

Interim report Ainax AB (publ) January - June 2004

- **The net result for the period amounted to SEK -6.3 million**
- **The net result per share amounted to SEK -0.92**
- **Net asset value on June 30, 2004 amounted to SEK 7,019.7 million**
- **Net asset value per share on June 30, 2004 amounted to SEK 257**
- **Net asset value on August 10, 2004 amounted to SEK 6,691.9 million**
- **Net asset value per share on August 10, 2004 amounted to SEK 245**
- **Ainax intends to redistribute in full dividends received from Scania as of spring 2005**

Ainax background and objective

Volvo's Annual General Meeting on April 16, 2004 resolved to distribute the shares in Ainax to Volvo's shareholders. Ainax holds 27,320,838 Series A shares in Scania, corresponding to 24.8 percent of the votes and 13.7 percent of the capital. Ainax shares have been traded on Nya Marknaden* ("New Market") since June 8, 2004.

The transfer of Volvo's holding of Scania Series A shares to Ainax and the distribution of Ainax shares to Volvo's shareholders was effected in order to keep the Scania Series A shares in a single block, thereby securing the value for Volvo's shareholders in the best way possible. Ainax's objective is to create the greatest possible value for its shareholders by realizing the value-added that a large block of Series A shares in Scania offers.

The number of Ainax shares corresponds one-to-one to its holding of Scania Series A shares, thus providing a transparent basis for the valuation of Ainax. Volvo has provided Ainax with SEK 100 million, which is expected to be sufficient funding for its operations. Ainax is organized in a simple and cost-efficient manner and expects to be able to redistribute the dividends it receives from Scania, in full, to its shareholders.

During the period January 2001 through May 2004, Ainax was a subsidiary of Volvo and did not conduct any operations. The comparative figures reported in the interim report therefore lack significance in an analysis of the company's reported results and financial position.

Results for the period January – June 2004

Operating expenses, mainly listing expenses for Nya Marknaden, amounted to SEK 6.5 million (-) and the operating result was SEK -6.5 million (-). Financial revenues and expenses amounted to SEK 0.2 million (0.0), and the result after financial items was SEK -6.3 million (0.0). The net result for the period totaled -6.3 million (0.0), corresponding to SEK -0.92 (6.14) per share. The net result was well in line with the adopted budget for the period.

*Nya Marknaden ("New Market") is an unofficial marketplace where shares are traded in Stockholmsbörsen's trading system, SAXESS. The trading is computerized in the same way as for companies listed on Stockholmsbörsen. Information on prices, volumes and order depth is published in real time through the same channels as for listed shares.



Liquidity and equity/assets ratio

On June 30 2004 liquid assets amounted to SEK 99.6 million and the equity/assets ratio was 99.9 percent.

Portfolio and share performance

The share portfolio consists of 27,320,838 Series A shares in Scania AB. The total asset value on May 16 2004, the acquisition date, was SEK 6,092.5 million, corresponding to SEK 223 per share. The market value of the holding on June 30, 2004 was SEK 6,925.8 million, or SEK 253.50 per share.

Hidden reserve in share portfolio

The hidden reserve on June 30, 2004 amounted to SEK 833.3 million.

Net asset value

The net asset value on June 30, 2004 amounted to SEK 7,019.7 million, corresponding to SEK 257 per share.

Dividend policy

Ainax intends to redistribute in full the dividends it receives from Scania. The dividend intends to be distributed as of spring 2005 for fiscal year 2004 for which substantial free equity is accessible.

Excerpt from Scania's six-month report, released July 26, 2004

SCANIA, FIRST HALF OF 2004 – COMMENTS BY THE PRESIDENT AND CEO

“Scania’s operating income rose by 7 percent to SEK 2,917 m. (2,733) in the first half of 2004. The operating margin amounted to about 11 percent. Net income increased by 17 percent and amounted to SEK 1,894 m. (1,624). Order bookings rose by 28 percent and deliveries by 8 percent,” notes Leif Östling, President and CEO.

“During the first half, Scania launched the new R-series and more than 10,000 European customers visited Scania in Södertälje to familiarise themselves with the new truck range. The introduction activities are now continuing locally in Scania’s markets. Reactions were positive and order bookings for the R-series were in line with expectations. The R-series is the first of several introductions in the new product range.

“The demand for trucks rose in practically all markets in western Europe. This higher demand is primarily due to an underlying replacement need, combined with substantial exports of used vehicles to central and eastern Europe.

“The markets in central and eastern Europe continued to grow. Both Scania’s order bookings and deliveries increased, especially in Poland, the Czech Republic and Russia.

“In markets outside Europe, both order bookings and deliveries rose. In Brazil and Argentina, demand increased and Scania maintained its position in the region. The Turkish market continued to grow, and demand for Scania products rose. In South Korea, order bookings declined as a result of somewhat slower demand and stiffening competition. Most markets in Africa, the Middle East and South East Asia showed good growth.

