

# Interim Report January-September 2010

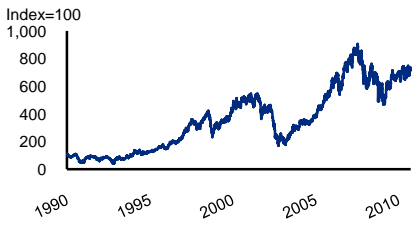
## Highlights during the third quarter

- The acquisition and consolidation of Aleris for a gross investment of SEK 2.5 bn. (SEK 1.7 bn. adjusted for the share already owned through the investment in EQT) added another company with attractive potential to Investor. With full ownership of the company, Investor has the possibility to pursue strategic and long-term value creating initiatives.
- Investor announced the purchase of an additional 34 percent of the equity in Mölnlycke Health Care for approximately EUR 510 m. Following regulatory approval, expected during the fourth quarter, Investor will own 96 percent of the company, thereby consolidating the entity.
- Investor Growth Capital holdings ChinaCache and China ITS were priced for IPOs and subsequently listed on the NASDAQ and Hong Kong Stock Exchange respectively.

## Financial information

- Net asset value amounted to SEK 152,403 m. (SEK 200 per share) on September 30, 2010, compared to SEK 142,673 m. (SEK 187 per share) at year-end 2009, corresponding to a change, with dividend added back, of 9 percent for the first nine months 2010 (22).
- Consolidated net profit for the period, including unrealized change in value, was SEK 13,181 m. (SEK 17.32 per share), compared to SEK 26,353 m. (SEK 34.53 per share) for the same period 2009.
- Core Investments contributed SEK 12,888 m. to growth in net asset value in the period (28,260). Atlas Copco had the largest positive impact, SEK 5,712 m., while Saab AB had the largest negative impact, SEK -342 m.
- Operating Investments contributed SEK 1,221 m. to net asset value for the period (-1,017).
- Private Equity Investments contributed SEK -437 m. to net asset value for the period (-1,151).
- Leverage (net debt/total assets) was 4.7 percent as of September 30, 2010 (0.4).
- The total return on the Investor share was 6 percent during the period (13). The total annual return averaged 6 percent over the past 5-year period.

| Investor's key figures               |                      |                      |                      |                      | Total shareholder return, Investor |  |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|------------------------------------|--|
|                                      | 9/30 2010            | 12/31 2009           | 9/30 2009            |                      |                                    |  |
| Assets, SEK m.                       | 159 887              | 143 261              | 136 943              |                      |                                    |  |
| Net cash (+)/net debt (-), SEK m.    | -7 484               | -588                 | 1 119                |                      |                                    |  |
| Net asset value, SEK m.              | 152 403              | 142 673              | 138 062              |                      |                                    |  |
| Net asset value, SEK/share           | 200                  | 187                  | 181                  |                      |                                    |  |
| <b>Development during the period</b> | <b>1/1-9/30 2010</b> | <b>1/1-9/30 2009</b> | <b>7/1-9/30 2010</b> | <b>7/1-9/30 2009</b> |                                    |  |
| Profit (+)/Loss (-), SEK m.          | 13 181               | 26 353               | 4 871                | 12 523               |                                    |  |
| Basic earnings per share, SEK        | 17.32                | 34.53                | 6.41                 | 16.40                |                                    |  |



## A milestone quarter

During the third quarter we closed the acquisition of care and healthcare service provider Aleris and consolidated it as a subsidiary. We also signed an agreement to buy control of Mölnlycke. Through these transactions we are adding two new subsidiaries to Investor giving us the opportunity to focus on long-term value creation with all benefits accruing to our shareholders.

The markets have remained unsettled during the quarter. Even though we have been discharged from the Emergency Room after the financial crises, the rehabilitation process continues. Many Western economies are struggling with sub-par growth, which is not surprising, as we are paying for the debt-doped growth of the last decade. Many macro imbalances remain unsolved. At the same time, companies are benefitting from strong growth in Asia and Latin America in combination with a normalization of the inventory cycle and a pickup in CAPEX.

It is easy to be optimistic about Asia and Latin America and thus to companies with exposure to those regions, but we must not forget that high-growth economies historically have been prone to overheating and we should be prepared for setbacks. The long-term outlook is, however, strong. Up until some 200 years ago, China was the world's dominant economy. Time for "Back to the Future"!

Companies such as Atlas Copco, ABB and Ericsson have been in Asia and Latin America for a long time and now generate a significant portion of sales and profits from these parts of the world, while others are just starting to enter. Mölnlycke for example, had no real presence in Asia when we acquired it in 2007. Now, some EUR 40 m. of sales comes from Asia and it is rapidly growing. Building a presence in a new market takes time and requires investments hampering short-term profits. Investing for long-term value creation is a hallmark of our business model – it has always been and it will remain. Short-term follow-up is important but it cannot detract from the long-term strategy. We will continue working with our companies to invest in the growth in Asia and Latin America.

### Positive contribution from Core Investments

Core Investments contributed positively to net asset value in the quarter, mainly driven by SEB and Atlas Copco. While we have not acquired any shares in our Core Investments during the third quarter, we remain prepared to invest when we find the valuation attractive and we are not restricted.

It is encouraging to see that the measures taken by our Core Investments have allowed them to perform very strongly and generate significant free cash flow throughout the financial crises. We believe we have a portfolio of very strong and well positioned companies.

