

Interim Report January-June 2014

Highlights during the second quarter

- Net asset value amounted to SEK 232,501 m. (SEK 305 per share) on June 30, 2014, an increase of SEK 4,917 m. (SEK 6 per share) during the quarter, corresponding to a change, with dividend added back, of 5 percent. Over the past 20 years, annual net asset value growth, with dividend added back, has been 14 percent.
- Additional shares in ABB were acquired for SEK 833 m.
- Permobil acquired TiLite, a leading manufacturer of advanced manual wheelchairs, as part of its strategy to become a leader within complex rehabilitation solutions.
- EQT funds distributed a net of SEK 117 m. to Investor. In constant currency, the value increased by 10 percent. Investor Growth Capital distributed SEK 105 m. to Investor. In constant currency, the value decreased by 3 percent.

Financial information

- Consolidated net profit for the period, which includes unrealized change in value, was SEK 23,715 m. (SEK 31.12 basic earnings per share), compared to SEK 12,715 m. (SEK 16.71 basic earnings per share) for the same period 2013.
- Core Investments contributed SEK 20,394 m. to net asset value for the period (12,186), of which the listed SEK 19,431 m. (11,381).
- Financial Investments contributed SEK 4,015 m. to net asset value for the period (1,832).
- Leverage (net debt/total assets) was 9.5 percent as of June 30, 2014 (9.7).
- Consolidated net sales for the period was SEK 10,093 m. compared to SEK 8,802 m. for the same period 2013.

Overview annual average performance

	NAV (%)*	Total return	
		Investor B (%)	SIXRX (%)
Q2 2014	4.9	10.5	4.3
1 year	30.7	43.6	28.3
5 years	15.9	20.2	17.0
10 years	12.1	16.2	11.8
20 years	14.1	14.1	12.3
<i>*Incl. dividend added back</i>			
			6/30 2014
NAV, SEK per share			305
Share price (B-share), SEK			250.70



President's comments

Our net asset value, with dividend added back, rose by 5 percent during the second quarter. The SIXRX index rose 4 percent and our total shareholder return was 11 percent.

What is the price of money?

The Central Banks around the world maintain expansionary monetary policies. Most likely, interest rates will remain low for an extended period, with the flip side of potential asset bubbles. Basically, we should ask whether the current interest rate level is the real cost of money, and who will end up without a chair when the music eventually stops?

Core Investments

We continued adding to our holding in ABB during the quarter. Given its large emerging markets exposure and structural growth drivers such as electricity system build-out, increased focus on energy efficiency and a strong portfolio in automation, we find ABB an attractive long-term investment.

We supported the Board of AstraZeneca in rejecting the bid from Pfizer, as it didn't reflect the value of the company. While its product pipeline carries risk, we believe in AstraZeneca's prospects and higher value standalone.

Mölnlycke Health Care's growth during the quarter was lower due to production problems within advanced wound care, which also impacted profitability. Volumes are now being increased again. In addition, one-time costs related to management transition affected EBITDA negatively. The process to capture growth opportunities continues.

In April, we acquired most of the shares in Mölnlycke that its management bought in 2007. The rest was bought by the current key staff at the same price. This transaction did not incur any economic loss of value, as we paid market price. However, since it exceeds our reported value, which is book equity, IFRS mandated a charge. In the new program at Mölnlycke (and for all subsidiaries), we have committed to buying back shares at market price if the participants want to sell. With this obligation, IFRS requires us to base the minority interest on market price. However, we plan to continue with similar programs in the future and thus do not expect to buy back any shares. I encourage you all to read note 1) on page 6 to see all accounting effects on Mölnlycke's contribution on our net asset value.

Permobil continued its good development. In May, it acquired TiLite, a leading manufacturer of advanced manual wheelchairs with a strong market position in the U.S., but with limited non-U.S. sales. The combination of TiLite's superior products and Permobil's sales network creates opportunities for continued growth in the U.S. and expansion in Europe. Both companies are devoted to improving the quality of life for their users. The acquisition is in line with Permobil's strategy to grow in adjacent product areas to become a leader in complex rehabilitation solutions.

We continue to build Aleris, but do not expect any materially visible positive P&L impact until late 2015. While Aleris has started up many new contracts this quarter, they have not fully compensated for margins in lost ones in which we had come further down the learning curve. As a result, sales are higher while EBITDA is lower than in the first half of 2013.

Financial Investments

During the quarter, we received net distribution from EQT of SEK 117 m. The value change was 10 percent in constant currency, driven by liquidity events. In May, EQT celebrated its 20th anniversary. As a sponsor since its inception, we can look back at stellar performance. Especially the sponsor

economics create an extra boost. Longer-term, we expect EQT to generate good cash flow to Investor.

Investor Growth Capital distributed SEK 105 m. to Investor. Lower multiples on listed peers, mainly in the tech sector, resulted in a value decline of 3 percent in constant currency.

3 Scandinavia continued to perform well, with strong growth in service revenue and solid cash flow generation. In June, the company repaid SEK 0.7 bn. of its external debt, reducing Investor's loan guarantee by another SEK 0.3 bn.

Swedish business from an international perspective

Over the last few decades, many global industries have consolidated, initially domestically then over time increasingly cross-border. Sometimes Swedish companies are the consolidators, sometimes they become targets. This process is unavoidable in open economies and will continue.

We focus on doing what we believe is industrially right for each company. We are long-term owners without any exit strategy. However, occasionally we arrive at the conclusion that a company could develop better with another owner. In such cases, our responsibility is to find a new owner, while making sure that we maximize returns to our shareholders.

In many cross-border mergers, the location of the headquarters depends on where conditions such as access to well-educated employees, infrastructure, tax regimes, and so on, are the most favorable. It is thus imperative that Sweden continues to improve its competitiveness.

In a consolidating world, it is important that we create new Swedish companies with industrial champion potential. I believe that we have a positive entrepreneurial environment, but we lack venture capital for promising companies. Today, many growth companies are forced to seek financing outside Sweden. When financing is obtained elsewhere, the threshold for relocating headquarters and operations becomes lower. This is something that we, as a nation, cannot afford. Of course, we need policies making it rational for our existing global companies to remain in Sweden, but we also need to improve the capital formation for young growth companies to ensure that we re-stock our industrial base.

Financial position

Over the last year, we have lowered the group's leverage, including our ring-fenced subsidiaries. The cash flow from our portfolio allows us to reinvest in our business without compromising our ability to pay a steadily rising dividend. Actually, additional investments will support our dividend capacity. Therefore, we will continue to search for NPV positive opportunities. The top priority is for our holdings to make acquisitions to strengthen their businesses, and allowing us to capture synergies. For new investments, our focus is to add new wholly-owned companies, which we can fully control to maximize long-term shareholder value.

Dear shareholder, we will never give up our relentless focus on maintaining cost efficiency and we will work hard to keep generating a steadily rising dividend, all in order to create attractive long-term value for you. As Babe Ruth once noted: "you just can't beat a person who never gives up".



Börje Ekholm

Net asset value overview

	Number of shares	Ownership capital/votes ¹⁾ (%)	Share of total assets	Value, SEK/share	Value, SEK m. ²⁾	Contribution to net asset value	Value, SEK m. ²⁾
	6/30 2014	6/30 2014	6/30 2014 (%)	6/30 2014	6/30 2014	YTD 2014	12/31 2013
Core Investments							
Listed ³⁾							
SEB	456 198 927	20.8/20.8	16	54	40 727	3 927	38 618
Atlas Copco	206 895 611	16.8/22.3	15	52	39 775	4 226	36 687
ABB	193 365 142	8.4/8.4	12	39	29 780	-2 042	31 738
AstraZeneca	51 587 810	4.1/4.1	10	34	25 629	6 516	19 753
Ericsson	175 047 348	5.3/21.5	5	18	13 663	959	13 229
Sobi	107 594 165	39.8/39.8	4	13	9 587	2 459	7 128
Electrolux	47 866 133	15.5/30.0	3	11	8 089	339	8 061
Saab	32 778 098	30.0/39.5	3	9	6 729	1 226	5 651
Wärtsilä	17 306 978	8.8/8.8	2	8	5 766	351	5 537
NASDAQ OMX	19 394 142	11.4/11.4	2	7	5 049	56	5 023
Husqvarna	97 052 157	16.8/31.0	2	7	5 021	1 414	3 749
			74	249	189 815	19 431	175 174
Subsidiaries							
Mölnlycke Health Care		99/99	9	30	22 766	959	20 684
Aleris		100/100	1	5	3 840	-2	3 830
Permobil		94/90	1	5	3 806	47	3 759
Grand Hôtel/Vectura		100/100	1	2	1 296	38	1 258
			12	42	31 708	1 042	29 531
			86	291	221 523	20 394⁴⁾	204 705
Financial Investments							
EQT			5	17	13 287	2 657	11 615
Investor Growth Capital			4	15	11 328	1 002	10 793
Partner-owned investments							
Lindorff							
<i>Equity</i>		58/50	2	6	4 880	232	4 648
<i>Mezzanine debt</i>			0	1	340	28	312
3 Scandinavia		40/40	1	4	2 877	234	2 643
Other Investments ⁵⁾			1	2	1 597	-111	2 245
			13	45	34 309	4 015⁴⁾	32 256
Other Assets and Liabilities			1	2	1 163 ⁶⁾	-7 325 ^{4,7)}	1 560 ⁶⁾
Total Assets			100	337	256 995		238 521
Net debt			-10	-32	-24 494		-23 104
Net Asset Value			90	305	232 501	17 084	215 417

