTTE TRYCKERI, STOCKHOLM.

PROVENTUS