### Aleris and Mölnlycke new subsidiaries

In line with our strategy, we are adding Aleris and Mölnlycke Health Care as two new subsidiaries. Full control of companies gives us strategic flexibility to pursue the industrial initiatives that we believe will create significant value to our shareholders over time. Control of cash flow will also over time give us proprietary funds to invest in attractive business opportunities while also strengthening our own long-term sustainable dividend paying capacity.

As we are adding operating companies as subsidiaries, it becomes important to differentiate between the operating

companies and our investment activity. The operating companies generate their own cash flow and thus have their own debt capacity. As such, they are funded on a stand-alone, ring-fenced basis. Hence, they do not draw on the debt capacity of our investment activity. Given this, the net debt of the operating subsidiaries is not accounted for in Investor's net debt. We discuss this further on page 23.

### Aleris

In August, we acquired 97 percent of the care and healthcare service provider Aleris. Our investment case is based on long-term underlying factors such as demographic shift, lifestyle changes, and innovation driving growth for healthcare and care services. The challenges for the publicly financed and managed healthcare system are significant and private providers are an alternative solution to deliver high-quality, cost-efficient services. We believe these trends will continue for many decades and offer attractive business opportunities for Aleris. Our long-term vision for Aleris is to build the leading Nordic healthcare and care services provider, recognized for its quality and service. Focus must be on delivering high quality care, profitability being merely a confirmation that we are efficiently producing the service. We intend to pursue both continued organic growth and further acquisitions. Near-term, the priority is to improve performance in the Danish business.

### Mölnlycke Health Care

We expect the acquisition of 34 percent in Mölnlycke to close during the fourth quarter after receipt of necessary anti-trust approvals. Mölnlycke has successfully delivered on our investment plan aimed at accelerating growth through increased market presence, product launches and R&D. The team at Mölnlycke deserves credit for its achievements. While investments in sales force expansion and R&D have negatively impacted profitability during our first years of ownership, we are now starting to realize the benefit of these, resulting in good growth and expanding margins.

An important characteristic of Mölnlycke's business is its strong cash conversion – the company can grow and generate high margins with limited capital.

Mölnlycke is a good example of equity value creation occurring from two sources: growing profits in the business and debt repayment. While market multiples may fluctuate, real economic value is created by the long-term free cash flow of a company.

### The daily grind continues within Operating Investments

A part of Gambro's turnaround plan is to focus on its core business. In line with this, Gambro has reached an agreement to sell its PD business. During the third quarter, we saw further performance improvements. As we have said before though, more remains to be implemented.

The record of great execution at CaridianBCT continues. Clearly a very valuable company is built brick-by-brick.

Lindorff continued to climb back after the initial drop following our acquisition. The company continues to see improved deal flow of debt portfolios. All acquisitions of debt portfolios during the second quarter are now contributing to the business. So far, the impact of the new fee regime in Norway has been successfully mitigated, but we expect to see the full impact of the changes during the fourth quarter. In September, Lindorff announced the acquisition of Denmark's leading debt collector, solidifying Lindorff as a

pan-Nordic market leader. We support Lindorff with our pro rata share in funding the transaction.

3 Scandinavia continued to grow during the quarter, mainly driven by the demand for smart phones. Growth is very important due to the operating leverage of the company. 3's focus on building a high quality network was the right strategic choice as the smart phones experience hinges on it. Furthermore, 3 continues to be cash flow positive, and net debt is now less than SEK 10 bn.

All in all, we are pleased with the portfolio of companies we have within Operating Investments, and we continue to see many opportunities to generate proprietary value.

#### **Investor Growth Capital continues to perform**

In local currencies Investor Growth Capital had a value increase of 5 percent during the quarter. However, the rapid appreciation of the SEK resulted in an 8 percent decline in reporting currency.

There are signs of thawing in the exit market. For example, on the evening of the last day of the quarter, ChinaCache priced an IPO on the NASDAQ at more than twice our earlier carrying value (value at the end of the third quarter was IPO-price with a 20 percent discount). On the first trading day, the price basically doubled. Earlier in the quarter, another Investor Growth Capital Asia holding, China ITS, completed a listing in Hong Kong. While these signs are encouraging, I don't think we should expect a more normal exit flow until the public market becomes more broadly receptive to IPOs. In turn, this requires a less volatile environment and possibly more generous valuations of tech and healthcare companies. A well executed exit process often results in significant value creation and allows the company to end up in a good environment. A consequence of our valuation principles, which includes an illiquidity discount, is that realized exit values have historically rarely been lower than our carrying value. Our business model allows us to be patient to await the right exit timing. In the mean time, we continue to build a strong portfolio by working with our existing companies and investing in promising new ones.

#### **EQT funds stabilizing**

In local currencies the value of our EQT investments was flat during the quarter, while the reported value declined by 5 percent due to the strengthening of the SEK. We are confident in the stability of the portfolio and encouraged by its prospects.

#### **Back to leverage target level after two years of investing**

In the years leading up to the financial crisis we moved from a net debt to a net cash position. Since then, we have invested some SEK 20 bn. Following the closing of the Mölnlycke transaction, we will enter our leverage target range of 5-10 percent, and consequently, we anticipate a slower pace of large new investments. We have, however, still significant head-room up to our maximum leverage of 25 percent and can continue to invest if we see attractive opportunities. If we exceed our target range, we will however have a plan to bring leverage down. Naturally, this plan may not be implemented in a quarter or two, but could take longer. The reason for a cautious leverage policy is that Investor must always have the firepower to act on attractive investment opportunities and must never be restricted in our ability to embark on value creating endeavors. An important element of our value creation work is ensuring that our companies have sufficient capital to implement the best value creating strategy for all shareholders. If they are over-

capitalized, the excess should be returned to the shareholders.