- 1) Calculated in accordance with the disclosure regulations of Sweden's Financial Instruments Trading Act (LHF). ABB, AstraZeneca, NASDAQ OMX and Wärtsilä in accordance with Swiss, British, U.S. and Finnish regulations.
- 2) Includes market value of derivatives related to investments if applicable. The subsidiaries within Core Investments and the partner-owned investments within Financial Investments are reported according to the acquisition method and equity method respectively.
- 3) Valued according to the class of share held by Investor, with the exception of Saab and Electrolux, for which the most actively traded class of share is used. Wärtsilä is valued based on the underlying value of shares in Wärtsilä through Avlis AB.
- 4) Including management costs. Management costs attributable to Core Investments, Financial Investments and Groupwide amounted to SEK 79 m., SEK 27 m. and SEK 75 m. respectively.
- 5) Includes Investor's trading activities and investments in Active Biotech, Affibody, Alligator, Atlas Antibodies, Kunskapsskolan, Madrague, Newron, Novare Human Capital, RAM and Samsari, among others.
- 6) Including SEK 1.2 bn. of the proceeds from the divestiture of Gambro held in escrow.
- 7) Including paid dividends of SEK 6,089 m.

Overview

Net asset value

During the first half of the year, the net asset value increased from SEK 215.4 bn. to SEK 232.5 bn. The change in net asset value, with dividend added back, was 11 percent during the period (8), of which 5 percent during the second quarter (-2). The corresponding total return of the Stockholm Stock Exchange (SIXRX) was 9 percent and 4 percent respectively.

For balance sheet items, figures in parentheses refer to year-end 2013 figures. For income statement items, the figures in parentheses refer to the same period last year.

Net debt

Net debt totaled SEK 24,494 m. on June 30, 2014 (23,104), corresponding to leverage of 9.5 percent (9.7).

Investor's net debt

SEK m.	H1 2014	2013
Opening net debt	-23 104	-22 765
Core Investments		
Dividends	5 869	5 441
Investments, net of proceeds	-2 192	-8 277
Financial Investments		
Dividends	985 ¹⁾	711
Investments, net of proceeds	1 181	9 022
Investor Groupwide		
Other	-1 144	-1 905
Dividends paid	-6 089	-5 331
Closing net debt	-24 494	-23 104

1) Distribution from IGC of SEK 160 m. pending over the end of the quarter have been accounted for as receivables in Other Assets and Liabilities.

Performance by business area

Q2 2014

SEK m.	Core Investments			Financial Investments	Investor Groupwide	Total
	Listed	Subsidiaries	Total			
Dividends	2 954	-	2 954	415	-	3 369
Other operating income	-	-	-	53	-	53
Changes in value	6 294	-11	6 283	842	-	7 125
Net sales	-	5 204	5 204	6	-	5 210
Management cost	-	-	-41	-14	-36	-91
Other items	-	-4 008	-4 008	141	-247	-4 114
Profit/loss for the period	9 248	1 185	10 392	1 443	-283	11 552
Non-controlling interest	-	-9	-9	-1	-	-10
Dividends paid	-	-	-	-	-6 089	-6 089
Other effects on equity	-	-574	-574	519	-481	-536
Contribution to net asset value	9 248	602	9 809	1 961	-6 853	4 917
Net asset value, June 30, 2014						
Carrying amount	189 815	31 708	221 523	34 309	1 163	256 995
Investors net debt	-	-	-	-	-24 494	-24 494
Total net asset value	189 815	31 708	221 523	34 309	-23 331	232 501

Q2 2013

SEK m.	Core Investments			Financial Investments	Investor Groupwide, incl. elimination	Total
	Listed	Subsidiaries	Total			
Dividends	2 791	-	2 791	149	-	2 940
Other operating income	-	36	36	128	-36	128
Changes in value	-7 482	54	-7 428	729	-	-6 699
Net sales	-	4 657	4 657	-	-34	4 623
Management cost	-	-	-37	-17	-37	-91
Other items	-	-4 285	-4 285	-44	-52	-4 381
Profit/loss for the period	-4 691	462	-4 266	945	-159	-3 480
Non-controlling interest	-	-2	-2	-	-	-2
Dividends paid	-	-	-	-	-5 331	-5 331
Other effects on equity	-	617	617	506	-641	482
Contribution to net asset value	-4 691	1 077	-3 651	1 451	-6 131	-8 331
Net asset value, June 30, 2013						
Carrying amount	147 792	25 930	173 722	37 155	23	210 900
Investors net debt	-	-	-	-	-28 201	-28 201
Total net asset value	147 792	25 930	173 722	37 155	-28 178	182 699

Core Investments

Core Investments contributed to the net asset value with SEK 20,394 m. during the period (12,186), of which SEK 9,809 m. in the second quarter (-3,651).

Read more at www.investorab.com under "Our Investments" >>

Contribution to net asset value, Core Investments

SEK m.	Q2 2014	H1 2014	H1 2013
Changes in value, listed	6 294	13 562	6 274
Dividends, listed	2 954	5 869	5 107
Change in reported value, subsidiaries	602	1 042	878
Management cost	-41	-79	-73
Total	9 809	20 394	12 186

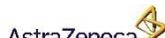
Core Investments - listed

Listed core investments contributed to the net asset value with SEK 19,431 m. during the period (11,381), of which SEK 9,248 m. in the second quarter (-4,691). The combined total return amounted to 11 percent during the period, of which 5 percent during the second quarter.

Dividends

Dividends received totaled SEK 5,869 m. during the first half of the year (5,107), of which SEK 2,954 m. in the second quarter (2,791). We expect to receive approximately SEK 6.2 bn. in total during 2014.

Core Investments – listed

	A leading Nordic financial services group. SEB is present in some 20 countries, with main focus on the Nordic countries, Germany and the Baltics.	www.seb.se
	A global leader in compressors, construction and mining equipment, power tools and assembly systems.	www.atlascopco.com
	A global leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact.	www.abb.com
	A global, innovation-driven, integrated biopharmaceutical company.	www.astrazeneca.com
	The world's leading provider of communications technology and services. Ericsson operates in 180 countries and employs more than 100,000 people.	www.ericsson.com
	A leading integrated biopharmaceutical company with international market presence, developing and commercializing pharmaceuticals for patients with rare diseases.	www.sobi.com
	A global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year.	www.electrolux.com
	Serves the global market with world-leading products, services and solutions for military defense and civil security.	www.saabgroup.com
	A global leader in complete lifecycle power solutions for the marine and energy markets.	www.wartsila.com
	One of the world's largest exchange operators, which offers listings, trading, exchange technology and public company services across six continents.	www.nasdaqomx.com
	The world's largest producer of outdoor power products for garden, park and forest care, European leader in watering products, and a world leader in cutting equipment and diamond tools to the construction industry.	www.husqvarna.com

Contribution to net asset value and total return, 2014

	Contribution to net asset value, SEK m.	Total return, Investor ¹⁾ (%)
Listed		
SEB	3 927	10.2
Atlas Copco	4 226	11.5
ABB	-2 042	-6.4
AstraZeneca	6 516	33.0
Ericsson	959	7.2
Sobi	2 459	34.5
Electrolux	339	4.2
Saab	1 226	21.7
Wärtsilä	351	6.3
NASDAQ OMX	56	1.1
Husqvarna	1 414	37.7
Total	19 431	
Subsidiaries		
Mölnlycke Health Care	959	
Aleris	-2	
Permobil	47	
Grand Hôtel/Vectura	38	
Total	1 042	

1) Calculated as the sum of share price changes and dividends added back, including add-on investments and/or divestments.