“After a weaker first quarter, order bookings for bus and coach chassis again turned upward. Both order bookings and deliveries increased during the first half of 2004.



“Sales of service-related products continue to grow. Income in Customer Finance increased, while the size of the portfolio was stable.

“The changeover of production for the R-series is being implemented gradually during the year. Scania’s Dutch and French plants, which account for 75 percent of assembly capacity in Europe, will enter a more intensive changeover stage during the second half of 2004. Production in Europe is expected to run at normal efficiency during the first half of 2005.

“The relocation of city bus bodybuilding operations from Katrineholm, Sweden, to Slupsk, Poland, shows positive effect.

“The first half of this year turned out well. The new Scania R-series has been well received by customers and the trade press. Changeovers of production will enter a more intensive stage in the second half of the year, which will mean a continued limitation in delivery capacity during the rest of 2004,” Mr Östling concludes.

The Ainax share

Ainax has issued 27,320,838 shares. Each share is entitled to one vote. When the share commenced trading on Nya Marknaden on June 8, 2004, the trading price was SEK 231.50. On June 30, 2004, the Ainax share traded at SEK 247.50, an increase of nearly 7 percent.

On June 30, 2004, Ainax had 48,462 shareholders.

The 10 largest shareholders on June 30, 2004 (according to VPC, the Swedish Securities Register Center):

Shareholder	No. of shares	% of votes and capital
Renault S.A.	5,697,042	20.85
Investor AB	4,444,477	16.27
Knut and Alice Wallenberg	1,509,500	5.53
AMF Pensionsförsäkring AB	1,200,002	4.39
Fourth National Pension Fund	1,126,284	4.12
JP Morgan Chase Bank	693,006	2.54
SIS Segaintersettle AG/Zurich	502,771	1.84
Second National Pension Fund	433,264	1.59
Livförsäkringsbolaget AB Skandia	320,618	1.17
Knut and Alice Wallenberg Foundation	315,421	1.15
Others	11,078,453	40.55
Total	27,320,838	100.00

Net asset value (SEK m.) Share	Number of shares	Purchase price	Market value June 30, 2004
Scania Series A	27,320,838	6,092.5	6,925.8

Net asset value of Ainax share on June 30, 2004 was SEK 257

Net asset value of Ainax share on August 10, 2004 was SEK 245

Ainax share price on June 30, 2004 was SEK 247.50

Scania A share price for on June 30, 2004 was SEK 253.50

Ainax share price on August 10, 2004 was SEK 242



Scania A share price on August 10, 2004 was SEK 241.50



Key figures	Jan-June 2004	Jan-June 2003	Apr-June 2004	Apr-June 2003	Jan-Dec 2003
Operating result, SEK m.	-6.5	-	-6.5	-	-
Result after financial items, SEK m.	-6.3	0.0	-6.3	0.0	0.0
Adjusted shareholders' equity, SEK m.	6,186.4	0.1	6,186.4	0.1	0.1
Net asset value, SEK m.	7,019.7	0.4	7,019.7	0.4	0.1
Equity/assets ratio, %	99.9	78.6	99.9	78.6	100.0
<i>Per share</i>					
Result, SEK*	-0.92	6.14	-0.47	2.60	5.17
Adjusted shareholders' equity, SEK	226.44	402.40	226.44	404.40	125.57
Net asset value, SEK	256.94	402.40	256.94	402.40	125.57
Average numbers of shares	6,831,409	1,000	13,388,621	1,000	1,000
Numbers of shares outstanding	27,320,838	1,000	27,320,838	1,000	1,000
Numbers of employees, June 30, 2004	2	-	2	-	-

*) before and after dilution

Accounting principles

This interim report was prepared in compliance with the Swedish Financial Accounting Standards Council's recommendation RR20, Interim reporting. Ainax applied the Swedish Accounting Standards Board's general advice through 2003. As of January 1, 2004, Ainax has transitioned to the Swedish Financial Accounting Standards Council's recommendations. This has not entailed any change in accounting principles. Historical figures have been adjusted, although this has not had a significant impact on the company's results and financial position.

For accounting purposes, Scania will be treated as an associated company to Ainax. Since Ainax does not prepare consolidated financial statements, the investment in this associated company will be accounted for in accordance with the cost method valued at the lower of its original cost and market value. Dividends from such investment will be recognized as revenue when ratified by the shareholders and available for distribution.

In compliance with the Swedish Financial Accounting Standards Council's recommendation RR9, Taxes, deferred tax assets attributable to tax loss carryforwards are reported as assets to the extent it is likely that these loss carryforwards can be offset against taxable surpluses in future taxation. No deferred tax assets are reported since it is not considered likely that the company will report a taxable surplus in the foreseeable future.