#### **Board responsibility is key**

As stressed many times in the past, the corporate board is the core of our ownership model. A board composed of individuals with time and interest to learn the intricacies of the business, having integrity and business acumen, is vital for developing successful companies. The board is the ultimate guardian of the risk-reward trade-off for the absent shareholder. It is therefore critical to ensure that the board is aligned with the owners. A potent basis for alignment of interest is a material, personal and long-term shareholding.

A few years ago, we started to require that board members invest a portion of their board fees in shares. To try to resolve some shortcomings of such policy, including insider issues and lack of lock-in to ensure long-term ownership, we initiated a new program with synthetic shares for board members three years ago. We can now see that our efforts have led to an increase of the average level of board ownership, a trend which is not apparent in comparable companies without such programs. It seems, however, that the system with an expectation of regular purchases of shares or mandatory allocation of synthetic shares, is not always appreciated by board members or institutional shareholders.

I remain convinced that an alignment of interest through a material long-term shareholding is hard to beat. Therefore, I believe we need to find a solution to the perceived shortcomings of the current structure with synthetic shares or mandatory investment in shares. Furthermore, I believe it is important that the board and the management are treated in a similar fashion as they share the objective of maximizing the value of equity. Let's continue the discussion on how the best future system should look and try to resolve some of the current system's shortcomings.

#### **Strong portfolio to build on**

Operational excellence is at the foundation of successful business building. Rapid cost reductions have been vital the past few years to adjust to the drop-off in demand. However, earnings growth through cost cutting will eventually run out of steam. Generating long-term value requires top line growth. Organic growth is often the most attractive, but disciplined acquisitions can also generate incremental value. We continue to work with our companies to capture long-term growth opportunities, both organic and through acquisitions.

Dear shareholder, the daily grind, working with our companies to achieve operational excellence, capturing growth opportunities and having an optimal capital structure, may not be front page news, but we believe it will deliver excess returns to you over time. As Margaret Thatcher allegedly once noted: "Pennies don't come from heaven, they have to be earned here on earth".



Börje Ekholm

# Development of the Group

During the reporting period, the net asset value increased from SEK 142.7 to SEK 152.4 bn. The profit for the period, including unrealized change in value, was SEK 13.2 bn. (26.4). The corresponding figure for the third quarter was SEK 4.9 bn. (12.5). Investor's net debt<sup>1)</sup>, excluding the ring-fenced net debt of the majority-owned holdings within Operating Investments, amounted to SEK 7.5 bn. at the end of the period (0.6), corresponding to leverage of 4.7 percent (0.4).

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## Net asset value

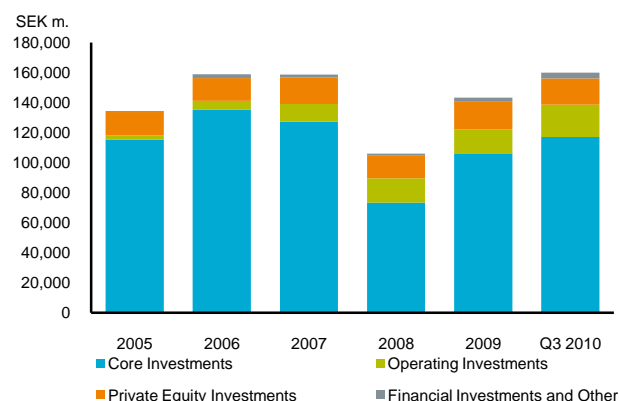
The net asset value amounted to SEK 152,403 m. (SEK 200 per share) on September 30, 2010, compared to SEK 142,673<sup>2)</sup> m. (SEK 187 per share) at the end of 2009. The change in net asset value was SEK 9,730 m. during the nine month period (22,829), and SEK 4,479 m. in the third quarter (12,375). The increase in net asset value, with dividend added back, was 9 percent during the nine month period (22) and 3 percent during the third quarter (10). During the same periods, the total return of the Stockholm Stock Exchange (SIXRX) was 18 percent and 10 percent, respectively.

The pending acquisition of the shares in Mölnlycke Health Care announced in the third quarter, has not yet impacted reported values. The transaction is expected to close during the fourth quarter, assuming regulatory approval. In accordance with IFRS, the acquisition will result in a revaluation of our existing holding by approximately SEK 2 bn. See page 9 for more information.

Unlisted assets as a share of total assets amounted to 24 percent at the end of the quarter (24).

1) For more information on Investor's definition of net debt, see page 23.  
2) For balance sheet items, figures in parentheses refer to year-end 2009 figures. For income items, the figures in parentheses refer to the same period last year.