Investments and divestments

Second quarter

5,334,242 shares were purchased in ABB for SEK 833 m.

Earlier in the year

1,450,758 shares were purchased in ABB for SEK 239 m. In SEB, 1,275,372 C-shares were purchased for SEK 108 m. and 1,165,709 A-shares were divested for SEK 101 m.

Core Investments - subsidiaries

The subsidiaries contributed to the net asset value with SEK 1,042 m. during the period (878), of which SEK 602 m. during the second quarter (1,077).

Investments and divestments

Second quarter

Investor acquired shares in Mölnlycke Health Care's Management Participation Program (a combination of common and preferred shares) for a total SEK 1,121 m. The acquisition price was confirmed through a third party fairness opinion. As a result of the transaction, Investor's ownership in Mölnlycke Health Care (including shareholder loans) increased from 98 percent to 99 percent. The shares were purchased at a price exceeding the book value of the minority shareholders' share of equity, and therefore Investor's net asset value was affected by SEK -754 m.

Earlier in the year

No investments or divestments were made.

Net asset value, subsidiaries

	6/30 2014		12/31 2013	
	SEK/share	SEK m.	SEK/share	SEK m.
Mölnlycke Health Care	30	22 766	27	20 684
Aleris	5	3 840	5	3 830
Permobil	5	3 806	5	3 759
Grand Hôtel/Vectura	2	1 296	2	1 258
Total	42	31 708	39	29 531

Contribution to net asset value, subsidiaries

SEK m.	2014		2013	
	Q2	H1	Q2	H1
Mölnlycke Health Care	590 ¹⁾	959	1 135	986
Aleris	-19	-2	-36	-37
Permobil	32	47	-24	-24
Grand Hôtel/Vectura	-1	38	2	-47
Total	602	1 042	1 077	878

1) Investor's acquisition of shares from Mölnlycke Health Care's previous Management Participation Program increased the value by SEK 1,121 m. However, due to IFRS accounting rules, this affected book value by SEK -754 m. as the price paid exceeded the book value. The new Management Participation Program has to be reported at fair value, which reduced the book value by SEK 246 m. Following a final tax ruling, tax loss carry-forwards have been written up by SEK 714 m. during the second quarter. Currency-related effects had a positive effect of SEK 491 m. during the quarter.



Read more at www.molnlycke.com >>

A world-leading manufacturer of single-use surgical and wound care products and services for the professional health care sector.

Activities during the quarter

- Growth in the second quarter of 4 percent in constant currency was weaker than the previous quarter. The EMEA and Asia-Pacific markets were relatively weaker, while North America remained robust. The decline in EBITDA is mainly explained by management transition-related costs and startup costs for the new facility in Brunswick, U.S.
- Within Wound care, growth was effected by temporary production disturbances resulting in delivery constraints and extra costs. The constraints are being resolved and the production volumes are being increased again.
- The Surgical division had another stable quarter, with revenue growth driven mainly by strong performance from the ProcedurePak® tray and Antiseptics businesses.
- The strong cash flow generation continued, allowing for an additional reduction in net debt.

Key figures, Mölnlycke Health Care

Income statement items, EUR m.	2014		2013		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	297	584	292	569	1 168
Sales growth, %	2	3	5	4	
Sales growth, constant currency, %	4	5	6	5	
EBITDA	77	154	86	160	338
EBITDA, %	26	26	29	28	29
Balance sheet items, EUR m.	6/30 2014		12/31 2013		
Net debt	646		728		
Cash flow items, EUR m.	2014		2013		
EBITDA	77	154	86	160	
Change in working capital	6	-16	-2	-40	
Capital expenditures	-11	-21	-12	-24	
Operating cash flow	72	117	72	96	
Acquisitions/divestments	-	-	-	-	
Shareholder contribution/distribution	-	-	-	-	
Other ¹⁾	-20	-35	-31	-71	
Increase(-)/decrease (+) in net debt	52	82	41	25	
Key ratios	6/30 2014		6/30 2013		Rolling 4 quarters
Working capital/sales, %					12
Capital expenditures/sales, %					4
Number of employees	7 515		7 390		

1) Includes effects of exchange rate changes, interest and tax.

A leading private provider of healthcare and care services in Scandinavia.

Activities during the quarter

- Organic sales growth was 7 percent in constant currency, mainly driven by the Care business. During the quarter, Easter effects, new contracts with lower profitability and weak profitability in Healthcare Sweden, affected EBITDA negatively.
- In Sweden, the company continued the work to resolve the problems within Healthcare, primarily the community hospitals in Stockholm and Primary Care. The Diagnostics business continued to perform well. Performance in the Care division was stable.
- In Norway performance remained stable, with good performance in most areas. Senior Care showed somewhat weaker profitability, while Care for Youth/Adults showed strong development, and performance in Healthcare was in line with expectations. Aleris completed an investment in a brand new hospital in Stavanger during the quarter.
- In Denmark performance was in line with last year, Senior Care was behind while Healthcare continued to show good development.

Key figures, Aleris

Income statement items, SEK m.	2014		2013		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	1 894	3 735	1 767	3 523	7 187
Sales growth, %	7	6	2	4	
Organic growth, constant currency, %	7	6	3	5	
EBITDA	77	178	105	190	295
EBITDA, %	4	5	6	5	4
Balance sheet items, SEK m.	6/30 2014		12/31 2013		
Net debt	970		991		
Cash flow items, SEK m.	2014		2013		
	Q2	H1	Q2	H1	
EBITDA	77	178	105	190	
Change in working capital	61	-11	55	-35	
Capital expenditures	-26	-79	-42	-81	
Operating cash flow	112	88	118	74	
Acquisitions/divestments	-12	-12	-	-	
Shareholder contribution/distribution	-	-	-	-	
Other ¹⁾	-63	-55	89 ²⁾	104 ²⁾	
Increase(-)/decrease (+) in net debt	37	21	207	178	
Key ratios					Rolling 4 quarters
Working capital/sales, %					-2
Capital expenditures/sales, %					2
	6/30 2014		6/30 2013		
Number of employees	6 485		6 070		

1) Includes effects of exchange rate changes, interest, tax and other non-cash items.

2) Includes the release of the cancelled SEK 125 m. acquisition-related earn-out payment.

A world-leading manufacturer of advanced powered wheelchairs.

Activities during the quarter

- Organic sales growth was 5 percent in constant currency and continued to be driven by the U.S. Sales were flat in Europe, as certain markets remain lackluster, and the company is making investments to drive growth.
- Reported EBITDA was SEK 103 m. and the EBITDA margin was 21 percent. On an underlying basis, EBITDA amounted to SEK 83 m. (19 percent margin) in the corresponding quarter last year. The improvement was mainly driven by growth and cost efficiency.
- Operating cash flow was low as some of the strong working capital contribution in the first quarter was reversed. Year to date, cash conversion has been held back by significant increases in capex driven by investments in the Timrå facilities and R&D.
- As part of its strategy to grow in adjacent areas, Permobil acquired TiLite – a U.S. based leading manufacturer of advanced manual wheelchairs. Permobil and TiLite combined have sales of approximately SEK 2 bn. Permobil's acquisition is financed by retained cash and new debt.

Key figures, Permobil¹⁾

Income statement items, SEK m.	2014		2013		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	482	893	438	820	1 815
Sales growth, %	10	9	6	8	
Organic growth, constant currency, %	5	6	8	10	
EBITDA	103	166	50	110	311
EBITDA, %	21	19	11	13	17
Balance sheet items, SEK m.	6/30 2014		12/31 2013		
Net debt	1 421		1 117		
Cash flow items, SEK m.	2014		2013		
	Q2	H1	Q2	H1	
EBITDA	103	166	50	110	
Adjustments to EBITDA	-	-	-25 ²⁾	-25 ²⁾	
Change in working capital	-64	-24	-31	-35	
Capital expenditures	-29	-64	-19	-40	
Operating cash flow	10	78	-25	10	
Acquisitions/divestments	-362	-362	-	-	
Shareholder contribution/distribution	-	-	-	-	
Other ³⁾	2	-20	-31	-19	
Increase(-)/decrease (+) in net debt	-350	-304	-56	-9	
Key ratios					Rolling 4 quarters
Working capital/sales, %					19
Capital expenditures/sales, %					7
	6/30 2014		6/30 2013		
Number of employees	955		750		

1) Consolidated as of May 14, 2013, figures for full prior periods provided for comparison.

2) SEK -36 m. in cash flow-affecting acquisition-related costs and SEK 11 m. in acquisition-related inventory adjustments that have not affected cash flow.

3) Includes effects of exchange rate changes, interest and tax.