As of January 1, 2004, Ainax complies with the Swedish Financial Accounting Standards Council's recommendation RR29, Employee benefits. The company's employees are covered by the so-called ITP plan, which is financed through pension insurance via Alecta. Alecta currently is unable to provide the information needed to report defined benefit contributions as well as managed assets and expenses associated with the plan. Information on Ainax's share of the surplus or deficit in the plan is therefore unavailable as well. Consequently, the plan is reported as if it were a defined contribution plan even though the ITP plan is a defined benefit plan.

Ainax's operations comprise only one business area, the management of the shareholding in Scania, and the company's income statement and balance sheet therefore constitute, in their entirety, a primary segment in accordance with the Swedish Financial Accounting Standards Council's recommendation RR25, Reporting by segment.

**Transition to IFRS**

In accordance with the requirements that listed companies in the EU will have to meet as of 2005, Ainax will adopt the International Financial Reporting Standards (IFRS).

At present, Ainax is reviewing its reporting routines to collect the data needed for IFRS accounting. During 2004, the company will also gather information to be used as comparative figures in the interim reports and annual report for 2005. Ainax intends to provide further information to the stock market and analysts in the last quarter of 2004 on the anticipated financial effects on the company when IFRS is adopted.

Scheduled financial reporting dates

The interim report for January-September 2004 will be published on November 10, 2004.

The year-end report for 2004 will be published in February 2005.

The interim report has not been subjected to special review by company's auditors.

This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Ainax AB (publ), Corp. reg. no. 556579-4459

Stockholm, August 11, 2004
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**INCOME STATEMENT (SEK m.)
SUMMARY**

	Jan-June 2004	Jan-June 2003	Apr-June 2004	Apr-June 2003	Jan-Dec 2003
Operating income	-	-	-	-	-
Operating expenses					
Administrative expenses	-6.3	-	-6.3	-	-
Personnel expenses	-0.2	-	-0.2		
Operating result	-6.5	-	-6.5	-	-
Net financial items	0.2	0.0	0.2	0.0	0.0
Result after financial items	-6.3	0.0	-6.3	0.0	0.0
Tax	-	0.0	-	0.0	0.0
Net result for the period	-6.3	0.0	-6.3	0.0	0.0
Net result per share (SEK) (before and after dilution)	-0.92	6.14	-0.47	2.60	5.17

**BALANCE SHEET (SEK m.)
SUMMARY**

	June 30 2004	Dec 31 2003	June 30 2003
ASSETS			
Fixed assets			
Equipment	0.1	-	-
Shares and participations	6,092.5	-	-
Receivable from parent company	-	0.1	0.1
Current assets			
Other receivables	0.0	-	0.3
Prepaid expenses and accrued income	0.2	-	-
Cash and bank balances	99.6	-	-
TOTAL ASSETS	6,192.4	0.1	0.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	6,186.4	0.1	0.4
Current liabilities			
Accounts payable	2.4	-	-
Other current liabilities	-	0.0	0.0
Accrued expenses and deferred income	3.6	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,192.4	0.1	0.4


CASH FLOW STATEMENT (SEK m.)

	Jan-June 2004	Jan-June 2003
Operating activities		
Operating result	-6.5	-
Adjustments for items not included in cash flow	-	0.1
Interest received	-	0.0
Income tax paid	-	-0.1
	-6.5	0.0
Increase in receivables	0.1	-
Increase in accounts payable	2.4	-
Increase in other current liabilities	3.6	-
Cash flow from operating activities	-0.4	-
Investing activities		
Purchase of shares	-5,764.8	-
Cash flow from investing activities	-5,764.8	-
Financial activities		
Unconditional shareholders' contribution	5,864.8	-
Cash flow from financial activities	5,864.8	-
Cash flow for the period	99.6	0.0
Liquid assets at beginning of period	0.0	0.0
Liquid assets at end of period	99.6	0.0

CHANGE IN SHAREHOLDERS' EQUITY (SEK m.)

	June 30 2004	June 30 2003
Opening balance	0.1	0.4
New issue, contribution of capital in kind*	327.7	-
Unconditional shareholders' contribution*	5,864.8	
Conversion difference	0.1	
Net result for the period	-6.3	0.0
Closing balance	6,186.4	0.4

*) In connection with the transfer of 27,320,838 Scania Series A shares from Volvo to Ainax, the parties entered into an agreement regarding the contribution of capital in kind pursuant to which 1,469,642 Scania Series A shares were contributed in exchange for 27,310,838 new issued shares in Ainax. In addition, Volvo made an unconditional shareholders' contribution to Ainax in the amount of SEK 5,864,816,708 which, with exception of SEK 100,000,000, was used by Ainax to pay the purchase price to Volvo for the remaining 25,851,196 Scania Series A shares.