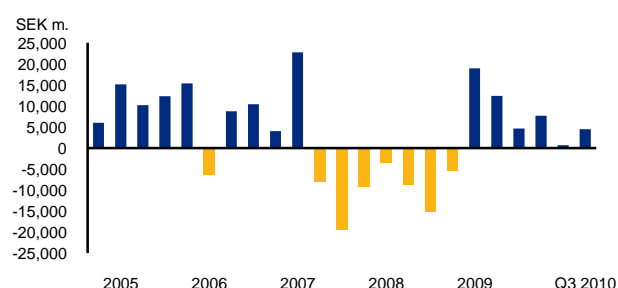
## Total assets divided by business area



## Investor's net asset value

|                              | 9/30 2010  |                      | 12/31 2009 |                |
|------------------------------|------------|----------------------|------------|----------------|
|                              | SEK/share  | SEK m.               | SEK/share  | SEK m.         |
| Core Investments             | 154        | 117 172              | 139        | 106 231        |
| Operating Investments        | 28         | 21 452               | 21         | 15 931         |
| Private Equity Investments   | 23         | 17 429               | 24         | 18 333         |
| Financial Investments        | 6          | 4 528                | 4          | 3 283          |
| Other assets and liabilities | -1         | -694                 | 0          | -517           |
| <b>Total assets</b>          | <b>210</b> | <b>159 887</b>       | <b>188</b> | <b>143 261</b> |
| Net debt                     | -10        | -7 484 <sup>1)</sup> | -1         | -588           |
| <b>Net asset value</b>       | <b>200</b> | <b>152 403</b>       | <b>187</b> | <b>142 673</b> |

## Net asset value, quarterly change with dividend added back



## Investor's Business Area Structure

|                            | Type of company/operation  | Type of ownership  | Valuation principle  |
|----------------------------|--|--|--|
| Core Investments           | Well-established, global companies that are listed.<br>Long ownership horizon.   | Significant minority ownership for strategic influence.  | Stock price (bid).   |
| Operating Investments      | Medium-size to large companies with international operations, listed and unlisted.<br>Long ownership horizon.                | Majority ownership or significant minority position for strategic influence.                       | Associated companies are reported according to the equity method, subsidiaries according to the acquisition method. Stock price (bid) for listed holdings. |
| Private Equity Investments | Expansion-stage companies (IGC) and leveraged buyouts (EQT), primarily unlisted companies.<br>Ownership horizon: ~3-7 years. | Leading minority ownership in Investor Growth Capital holdings, the largest investor in EQT funds. | Stock price (bid), multiple or third-party valuation.  |
| Financial Investments      | Financial holdings/operations with a shorter ownership horizon.  | Minority ownership.  | Stock price (bid/ask) or third-party valuation.  |

## Development of earnings

The consolidated profit, including unrealized changes in value, was SEK 13,181 m. for the first nine months of the year (26,353) of which SEK 4,871 m. in the third quarter (12,523).

Core Investments' contribution to net asset value for the period was SEK 12,888 m. (28,260), Operating Investments' SEK 1,221 m. (-1,017), Private Equity Investments' SEK -437 m. (-1,151) and Financial Investments' SEK 520 (1,058).

In the third quarter, Core Investments' contribution to net asset value was SEK 5,381 m. (13,064), Operating Investments' SEK 539 m. (-187), Private Equity Investments' SEK -1,270 m. (-442) and Financial Investments' SEK 515 m. (375).

## Change in net asset value, Investor Group

| SEK m.                                     | 7/1-9/30<br>2010          | 1/1-9/30<br>2010           | 1/1-9/30<br>2009 |
|--|---------------------------|----------------------------|------------------|
| Change in value                            | 4 386                     | 10 926                     | 25 615           |
| Dividends                                  | 917                       | 3 607                      | 2 876            |
| Other operating income <sup>1)</sup>       | 270                       | 781                        | 817              |
| Cost of investing activities <sup>2)</sup> | -158                      | -482                       | -479             |
| Other items <sup>3)</sup>                  | -538                      | -1 645                     | -2 476           |
| <b>Profit (+)/Loss (-)</b>                 | <b>4 877<sup>4)</sup></b> | <b>13 187<sup>4)</sup></b> | <b>26 353</b>    |
| Dividend                                   | -                         | -3 050                     | -3 059           |
| Other effects on equity                    | -398                      | -407                       | -465             |
| <b>Change in net asset value</b>           | <b>4 479</b>              | <b>9 730</b>               | <b>22 829</b>    |

1) Includes interest received on shareholder loans.

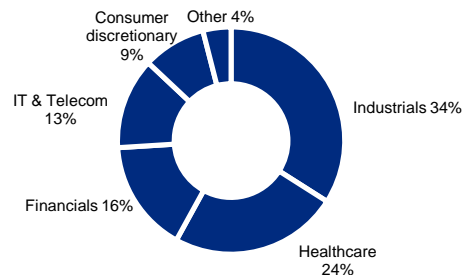
2) Includes costs for long-term share-based remuneration programs. For the period 1/1-9/30, 2010 the total cost was SEK 32 m. (29).

3) Other items include shares of results of associated companies.

4) Excluding non-controlling interest.

See the Operating Segment statement, page 30 for a detailed presentation of each business area's development.

## Total assets by sector, 9/30 2010



## Total assets by sector and business area on 9/30, 2010

| SEK m.                          | Industrials   | Healthcare    | Financials    | IT & Telecom  | Consumer discretionary | Other        | Total          |
|---------------------------------|---------------|---------------|---------------|---------------|------------------------|--------------|----------------|
| Core Investments                | 53 631        | 17 813        | 22 792        | 11 931        | 11 005                 | -            | 117 172        |
| Operating Investments           | -             | 14 770        | 3 364         | 1 309         | 1 078                  | 931          | 21 452         |
| Private Equity Investments      | 653           | 4 907         | -             | 7 751         | 2 256                  | 1 862        | 17 429         |
| Financial Investments and Other | -             | -             | -             | -             | -                      | 3 834        | 3 834          |
| <b>Total</b>                    | <b>54 284</b> | <b>37 490</b> | <b>26 156</b> | <b>20 991</b> | <b>14 339</b>          | <b>6 627</b> | <b>159 887</b> |