Includes Grand Hôtel, Scandinavia's leading five-star hotel, opened in 1874, and Lydmar Hotel, a high-end boutique hotel. Both reside in neighboring landmark buildings with unique waterfront locations in central Stockholm.

Activities during the quarter

- Organic sales growth for the Grand Group amounted to 12 percent. EBITDA showed strong improvement compared to last year.
- Grand Hôtel developed well with stable growth in all areas; the Lodging activities, Food and Beverage and the SPA. Growth for Food and Beverage was positively affected by the fact that the Veranda was closed for renovation last year.
- Lydmar Hotel's performance was in line with last year. The Lodging activities continued to show strong growth while Food & Beverage was below last year.

Key figures, Grand Hôtel

Income statement items, SEK m.	2014 ¹⁾		2013		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	146	238	113	186	514
Sales growth, %	29	28	13	6	
Organic growth, %	12	12	-	-	
EBITDA	14	1	0	-15	11
EBITDA, %	10	0	0	-8	2
	6/30 2014		6/30 2013		
Number of employees	325		260		

1) Including the operations of Lydmar Hotel.

Balance sheet items, SEK m.

	6/30 2014	12/31 2013
Net debt, Grand Hôtel/Vectura	1 098	943

Manages real estate in Sweden, including Investor's office building, Näckström Fastigheter (operates real estate related to Aleris), the Grand Hôtel property, and other land and real estate.

Activities during the quarter

- Vectura reported a stable second quarter with 3 percent sales growth. The main contribution came from Grand Hôtel and Näckström Fastigheter.
- EBITDA was flat year over year and the margin was 63 percent.
- As of June 30, 2014, the market value of Vectura's properties amounted to SEK 2.6 bn. (2.4).

Key figures, Vectura

Income statement items, SEK m.	2014		2013		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales	35	61	34	54	131
Sales growth, %	3	13	10	0	
EBITDA	22	35	22	27	84
EBITDA, %	63	57	65	50	64

Financial Investments

Financial Investments contributed to the net asset value with SEK 4,015 m. during the period (1,832), of which SEK 1,961 m. during the second quarter (1,451).

Read more at www.investorab.com under "Our Investments" >>

Investments and divestments

Second quarter

SEK 499 m. was invested and SEK 710 m. was distributed to Investor.

Investor acquired an additional 3 percent of Affibody. Following this, Investor's owns 71 percent of the company.

Earlier in the year

SEK 476 m. was invested and SEK 1,913 m. was distributed to Investor.

Investor acquired an additional 44 percent of the Swedish biotech company Affibody for SEK 109 m.

Net asset value, Financial Investments

	6/30 2014		12/31 2013	
	SEK/Share	SEK m.	SEK/Share	SEK m.
EQT	17	13 287	15	11 615
Investor Growth Capital	15	11 328	14	10 793
Partner-owned				
Lindorff				
Equity	6	4 880	6	4 648
Mezzanine debt	1	340	1	312
3 Scandinavia	4	2 877	3	2 643
Other investments	2	1 597	3	2 245
Total	45	34 309	42	32 256

Contribution to net asset value, Financial Investments

SEK m.	2014		2013	
	Q2	H1	Q2	H1
EQT	1 552	2 657	716	860
Investor Growth Capital	76	1 002	321	408
Partner-owned				
Lindorff	186	260	297	248
3 Scandinavia	122	234	76	90
Other investments	39	-111	58	258
Management cost	-14	-27	-17	-32
Total	1 961	4 015	1 451	1 832

The EQT private equity funds invest in companies in Northern and Eastern Europe, Asia and the U.S., in which EQT can act as a catalyst to transform and grow operations.

Activities during the quarter

- Investor received a net of SEK 117 m. from EQT funds.
- The reported value change of Investor's investments in EQT funds was 13 percent. In constant currency, the change was 10 percent.
- Investor's total outstanding commitments to EQT funds amounted to SEK 5.7 bn. as of June 30, 2014 (6.3).
- EQT Midmarket acquired TIA Technology and EQT Expansion Capital II announced the divestment of Sausalitos.
- EQT IV invested in Sportradar. EQT Expansion Capital I divested its investment in Candyking.
- In early July, EQT Expansion Capital I and EQT IV's holding SSP was listed on the London Stock Exchange.

Change in net asset value, EQT

SEK m.	Q2 2014	H1 2014	H1 2013
Net asset value, beginning of period	11 852	11 615	10 984
Contribution to net asset value (value change)	1 552	2 657	860
Draw-downs (investments and management fees)	474	841	765
Proceeds to Investor (divestitures, fee surplus and carry)	-591	-1 826	-793
Net asset value, end of period	13 287	13 287	11 816

Investor Growth Capital (IGC) manages expansion stage venture capital investments in growth companies within technology and healthcare in the U.S. and China.

Activities during the quarter

- IGC distributed SEK 105 m. to Investor.
- The reported value change of Investor's investments in IGC was 1 percent. In constant currency, the value change was -3 percent.
- U.S. healthcare holding Agile Therapeutics completed an IPO.
- IGC divested the majority of its interest in technology holding Monitise.

Change in net asset value, IGC

SEK m.	Q2 2014	H1 2014	H1 2013
Net asset value, beginning of period	11 357	10 793	10 727
Contribution to net asset value (value change)	76	1 002	408
Distribution to Investor	-105 ¹⁾	-467	-363
Net asset value, end of period	11 328	11 328	10 772
<i>Of which net cash</i>	<i>3 652</i>	<i>3 652</i>	<i>2 510</i>

1) The distribution was pending over the closing of the quarter and has been accounted for as a receivable in Other Assets and Liabilities.

As of June 30, 2014, the U.S., Asian and European portfolios represented 59, 33 and 8 percent of the total value, excluding net cash. 38 percent of the market value was composed by listed holdings. Net cash represented 32 percent of IGC's net asset value.

The five largest investments were (in alphabetical order): ChinaCache (China), Mindjet Corporation (U.S.), NS Focus (China), Retail Solutions (U.S.) and Venda (U.S). In total, these holdings represented 42 percent of the total portfolio value, excluding net cash.

A leading European provider of debt-related administrative services. The company has operations in Denmark, Estonia, Finland, Germany, Latvia, Lithuania, The Netherlands, Norway, Russia, Spain and Sweden.

Activities during the quarter

- Sales growth was flat in constant currency during the quarter, following a strong second quarter last year.
- Portfolio capex increased year over year, with contribution from both the Nordics and other European markets. This was the strongest second quarter for portfolio acquisitions in several years, except for an exceptional 2012. Portfolio deal activity has increased significantly and the pipeline looks healthy for the second half of the year and 2015.

Key figures, Lindorff¹⁾

Income statement items, EUR m.	2014		2013 ²⁾		Rolling 4 quarters ²⁾
	Q2	H1	Q2	H1	
Sales	112	224	116	225	444
Sales growth, %	-3	0	11	12	
Sales growth, constant currency, %	0	4	10	11	
EBITDA ³⁾	32	66	37	67	138
EBITDA, %	29	29	32	30	31

Balance sheet items, EUR m.	Q2 2014	Q4 2013
	Net debt	809

	Q2 2014	Q2 2013
Number of employees	2 595	2 605

- 1) Income statement and balance sheet items are reported with one month's delay.
 2) Restated.
 3) EBITDA after portfolio amortization.

An operator providing mobile voice and broadband services in Sweden and Denmark. The company has close to 2.9 m. subscribers and is recognized for its high-quality network.

Activities during the quarter

- The number of subscribers increased by 77,000 of which 57,000 in Sweden and 20,000 in Denmark. In total, the subscriber base grew by 11 percent compared to the same period last year.
- Growth in service revenue was strong, driven by subscriber base growth and increased service revenue per subscriber.
- Total EBITDA increased by 40 percent compared to the same period last year. Cash flow remained strong.
- In May, the SEK 1.8 bn. loan from the European Investment Bank was put in place, and the syndicated bank loan was repaid with an equivalent amount. Investor's total guarantee relating to its share of 3 Scandinavia's external debt was unchanged by this transaction, as both loans are guaranteed by Investor.
- In June, 3 Scandinavia used retained cash to repay an additional SEK 0.7 bn. on the syndicated bank loan, reducing Investor's guarantee relating to 3 Scandinavia's external debt by SEK 0.3 bn. The guaranteed amount is now 3.7 bn.

Key figures, 3 Scandinavia¹⁾

Income statement items	2014		2013		Rolling 4 quarters
	Q2	H1	Q2	H1	
Sales, SEK m.	2 353	4 951	2 219	4 661	9 611
Sweden, SEK m.	1 640	3 336	1 442	3 057	6 417
Denmark, DKK m.	590	1 347	677	1 396	2 698
Service revenue ²⁾ , SEK m.	1 402	2 748	1 179	2 376	5 353
Sweden, SEK m.	906	1 760	763	1 546	3 409
Denmark, DKK m.	411	823	362	722	1 642
EBITDA, SEK m.	672	1 314	480	971	2 616
Sweden, SEK m.	487	947	321	650	1 840
Denmark, DKK m.	154	306	139	279	657
EBITDA, %	29	27	22	21	27
Sweden	30	28	22	21	29
Denmark	26	23	21	20	24

Balance sheet items	Q2 2014	Q4 2013
Net debt, SEK m.	8 989	9 676

	Q2 2014	Q2 2013
Number of employees	2 060	2 035

Key figures	Rolling 4 quarters
Capital expenditures/sales, %	12

Other key figures ³⁾	6/30 2014	6/30 2013
Subscribers	2 856 000	2 575 000
Sweden	1 787 000	1 638 000
Denmark	1 069 000	937 000
Postpaid/prepaid ratio	81/19	84/16

- 1) Income statement and balance sheet items are reported with one month's delay.
 2) Mobile service revenue excluding interconnect revenue.
 3) Other key figures are reported without delay.

Unlisted investments – key figures overview

	Q2 2014	Q1 2014	FY 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	FY 2012	Q4 2012	Q3 2012	Q2 2012
Core Investments – Subsidiaries											
Mölnlycke Health Care (EUR m.)											
Sales	297	287	1 153	300	284	292	277	1 119	294	279	279
EBITDA	77	77	344	97	87	86	74	321	89	81	80
EBITDA (%)	26	27	30	32	31	29	27	29	30	29	29
Net debt	646	698	728	728	822	1 358	1 399	1 383	1 383	1 450	1 488
Employees	7 515	7 390	7 375	7 375	7 340	7 390	7 265	7 175	7 175	7 170	7 175
Aleris (SEK m.)											
Sales	1 894	1 841	6 975	1 807	1 645	1 767	1 756	6 732	1 779	1 569	1 728
EBITDA	77	101	307	38	79	105	85	330	58	38	104
EBITDA (%)	4	5	4	2	5	6	5	5	3	2	6
Net debt	970	1 007	991	991	1 970	1 983	2 190	2 161	2 161	2 684	2 586
Employees	6 485	6 375	6 220	6 220	6 175	6 070	5 995	6 010	6 010	5 955	5 785
Permobil (SEK m.)¹⁾											
Sales	482	411	1 742	472	450	438	382	1 562	413	392	415
EBITDA	103	63	255	77	68	50	60	313	86	74	98
EBITDA (%)	21	15	15	16	15	11	16	20	21	19	24
Net debt	1 421	1 071	1 117	1 117	1 161	1 291	1 235	1 282	1 282	1 305	1 339
Employees	955	765	775	775	775	750	710	680	680	690	700
Grand Hôtel ²⁾ (SEK m.)											
Sales	146	92	462	145	131	113	73	383	112	95	100
EBITDA	14	-13	-5	7	3	0	-15	0	2	1	4
EBITDA (%)	10	-14	-1	5	2	0	-21	0	2	1	4
Employees	325	295	335	335	295	260	220	265	265	255	255
Vectura²⁾ (SEK m.)											
Sales	35	26	124	38	32	34	20	116	30	32	31
EBITDA	22	13	76	28	21	22	5	58	15	19	10
EBITDA (%)	63	50	61	74	66	65	25	50	50	59	32
Net debt (Grand Hôtel/Vectura)	1 098	1 015	943	943	986	951	876	820	820	-	-
Financial Investments											
EQT (SEK m.)											
Reported value	13 287	11 852	11 615	11 615	10 305	11 816	10 923	10 984	10 984	11 267	12 624
Reported value change, %	13	10	22	12	2	7	1	0	-1	-5	1
Value change, constant currency,%	10	9	20	10	4	2	4	3	-2	-2	2
Draw-downs from Investor	841	367	1 914	606	543	390	375	1 284	90	707	176
Proceeds to Investor	1 826	1 235	3 697	565	2 339	213	580	3 460	303	1 414	32
Net proceeds to Investor	985	868	1 783	-41	1 796	-177	205	2 176	213	707	-144
Investor Growth Capital (SEK m.)											
Reported value	11 328	11 357	10 793	10 793	11 102	10 772	10 701	10 727	10 727	10 827	11 445
Reported value change, %	1	9	13	3	6	3	1	4	0	-4	2
Value change, constant currency,%	-3	9	14	2	10	1	1	9	0	1	-3
Capital contribution from Investor	-	-	-	-	-	-	-	750	-	-	-
Distribution to Investor	105	362	1 308	678	267	250	113	607	81	155	114
Partner-owned investments											
Lindorff ^{3, 4)} (EUR m.)											
Sales	112	112	445	108	112	116	109	420	-	-	-
EBITDA	32	34	139	31	41	37	30	123	-	-	-
EBITDA (%)	29	30	31	29	37	32	28	29	-	-	-
Net debt	809	780	745	745	770	773	758	764	764	792	795
Employees	2 595	2 505	2 565	2 565	2 580	2 605	2 620	2 680	2 680	3 010	2 950
3 Scandinavia³⁾											
Sales	2 353	2 598	9 321	2 432	2 228	2 219	2 442	9 341	2 461	2 113	2 507
Sweden, SEK m.	1 640	1 696	6 138	1 612	1 469	1 442	1 615	6 336	1 666	1 386	1 794
Denmark, DKK m.	590	757	2 747	699	652	677	719	2 561	689	635	592
EBITDA	672	642	2 273	734	568	480	491	2 425	683	651	598
Sweden, SEK m.	487	460	1 543	522	371	321	329	1 712	478	458	449
Denmark, DKK m.	154	152	630	181	170	139	140	609	179	167	124
EBITDA, %	29	25	24	30	25	22	20	26	28	31	24
Sweden	30	27	25	32	25	22	20	27	29	33	25
Denmark	26	20	23	26	26	21	19	24	26	26	21
Net debt, SEK m.	8 989	9 417	9 676	9 676	9 612	10 048	10 184	9 652	9 652	9 841	10 391
Employees	2 060	2 035	2 075	2 075	2 050	2 035	1 980	1 980	1 980	1 955	2 185

1) Consolidated as of May 14, 2013, figures for prior periods provided for comparison.

2) Numbers up until the first quarter 2013 pro forma.

3) Income and balance sheet items are reported with one month's delay.

4) Restated numbers prior to 2013 not provided on a quarterly basis.

Group

Net debt

Net debt totaled SEK 24,494 m. on June 30, 2014 (23,104). Debt financing of the subsidiaries within Core Investments and the partner-owned investments within Financial Investments, is arranged on an independent ring-fenced basis and hence not included in Investor's net debt. Investor guarantees SEK 3.7 bn. of 3 Scandinavia's external debt, but this is not included in Investor's net debt.

Net debt, 6/30 2014

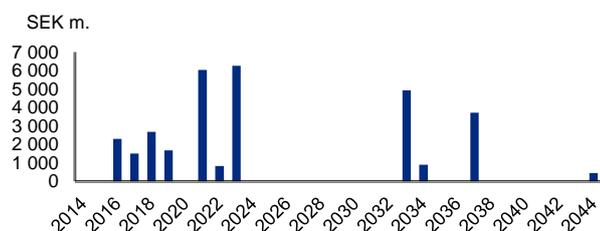
SEK m.	Consolidated balance sheet	Deductions related to Core Investments subsidiaries and IGC	Investor's net debt
Other financial investments	2 022	-2	2 020 ¹⁾
Cash, bank and short-term investments	13 121	-7 289	5 832 ¹⁾
Receivables included in net debt	736	-8	728
Loans	-45 848	12 921	-32 927
Provision for pensions	-659	512	-147
Total	-30 628	6 134	-24 494

1) Included in cash and readily available placements.

Investor's cash and readily available placements amounted to SEK 7,852 m. as of June 30, 2014 (6,864). The short-term investments are invested conservatively, taking into account the risk-adjusted return profile. Gross debt excluding pensions for Investor amounted to SEK 32,199 m. at the end of the period (29,814).

The average maturity of Investor AB's debt portfolio was 11.0 years on June 30, 2014 (10.8), excluding the debt of Mölnlycke Health Care, Aleris, Permobil and Grand Hôtel/Vectura.