## Overview of Net Asset Value

|  | Number of shares<br>9/30 2010 <sup>1)</sup> | Ownership,<br>9/30 2010 (%)<br>Capital <sup>2)</sup> | Votes <sup>2)</sup> | Share of total<br>assets,<br>9/30 2010 (%) | Value,<br>SEK/share,<br>9/30 2010 | Value,<br>SEK m.<br>9/30 2010 | Value,<br>SEK m.<br>12/31 2009 |
|--|---|--|---------------------|--|-----------------------------------|-------------------------------|--------------------------------|
| <i>Core Investments</i> <sup>3)</sup>    |   |  |                     |  |                                   |                               |                                |
| Atlas Copco                              | 205 471 326                                 | 16.7   | 22.3                | 17   | 35                                | 26 609                        | 21 408                         |
| ABB                                      | 166 330 142                                 | 7.3 <sup>4)</sup>                                    | 7.3 <sup>4)</sup>   | 15   | 31                                | 23 819                        | 22 904                         |
| SEB                                      | 456 089 264                                 | 20.8   | 20.9                | 14   | 30                                | 22 792                        | 20 227                         |
| AstraZeneca                              | 51 587 810                                  | 3.6 <sup>5)</sup>                                    | 3.6 <sup>5)</sup>   | 11   | 23                                | 17 813                        | 17 292                         |
| Ericsson                                 | 164 078 702                                 | 5.0  | 19.3                | 7  | 16                                | 11 931                        | 10 721                         |
| Electrolux                               | 39 165 071                                  | 12.7   | 29.1                | 4  | 9                                 | 6 501                         | 6 560                          |
| Husqvarna                                | 90 667 692                                  | 15.7   | 29.5                | 3  | 6                                 | 4 504                         | 4 579                          |
| Saab AB                                  | 32 778 098                                  | 30.0   | 39.5                | 2  | 4                                 | 3 203                         | 2 540                          |
|  |   |  |                     | <b>73</b>                                  | <b>154</b>                        | <b>117 172</b>                | <b>106 231</b>                 |
| <i>Operating Investments</i>             |   |  |                     |  |                                   |                               |                                |
| Mölnlycke Health Care                    |   | 66 <sup>6,7)</sup>                                   | 46                  | 4  | 9                                 | 6 597                         | 6 371                          |
| Swedish Orphan Biovitrum                 | 86 075 332                                  | 40   | 41                  | 2  | 5                                 | 3 856                         | 971                            |
| Lindorff                                 |   | 57 <sup>7)</sup>                                     | 50                  | 2  | 4                                 | 3 364                         | 3 125                          |
| Aleris                                   |   | 97 <sup>7)</sup>                                     | 99                  | 2  | 3                                 | 2 467                         | -                              |
| Gambro Holding<br>(Gambro & CaridianBCT) |   | 49   | 49                  | 1  | 2                                 | 1 850                         | 2 058                          |
| 3 Scandinavia                            |   | 40   | 40                  | 1  | 2                                 | 1 308                         | 1 350                          |
| The Grand Group                          |   | 100  | 100                 | 1  | 1                                 | 1 078                         | 1 065                          |
| Land and real estate                     |   | 100  | 100                 | -  | 1                                 | 383                           | 384                            |
| Other <sup>8)</sup>                      |   | -  | -                   | -  | 1                                 | 549                           | 607                            |
|  |   |  |                     | <b>13</b>                                  | <b>28</b>                         | <b>21 452</b>                 | <b>15 931</b>                  |
| <i>Private Equity Investments</i>        |   |  |                     |  |                                   |                               |                                |
| Investor Growth Capital                  |   | 100  | 100                 | 5  | 10                                | 7 864                         | 9 197                          |
| EQT                                      |   | n/a <sup>9)</sup>                                    | n/a <sup>9)</sup>   | 6  | 13                                | 9 565                         | 9 136                          |
|  |   |  |                     | <b>11</b>                                  | <b>23</b>                         | <b>17 429</b>                 | <b>18 333</b>                  |
| <i>Financial Investments</i>             |   |  |                     |  |                                   |                               |                                |
|  |   | -  | -                   | <b>3</b>                                   | <b>6</b>                          | <b>4 528</b>                  | <b>3 283</b>                   |
| <i>Other Assets and Liabilities</i>      |   |  |                     |  |                                   |                               |                                |
|  |   | -  | -                   | <b>0</b>                                   | <b>-1</b>                         | <b>-694</b>                   | <b>-517</b>                    |
| <b>Total Assets</b>                      |   | -  | -                   | <b>100</b>                                 | <b>210</b>                        | <b>159 887</b>                | <b>143 261</b>                 |
| <b>Net debt</b>                          |   | -  | -                   |  | <b>-10</b>                        | <b>-7 484</b>                 | <b>-588</b>                    |
| <b>Net Asset Value</b>                   |   | -  | -                   |  | <b>200</b>                        | <b>152 403</b>                | <b>142 673</b>                 |

1) Holdings, including any shares on loan.

2) Calculated in accordance with the disclosure regulations of Sweden's Financial Instruments Trading Act (LHF), unless otherwise specified.

3) Valued according to the class of share held by Investor, with the exception of Saab AB and Electrolux, for which the most actively traded class of share is used.

4) Calculated in accordance with Swiss disclosure regulations.

5) Calculated in accordance with British disclosure regulations.

6) The reported value of Mölnlycke does not include any effects relating to the acquisition of additional equity announced during the third quarter. If the current holding would be valued at the same value as it will be following the closing of this transaction, the reported value would be SEK 2 bn. higher. See page 9 for more information.

7) Capital after full conversion and including shareholder loans.

8) Includes the holdings in Kunskapsskolan, Novare, SamSari Holding, as well as acquired debt in Operating Investments holdings.

9) Investor's share of capital in the 13 EQT funds varies from 10 to 64 percent.

# Core Investments

Core Investments contributed to the growth in net asset value by SEK 12.9 bn. in the first nine months of the year (28.3), of which SEK 5.4 bn. in the third quarter (13.1). The total return for the business area was 12 percent during the nine month period, of which 5 percent during the third quarter.

Read more at [www.investorab.com](http://www.investorab.com) under "Our Investments" >>

The Swedish stock market has continued to be volatile, but the third quarter was firmly up. Core Investments continued to contribute positively to net asset value, with the largest contributions stemming from SEB and Atlas Copco. The main negative contributor during the quarter was Ericsson. Year-to-date, however, Ericsson has made a positive contribution to net asset value.

The Core Investments have performed strongly given challenging market conditions and are well positioned to capture attractive business opportunities.

## Investments and divestments

No investments or divestments were made during the third quarter.

### Events occurring earlier in the year

In Saab AB, 11,166,173 B-shares, corresponding to 10.2 percent of the capital, was acquired from BAE Systems. 1,000,000 shares were purchased in Husqvarna and 1,087,000 shares in Atlas Copco.

## Dividends

Dividends from Core Investments totaled SEK 3,203 m. in the first nine months of the year (2,358), of which SEK 869 m. in the third quarter (783).

## Net asset value

Core Investments contributed to the net asset value by SEK 12,888 m. in the first nine months of the year (28,260), of which SEK 5,381 m. in the third quarter (13,064). Atlas Copco had the largest positive impact during the period of SEK 5,712 m., followed by SEB of SEK 3,021 m.

## Total returns, Core Investments

|             | Total return for Investor <sup>1</sup> 2010 (%) | Average total market return <sup>2</sup> 5 years (%) |
|-------------|---|--|
| ABB         | 7   | 22   |
| AstraZeneca | 8   | 3  |
| Atlas Copco | 27 <sup>3)</sup>                                | 18   |
| Electrolux  | 1   | 19 <sup>4)</sup>                                     |
| Ericsson    | 14  | -10  |
| Husqvarna   | -1 <sup>3)</sup>                                | -1 <sup>5)</sup>                                     |
| Saab AB     | -13 <sup>3)</sup>                               | -3   |
| SEB         | 15  | -5   |

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

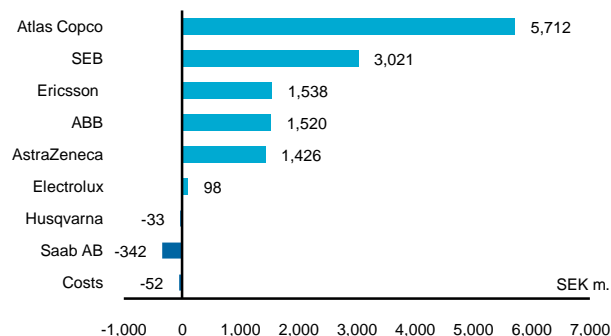
2) Calculated as the sum of share price changes and reinvested dividends (Source AlertIR/Millistream).

3) Adjusted for transactions, Investor's total return for Saab AB, Atlas Copco and Husqvarna would have been -15, 27 and -1 percent respectively.

4) Figure includes Husqvarna up until spin out of the company on June 13, 2006.

5) Average total return since the listing on June 13, 2006.

## Core Investments impact on net asset value, 1/1-9/30, 2010



## Earnings, Core Investments

| SEK m.                                 | 7/1-9/30 2010 | 1/1-9/30 2010 | 1/1-9/30 2009 |
|--|---------------|---------------|---------------|
| Change in value                        | 4 525         | 9 737         | 25 961        |
| Dividends                              | 869           | 3 203         | 2 358         |
| Cost of investing activities           | -13           | -52           | -59           |
| <b>Contribution to net asset value</b> | <b>5 381</b>  | <b>12 888</b> | <b>28 260</b> |



# Operating Investments

Operating Investments contributed to net asset value with SEK 1,221 m. during the first nine months (-1,017), of which SEK 539 m. was in the third quarter (-187). The increase in net asset value is attributable to Swedish Orphan Biovitrum.

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The acquisition of 97 percent of Aleris, a leading Nordic healthcare and care company, closed in August. The reported value of the holding in Aleris amounted to SEK 2,467 m. During the quarter, Investor also agreed with Morgan Stanley to acquire its equity stake in Mölnlycke Health Care. As the transaction is pending, no valuation effects are reported as of the third quarter. Investor first invested in Mölnlycke in 2007. In accordance with IFRS, the acquisition will result in a revaluation of our existing holding by around SEK 2 bn. For more information, see page 9.

Lindorff agreed to acquire EBH FinansService, Denmark's leading debt collection agency, which significantly strengthens Lindorff's position in Denmark. Investor will participate in the financing of the acquisition with a maximum SEK 550 m.

Operationally, the holdings within Operating Investments continued to develop well during the quarter.