Maturity profile, 6/30, 2014



Net financial items, 6/30 2014

SEK m.	Group - Net Financial Items	Deductions related to Core Investments subsidiaries and IGC	Investor's Net Financial Items
Interest income	63	-8	55
Interest expenses	-733	155	-578
Realized result from loans and swaps	-	-	-
Unrealized result from revaluation of loans, swaps and short-term investments	-170	22	-148
Foreign exchange result	158	-82	76
Other	-26	4	-22
Total	-708	91	-617

The Investor share

The price of the A-share and B-share was SEK 244.00 and SEK 250.70 respectively on June 30, 2014, compared to SEK 215.10 and SEK 221.30 on December 31, 2013.

The total shareholder return amounted to 11 percent during the second quarter 2014 (-1).

The total market capitalization of Investor, adjusted for repurchased shares, was SEK 188,740 m. as of June 30, 2014 (166,451).

Parent Company

Share capital

Investor's share capital amounted to SEK 4,795 m. on June 30, 2014 (4,795).

Share structure

Class of share	Number of shares	Number of votes	% of capital	% of votes
A 1 vote	311 690 844	311 690 844	40.6	87.2
B 1/10 vote	455 484 186	45 548 418	59.4	12.8
Total	767 175 030	357 239 262	100.0	100.0

On June 30, 2014, Investor owned a total of 5,994,985 of its own shares (6,293,360). The net decrease in holdings of own shares is attributable to repurchase of own shares and transfer of shares and options within Investor's long-term variable remuneration program.

Results and investments

The Parent Company's result after financial items was SEK 18,850 m. (10,230). The result is mainly related to listed core investments which contributed to the result with dividends amounting to SEK 5,713 m. (4,965) and value changes of SEK 13,302 m. (4,961).

During the period, the Parent Company invested SEK 2,442 m. in financial assets (8,453), of which SEK 1,215 m. in Group companies (8,334) and purchases in listed core investments of SEK 1,180 m. (59). By the end of the period, shareholder's equity totaled SEK 203,758 m. (190,944).

Other

Acquisition of shares in Mölnlycke Health Care

In April 2014, the participants, approximately 140 people, in Mölnlycke Health Care's Management Participation Program agreed to sell all of their shares under the program. A new program was set in place for current Board members, management and key employees, approximately 70 people in total.

In total, Investor acquired shares in Mölnlycke Health Care from approximately 140 participants for a total amount of EUR 112 m, of which EUR 74 m. from the Board, management. The participants in the new program have invested EUR 35 m., of which Board members and management EUR 15 m. Gunnar Brock is one of the participants of the Management Participation Program since his appointment as Chairman of Mölnlycke Health Care in 2007, prior to his election to the Board of Directors of Investor in 2009. The total investment by Gunnar Brock under the program is approximately EUR 0.7 m. As disclosed in the Interim Report January-March 2012, Gunnar Brock divested part of his holding to Investor in March 2012. As part of the transactions described above, Gunnar Brock has sold his remaining holding of shares to Investor for approximately net EUR 1.9 m. and reinvested EUR 0.4 m. in the new program.

Risks and Risk management

The main risks that the Group and the Parent Company are exposed to are primarily related to the value changes of the listed assets due to market price fluctuations. The development of the global economy is an important uncertainty factor in assessment of near-term market fluctuations. The development of the financial markets also affects the various unlisted holdings' businesses and opportunities for new investments and divestments.

The Core Investments subsidiaries are, like Investor, exposed to commercial risks, financial risks and market risks. In addition these companies, through their business activities within respective sector, also are exposed to legal/regulatory risks and political risks, for example political decisions on healthcare budgets and industry regulations.

Whatever the economic situation in the world, operational risk management requires a continued high level of awareness and focused work in line with stated policies and instructions.

Investor's risk management, risks and uncertainties are described in detail in the Annual Report, (Administration report and Note 3). No significant changes have been assessed subsequently, aside from changes in current macro economy and thereto related risks.

Accounting policies

For the Group, this Interim report was prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Swedish Annual Accounts Act, and for the Parent Company in accordance with Sweden's Annual Accounts Act, chapter 9 Interim report. Unless otherwise specified below, the accounting policies that have been applied for the Group and Parent Company are in agreement with the accounting policies used in the preparation of the company's most recent annual report.

New and changed accounting policies in 2014

Changes in accounting policies due to new or amended IFRS

Applied as of January 1, 2014:

- IFRS 10 Consolidated Financial Statements, including new requirements regarding investment entities. IFRS 10 introduces a revised definition of control including the de facto control concept. Investor has analyzed the criteria set out in the revised definition of control and has concluded that the new definition and control concept have no impact on entities subject to consolidation. Further, IFRS 10 also introduce a definition of an investment entity. If the criteria for an investment entity is met, all subsidiaries should be considered as investments and recognized at fair value with fair value movements through profit or loss. Based on Investor's business model with a long term investment perspective, Investor concluded that the criteria for an investment entity is not met.
- IFRS 12 Disclosure of Interest in Other Entities. This is a new standard regarding disclosures for investments in subsidiaries, joint arrangements and associates. The standard lead to some additional disclosures for the Group.

Other new or revised IFRSs and interpretations from the IFRS Interpretations Committee have had no significant effect on the profit/loss, financial position or disclosures for the Group or Parent Company.

Acquisitions (business combinations)

On March 4, 2014, Investor acquired an additional 44 percent of the capital and votes of the Swedish biotech company Affibody Medical AB (publ). An additional 3 percent were acquired during April. The company is focused on developing next generation biopharmaceuticals based on its unique proprietary technology platforms: Affibody® molecules and Albumod™. Following the acquisitions, Investor owns 71 percent of the company. The consideration from Investor amounted to SEK 116 m. and was paid in cash.

In the preliminary Purchase Price Allocation, intangible assets amount to SEK 211 m. and consist of customer contracts that are depreciated over the life of the contracts.

Identifiable assets acquired and liabilities assumed (SEK m.)

Affibody	Preliminary Purchase Price Allocation
SEK m.	
Intangible assets	211
Property, plant and equipment	2
Accounts receivables	1
Other current assets	5
Cash and cash equivalents	33
Non-current liabilities and provisions	-3
Deferred tax liabilities	-46
Current liabilities	-12
Net identifiable assets and liabilities	191
Fair value of previously held share	-74
Non-controlling interest	-1
Consideration	116

Permobil's acquisition of controlling interest in TiLite

On May 27, 2014, Permobil acquired 100 percent of the capital and votes in TiLite, an American leading manufacturer of innovative and individually customized manual wheelchairs. Through the acquisition, Permobil is

taking the next step in its strategy to become a leading healthcare company, providing solutions for people with complex rehabilitation needs. The consideration amounted to SEK 362 m. The acquisition is financed by retained cash and new debt.

In the preliminary purchase price allocation, goodwill amounts to SEK 141 m. The goodwill recognized for the acquisition corresponds to the combined company's opportunities for synergies and sales growth due to TiLites strong market position in the U.S. and Permobil's sales network in Europe among others. The goodwill recognized is not expected to be deductible for income tax purposes.

Identifiable assets acquired and liabilities assumed (SEK m.)

TiLite	
SEK m.	Preliminary Purchase Price Allocation
Intangible assets	164
Property, plant and equipment	38
Inventory	45
Accounts receivables	27
Other current assets	7
Cash and cash equivalents	5
Deferred tax liabilities	-49
Current liabilities	-16
Net identifiable assets and liabilities	221
Consolidated goodwill	141
Consideration	362

The Purchase Price Allocation is preliminary.

Transaction related costs amounted to SEK 8 m. and derive from external legal fees and due diligence expenses. The costs have been included in the item Administrative, research and development and other operating cost in the Group's consolidated income statement.

For the one-month period from the acquisition date until June 30, TiLite contributed net sales of SEK 20 m. and profit of SEK 0 m. to the Group's result. If the acquisition had occurred on January 1, 2014, management estimates that consolidated net sales for the Investor Group would have increased by SEK 81 m. and consolidated profit for the period would have increased by SEK 5 m.

Pledged assets and contingent liabilities

No significant changes of pledged assets and contingent liabilities occurred during the period.

Financial calendar

Oct. 22, 2014	Interim Management Statement January-September 2014
Jan. 28, 2015	Year-End Report 2014
Apr. 21, 2015	Interim Management Statement January-March 2015
Jul. 16, 2015	Interim Report January-June 2015

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INVEb.ST in Reuters
INVE B in NASDAQ OMX

The information in this Interim Report is such that Investor is required to disclose under Sweden's Securities Market Act.

The report was released for publication at 08:15 CET on July 17, 2014.

This Interim Report and additional information is available on www.investorab.com

The Board of Directors declares that the undersigned six-month interim report provides a true and fair overview of the Parent Company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 17, 2014


Jacob Wallenberg
Chairman


Josef Ackermann
Director


Gunnar Brock
Director


Suñe Carlsson
Director


Magdalena Gerger
Director

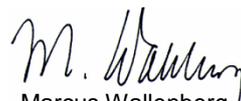

Tom Johnstone
Director


Grace Reksten Skaugen
Director


O. Griffith Sexton
Director


Hans Stråberg
Director


Lena Treschow Torell
Director


Marcus Wallenberg
Director


Peter Wallenberg Jr
Director


Börje Ekholm
President and Chief Executive Officer
Director

Review Report

Introduction

We have reviewed the interim report of Investor AB (publ), corporate identity number 556013-8298, for the period January 1-June 30, 2014. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit.

Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, July 17, 2014

Deloitte AB



Thomas Strömberg

Authorized Public Accountant

This review report is a translation of the original review report in Swedish

Consolidated Income Statement, in summary

SEK m.	1/1-6/30 2014	1/1-6/30 2013	4/1-6/30 2014	4/1-6/30 2013
Dividends	6 754	5 266	3 369	2 940
Other operating income	105	254	53	128
Changes in value	16 018	7 424	7 125	-6 699
Net sales	10 093	8 802	5 210	4 623
Cost of goods and services sold	-6 539	-5 818	-3 358	-2 980
Sales and marketing cost	-1 551	-1 345	-802	-696
Administrative, research and development and other operating cost	-1 138	-825	-596	-460
Management cost	-181	-181	-91	-91
Share of results of associates	273	8	116	4
Operating profit/loss	23 834	13 585	11 026	-3 231
Net financial items	-708	-909	-227	-280
Profit/loss before tax	23 126	12 676	10 799	-3 511
Income taxes	589	39	753	31
Profit/loss for the period	23 715	12 715	11 552	-3 480
Attributable to:				
Owners of the Parent Company	23 684	12 721	11 542	-3 482
Non-controlling interest	31	-6	10	2
Profit/loss for the period	23 715	12 715	11 552	-3 480
Basic earnings per share, SEK	31.12	16.71	15.16	-4.57
Diluted earnings per share, SEK	31.05	16.69	15.14	-4.57

Consolidated Statement of Comprehensive Income, in summary

SEK m.	1/1-6/30 2014	1/1-6/30 2013	4/1-6/30 2014	4/1-6/30 2013
Profit for the period	23 715	12 715	11 552	-3 480
Other comprehensive income for the period, including tax				
<i>Items that will not be recycled to profit/loss for the period</i>				
Revaluation of property, plant and equipment	64	9	-	9
Re-measurements of defined benefit plans	-	-	-	-
<i>Items that have been or may be recycled to profit/loss for the period</i>				
Cash flow hedges	-125	161	-77	45
Foreign currency translation adjustment	540	599	549	639
Share of other comprehensive income of associates	-24	4	-11	25
Total other comprehensive income for the period	455	773	461	718
Total comprehensive income for the period	24 170	13 488	12 013	-2 762
Attributable to:				
Owners of the Parent Company	24 140	13 475	12 004	-2 771
Non-controlling interest	30	13	9	9
Total comprehensive income for the period	24 170	13 488	12 013	-2 762

Consolidated Balance Sheet, in summary

SEK m.	6/30 2014	12/31 2013	6/30 2013
ASSETS			
Goodwill	26 585	25 819	26 336
Other intangible assets	11 590	11 530	11 997
Property, plant and equipment	5 027	4 666	4 596
Shares and participations	219 042	202 710	171 912
Other financial investments	2 022	1 761	377
Long-term receivables included in net debt	734	174	393
Other long-term receivables	4 518	3 654	6 258
Total non-current assets	269 518	250 314	221 869
Inventories	1 583	1 441	1 566
Shares and participations in trading operation	99	149	305
Short-term receivables included in net debt	2	1	0
Other current receivables	3 926	3 529	3 888
Cash, bank and short-term investments	13 121	11 716	6 795
Assets held for sale	-	-	5 455
Total current assets	18 731	16 836	18 009
TOTAL ASSETS	288 249	267 150	239 878
EQUITY AND LIABILITIES			
Equity	232 519	215 966	183 241
Long-term interest bearing liabilities	45 480	42 212	45 063
Provisions for pensions and similar obligations	659	642	757
Other long-term provisions and liabilities	4 416	3 738	3 905
Total non-current liabilities	50 555	46 592	49 725
Current interest bearing liabilities	368	52	2 389
Other short-term provisions and liabilities	4 807	4 540	4 523
Total current liabilities	5 175	4 592	6 912
TOTAL EQUITY AND LIABILITIES	288 249	267 150	239 878

Consolidated Statement of Changes in Equity, in summary

SEK m.	1/1-6/30 2014	1/1-12/31 2013	1/1-6/30 2013
Opening balance	215 966	175 106	175 106
Profit for the period	23 715	45 106	12 715
Other comprehensive income for the period	455	1 055	773
Total comprehensive income for the period	24 170	46 161	13 488
Dividends paid	-6 089	-5 331	-5 331
Changes in non-controlling interest	-1 042	89	82
Reclassification of non-controlling interest	-539	-	-
Repurchase of own shares	-	-195	-195
Effect of long-term share-based remuneration	53	136	91
Closing balance	232 519	215 966	183 241
Attributable to:			
Owners of the Parent Company	232 501	215 417	182 699
Non-controlling interest	18	549	542
Total equity	232 519	215 966	183 241

Consolidated Cash Flow, in summary

SEK m.	1/1-6/30 2014	1/1-6/30 2013
Operating activities		
Core Investments		
Dividends received	5 869	5 107
Cash receipts	10 180	9 440
Cash payments	-8 605	-8 299
Financial Investments and management cost		
Dividends received	886	167
Net cash flow, trading operation	346	-162
Cash payments	-434	-213
Cash flows from operating activities before net interest and income tax	8 242	6 040
Interest received/paid	-821	-1 109
Income tax paid	-116	-164
Cash flows from operating activities	7 305	4 767
Investing activities		
Acquisitions	-2 462	-1 263
Divestments	2 601	1 337
Increase in long-term receivables	-1	0
Decrease in long-term receivables	47	60
Acquisitions of subsidiaries, net effect on cash flow	-1 450	-3 564
Increase in other financial investments	-2 586	-1 728
Decrease in other financial investments	2 329	2 425
Net change, short-term investments	-180	577
Acquisitions of property, plant and equipment	-511	-263
Proceeds from sale of property, plant and equipment	3	6
Acquisitions of other investments	-	-4
Net cash used in investing activities	-2 210	-2 417
Financing activities		
Borrowings	1 998	1 319
Repayment of borrowings	-27	-1 136
Repurchase / Sale of own shares	-	-195
Dividend paid	-6 089	-5 331
Net cash used in financing activities	-4 118	-5 343
Cash flows for the period	977	-2 993
Cash and cash equivalents at the beginning of the year	9 783	7 696
Exchange difference in cash	226	-8
Cash and cash equivalents at the end of the period	10 986	4 695

Operating segment

PERFORMANCE BY BUSINESS AREA 1/1-6/30 2014

SEK m.	Core investments	Financial investments	Investor Groupwide	Elimination	Total
Dividends	5 869	885	-	-	6 754
Other operating income ¹⁾	-	105	-	-	105
Changes in value	13 548	2 470	-	-	16 018
Net sales	10 087	6	-	-	10 093
Cost of goods and services sold	-6 538	-1	-	-	-6 539
Sales and marketing cost	-1 539	-12	-	-	-1 551
Administrative, research and development and other operating cost	-1 083	-55	-	-	-1 138
Management cost	-79	-27	-75	-	-181
Share of results of associates	3	268	2	-	273
Operating profit/loss	20 268	3 639	-73	-	23 834
Net financial items	-99	8	-617	-	-708
Income tax	784	-123	-72	-	589
Profit/loss for the period	20 953	3 524	-762	-	23 715
Non-controlling interest	-30	-1	-	-	-31
Net profit/loss for the period attributable to the Parent Company	20 923	3 523	-762	-	23 684
Dividends paid	-	-	-6 089	-	-6 089
Other effects on equity	-529	492	-474	-	-511
Contribution to net asset value	20 394	4 015	-7 325	-	17 084
Net asset value by business area 6/30 2014					
Carrying amount	221 523	34 309	1 163	-	256 995
Investors net debt			-24 494		-24 494
Total net asset value	221 523	34 309	-23 331	-	232 501