## Net asset value

Operating Investments contributed to net asset value by SEK 1,221 m. during the first nine months (-1,017), of which SEK -14 m. was attributable to Mölnlycke (146), SEK 331 m. to Lindorff (-204), SEK -54 m. to Aleris (-), SEK -209 m. to Gambro Holding (-777), SEK -182 m. to 3 Scandinavia (-195) and SEK 1,361 m. to Swedish Orphan Biovitrum (82).

In the third quarter, Operating Investments had an effect of SEK 539 m. on net asset value (-187), of which SEK -11 m. was attributable to Mölnlycke Health Care (157), SEK 101 m. to Lindorff (144), SEK -54 m. to Aleris (-), SEK -125 m. to Gambro Holding (-314), SEK -31 m. to 3 Scandinavia (-44) and SEK 671 m. to Swedish Orphan Biovitrum (-90).

## Debt financing

Investor guarantees SEK 4.2 bn. of 3 Scandinavia's external debt. For all other Operating Investments, including majority-owned holdings, debt financing is arranged on a stand-alone, ring-fenced basis, without guarantees from Investor. None of these debt financings or the guarantee to 3 Scandinavia is included in Investor's net debt.

At the time of investment, the debt financing for each company was structured to take into account the projected growth and stability of earnings and the level of cash conversion. Consequently, the level of debt financing for holdings within Operating Investments varies.

The external debt of 3 Scandinavia matures in late 2012. The next material loan maturity for the other companies is in 2013.

## Net asset value, Operating Investments

|  | 9/30 2010 |               | 12/31 2009 |               |
|--|-----------|---------------|------------|---------------|
|  | SEK/share | SEK m.        | SEK/share  | SEK m.        |
| Mölnlycke Health Care <sup>1,2)</sup>  | 9         | 6 597         | 8          | 6 371         |
| Swedish Orphan Biovitrum <sup>3)</sup> | 5         | 3 856         | 1          | 971           |
| Lindorff <sup>4)</sup>                 | 4         | 3 364         | 4          | 3 125         |
| Aleris <sup>1)</sup>                   | 3         | 2 467         | -          | -             |
| Gambro Holding <sup>5)</sup>           | 2         | 1 850         | 3          | 2 058         |
| 3 Scandinavia <sup>1)</sup>            | 2         | 1 308         | 2          | 1 350         |
| The Grand Group <sup>5)</sup>          | 1         | 1 078         | 1          | 1 065         |
| Land and real estate                   | 1         | 383           | 1          | 384           |
| Other <sup>6)</sup>                    | 1         | 549           | 1          | 607           |
| <b>Total</b>                           | <b>28</b> | <b>21 452</b> | <b>21</b>  | <b>15 931</b> |

1) Refers to Investor's share of equity and shareholders' loans.

2) The pending acquisition of additional equity in Mölnlycke Health Care has not yet impacted reported values.

3) Valued at the official stock price on the NASDAQ OMX Nordic Exchange.

4) Refers to Investor's share of equity and convertible debt.

5) Refers to Investor's share of equity.

6) Includes, among others, the holdings in Kunskapsskolan, Novare, SamSari Holding, as well as acquired debt in Operating Investments.

## Development of net asset value, Operating Investments

| SEK m.  | 1/1-9/30 2010 |
|---|---------------|
| Net asset value on January 1, 2010            | 15 931        |
| Investments                                   | 4 563         |
| Divestments                                   | -120          |
| Contribution to net asset value               |               |
| Effect on income                              | 1 528         |
| Effect on equity                              | -307          |
|   | 1 221         |
| Effects from holdings on Investor Group level | -143          |
| <b>Net asset value on September 30, 2010</b>  | <b>21 452</b> |

## Valuation methodology within Operating Investments

Investor provides information about the companies' important news, operating performance as well as key figures, such as net sales, EBITDA, normalized EBITDA and net debt. In normalized EBITDA, material one-off items, such as restructuring costs, write-downs, and specific investments, are excluded to better reflect the underlying operating result. The major associated companies report quarterly figures with one month's delay, while consolidated companies report without any delay.

### Listed holdings

For listed holdings the official stock price (bid) on the stock market is used for valuing the holding.

### Associated companies (20-50% of votes)

Non-listed investments classified as associated companies are reported according to the equity method. Investor's share of the holding's equity constitutes the valuation of the holding when the equity method is applied (according to IFRS) and Investor's share of the holding's net result is included in the income statement. Thus, for companies incurring large costs that impact short-term profits negatively, the value of the holding declines in Investor's net asset value.

### Subsidiaries (>50% of votes)

The reported value of unlisted subsidiaries consists of Investor's share of the holding's equity, including any surplus values and goodwill relating to acquisitions.



## Activities during the quarter

Mölnlycke Health Care continued its strong performance. The company continues to invest heavily in product development and expanding geographic footprint.

Growth remains solid in all regions, particularly in the U.S. and in the Asia-Pacific.

Within Wound Care, Advanced Wound Care continued its very successful development. Growth is generated by new products and investments in sales and marketing. New antibacterial Safetac® dressings received regulatory clearance in the U.S., South Korea and Brazil. The market entry in June in the Negative Pressure Wound Therapy (NPWT) continues to gather momentum, with a number of patients having been treated with the Avance™ system.

The Surgical Division continues to show improvements in spite of challenges from increased raw materials prices and rising freight costs. Strong and profitable growth is generated by the Procedure Pak® surgical trays business. The launch of the Bariatric® Barrier drape was also implemented to support the increasing number of surgical bariatric procedures linked to the rapidly rising incidence of obesity.