PERFORMANCE BY BUSINESS AREA 1/1-6/30 2013

SEK m.	Core investments	Financial investments	Investor Groupwide	Elimination	Total
Dividends	5 107	159	-	-	5 266
Other operating income ¹⁾	69	254	-	-69	254
Changes in value	6 267	1 157	-	-	7 424
Net sales	8 859	-	-	-57	8 802
Cost of goods and services sold	-5 875	-	-	57	-5 818
Sales and marketing cost	-1 345	-	-	-	-1 345
Administrative, research and development and other operating cost	-751	-74	-	-	-825
Management cost	-73	-32	-76	-	-181
Share of results of associates	3	5	-	-	8
Operating profit/loss	12 261	1 469	-76	-69	13 585
Net financial items	-570	-	-408	69	-909
Income tax	98	-	-59	-	39
Profit/loss for the period	11 789	1 469	-543	-	12 715
Non-controlling interest	6	-	-	-	6
Net profit/loss for the period attributable to the Parent Company	11 795	1 469	-543	-	12 721
Dividends paid	-	-	-5 331	-	-5 331
Repurchase of own shares	-	-	-195	-	-195
Other effects on equity	391	363	52	-	806
Contribution to net asset value	12 186	1 832	-6 017	-	8 001
Net asset value by business area 6/30 2013					
Carrying amount	173 722	37 155	23	-	210 900
Investors net debt			-28 201		-28 201
Total net asset value	173 722	37 155	-28 178	-	182 699

1) Includes interest on loans.

Parent Company Income Statement, in summary

SEK m.	1/1-6/30 2014	1/1-6/30 2013	4/1-6/30 2014	4/1-6/30 2013
Dividends	5 713	4 965	2 937	2 777
Changes in value	13 302	4 961	6 241	-7 685
Net sales	6	5	2	4
Operating cost	-181	-181	-90	-94
Impairment of associates	-	-	-	-
Impairment subsidiaries	-	-	-	-
Operating profit/loss	18 840	9 750	9 090	-4 998
Profit/loss from financial items				
Net financial items	10	480	152	426
Profit/loss after financial items	18 850	10 230	9 242	-4 572
Income tax	-	-	-	-
Profit/loss for the period	18 850	10 230	9 242	-4 572

Parent Company Balance Sheet, in summary

SEK m.	6/30 2014	12/31 2013	6/30 2013
ASSETS			
Intangible assets and Property, plant and equipment	25	26	30
Financial assets	264 467	251 986	221 820
Total non-current assets	264 492	252 012	221 850
Current receivables	1 189	810	1 346
Cash and cash equivalents	-	0	0
Total current assets	1 189	810	1 346
TOTAL ASSETS	265 681	252 822	223 196
EQUITY AND LIABILITIES			
Equity	203 758	190 944	166 144
Provisions	255	248	280
Non-current liabilities	31 305	28 337	28 481
Total non-current liabilities	31 560	28 585	28 761
Total current liabilities	30 363	33 293	28 291
TOTAL EQUITY AND LIABILITIES	265 681	252 822	223 196
ASSETS PLEDGED AND CONTINGENT LIABILITIES	6/30 2014	12/31 2013	6/30 2013
Assets pledged	130	61	112
Contingent liabilities	9 727	10 001	10 201

Financial instruments

The numbers below are based on the same accounting and valuation policies as used in the preparation of the company's most recent annual report. For information regarding financial instruments in level 2 and level 3, see Note 29 in Investor's Annual Report 2013.

Valuation techniques, level 3

Group 6/30 2014	Fair value	Valuation technique	Input	Range
Shares and participations	19 272	Last round of financing	n.a.	n.a.
			EBITDA multiples	6.7 – 8.2
			Sales multiples	0.9 – 5.2
			Sales multiples	1.7 – 4.8
			NAV	n.a.
Long-term receivables included in net debt	323	Present value computation	Market interest rate	n.a.
Long-term interest bearing liabilities	104	Present value computation	Market interest rate	n.a.

All valuations in level 3 are based on assumptions and judgments that management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and the actual outcome may differ from the estimates and judgments that were made.

A significant part of IGC's portfolio companies are valued based on comparable companies, and the value is dependent on the level of the multiples. The multiple ranges provided in the note show the minimum and maximum value of the actual multiples applied in these valuations. A 10 percent change of the multiples would have an effect on the portfolio value of IGC of approximately SEK 300 m.

For the derivatives, a parallel shift of the interest rate curve by one percentage point would affect the value by approximately SEK 900 m.

Financial assets and liabilities by level

The table below indicates how fair value is measured for the financial instruments recognized at fair value in the Balance Sheet. The financial instruments are categorized on three levels, depending on how the fair value is measured:

Level 1: According to quoted prices in active markets for identical instruments

Level 2: According to directly or indirectly observable inputs that are not included in level 1

Level 3: According to inputs that are unobservable in the market

Financial instruments - fair value

Group 6/30 2014	Level 1	Level 2	Level 3	Other ¹⁾	Total carrying amount
<i>Financial assets</i>					
Shares and participations	191 682	1 646	19 272	6 442	219 042
Other financial investments	2 020			2	2 022
Long-term receivables included in net debt		411	323		734
Shares and participations in trading operation	99				99
Short-term investments included in net debt		2			2
Other current receivables		59		3 867	3 926
Cash, bank and short-term investments	13 121				13 121
Total	206 922	2 118	19 595	10 311	238 946
<i>Financial liabilities</i>					
Long-term interest bearing liabilities		772	104	44 604 ²⁾	45 480 ³⁾
Short-term interest bearing liabilities		202		166	368
Other short-term provisions and liabilities	110	118		4 579	4 807
Total	110	1 092	104	49 349	50 655

1) To enable reconciliation with balance sheet items, financial instruments not valued at fair value as well as other assets and liabilities that are included within balance sheet items have been included within Other.

2) The Group's loans are valued at amortized cost.

3) Fair value on loans amounts to SEK 48,490 m.

Changes in financial assets and liabilities in Level 3

Group 6/30 2014	Shares and participations	Long-term receivables included in net debt	Long-term interest bearing liabilities
<i>Opening balance</i>	19 973	0	345
Total gain or losses in profit or loss statement			
in line Changes in value	1 691	323	-241
Reported in other comprehensive income			
in line Foreign currency translation adjustment	225		
Acquisitions	941		
Divestments	-2 339		
Transfer from Level 3	-1 219		
Carrying amount at end of period	19 272	323	104
Total gains/losses for the period included in profit/loss for instruments held at the end of the period (unrealized results)			
Changes in value	1 481	323	-241

Net amounts of financial assets and liabilities

No financial assets and liabilities have been set off in the Balance Sheet.

Financial assets

Group, SEK m.	6/30 2014			12/31 2013		
	Gross and net amounts of financial assets	Not set off in the balance sheet		Gross and net amounts of financial assets	Not set off in the balance sheet	
		Financial instruments	Net amounts of financial assets		Financial instruments	Net amounts of financial assets
Shares ¹⁾	248	-110	138	191	-39	152
Derivatives ²⁾	728	-728	-	174	-174	-
Derivatives ³⁾	65	-59	6	79	-78	1
Total	1 041	-897	144	444	-291	153

1) Included in the Balance sheet under Shares and participations, SEK 219,042 m. (202,710).

2) Included in the Balance sheet under Long-term receivables included in net debt, SEK 734 m. (174)

3) Included in the Balance sheet under Other current receivables, SEK 3,926 m. (3,529)

Financial liabilities

Group, SEK m.	6/30 2014			12/31 2013		
	Gross and net amounts of financial liabilities	Not set off in the balance sheet		Gross and net amounts of financial liabilities	Not set off in the balance sheet	
		Financial instruments	Net amounts of financial liabilities		Financial instruments	Net amounts of financial liabilities
Derivatives ¹⁾	999	-734	265	1 342	-190	1 152
Derivatives ²⁾	110	-53	57	76	-62	14
Securities lending ³⁾	110	-110	-	39	-39	-
Total	1 219	-897	322	1 457	-291	1 166

1) Included in the Balance sheet under Long-term interest bearing liabilities, SEK 45,480 m. (42,212).

2) Included in the Balance sheet under Current interest bearing liabilities, SEK 368 m. (52).

3) Included in the Balance sheet under Other short-term provisions and liabilities, SEK 4,807 m. (4,540).

The Groups derivatives are covered by ISDA agreements. For repurchase agreements GMRA agreements exist and for securities lending there are GMSLA agreements. According to the agreements the holder has the right to set off the derivatives and keep securities when the counterparty does not fulfill its commitments.