## Financial performance YTD 2010

During the period, net sales grew by 10 percent, or 7 percent in constant currencies, compared to the corresponding period 2009. EBITDA continues to grow at a higher pace than revenues and rose by 15 percent, driven by volume, product mix and efficiency gains. The EBITDA margin was 27 percent (26). Cash flow generation remained strong and during the third quarter, Mölnlycke once again prematurely amortized debt.

## Acquisition of shares in Mölnlycke

On August 26, Investor reached an agreement with Morgan Stanley to acquire its 34 percent equity stake (including the previous purchase of 4 percent announced in the second quarter report) in Mölnlycke Health Care for a total cash consideration of EUR 510 m., implying an enterprise value of EUR 3.2 bn. Subsequent to the transaction, which is expected during the fourth quarter, following necessary regulatory approval, Investor will own 96 percent of the company. Mölnlycke will then be a ring fenced and independently financed, consolidated subsidiary of Investor.

According to IFRS accounting rules, following completion of the transaction, the reported equity value of Investor's holding in Mölnlycke, will be based on the price agreed for the most recent transaction. The currently estimated value of the 96 percent holding to be reported amounts to approximately SEK 13 bn., including an upward revaluation of approximately SEK 2 bn. of the existing holding. The definitive reported value when included in Investor's accounts is contingent on a number of factors, including currency exchange rates.

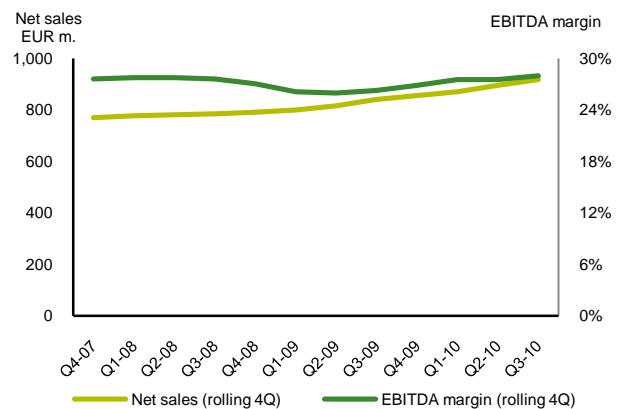
## Key figures, Mölnlycke Health Care<sup>1)</sup>

| Income statement items | 2010 |     | 2009 |     | Rolling 4Q |
|------------------------|------|-----|------|-----|------------|
|                        | Q3   | YTD | Q3   | YTD |            |
| Net sales (EUR m.)     | 243  | 695 | 220  | 632 | 919        |
| EBITDA (EUR m.)        | 71   | 191 | 63   | 166 | 255        |
| EBITDA (%)             | 29   | 27  | 29   | 26  | 28         |

| Balance sheet items | Q3 2010 | Q4 2009 |
|---------------------|---------|---------|
| Net debt (EUR m.)   | 1 653   | 1 705   |

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

## Development of net sales and EBITDA margin



## Brief facts, Mölnlycke Health Care

|  |      |
|--|------|
| Investment year  | 2007 |
| Investor's ownership <sup>1)</sup> (capital incl. shareholder loans) % | 66   |

Mölnlycke Health Care is a world-leading manufacturer and provider of single-use surgical and wound care products and services, primarily for the professional healthcare sector.

|                                    | Q3 2010 | Q3 2009 |
|------------------------------------|---------|---------|
| Number of employees, end of period | 6 930   | 6 620   |

1) Including the 4 percent acquired in the second quarter.

## Investor's view of Mölnlycke Health Care

We are encouraged by Mölnlycke Health Care's continued steady growth. A strong product offering, a promising product pipeline and an expanded sales force create a platform for the company to keep growing faster than the overall market. The company's strong cash flow generation opens up for additional growth initiatives, both organic and through acquisitions. With several important products still ramping up, there is room for further profitability improvement.

## Activities during the quarter

The Collection business area saw continued improvement in profitability, but the volume inflow has leveled off, which is likely to dampen near-term growth. The improved earnings were mainly attributable to efficiency and higher solution rates in the Nordic region, whereas the other areas still suffered from the weak economic climate. The new fee regime in Norway has started to impact the business but mitigating actions by the company are to some extent offsetting the impact.

The Capital business area closed several portfolio acquisitions during the quarter and the increase in activity continued. The slowly improving macro economic situation in Lindorff's markets supports a more stable performance.

In September, Lindorff agreed to acquire EBH FinansService, Denmark's leading debt collection agency. FinansService is focused on the financial sector, which is a good strategic fit with Lindorff. The acquisition is in line with the communicated strategy to make value creating acquisitions. It significantly strengthens Lindorff's position, adding about 200 employees in Denmark and Germany.

The acquisition will be financed by a combination of equity and external debt. The two owners, Investor AB and Altor, have agreed to provide equity as needed to finance the acquisition pro rata. The maximum amount to be contributed by Investor is SEK 550 m. The transaction is expected to close during the fourth quarter.

## Financial performance YTD 2010

Net sales increased by 12 percent, or 6 percent in constant currencies compared to the corresponding period 2009. EBITdA<sup>3)</sup> increased by 59 percent, primarily due to efficiency gains and improved solution rates both within Collection and Capital. Adjusted for the portfolio revaluations with a positive impact on EBITdA of EUR 7 m. reported during the first quarter, the increase was 43 percent.

## Key figures, Lindorff<sup>1)</sup>

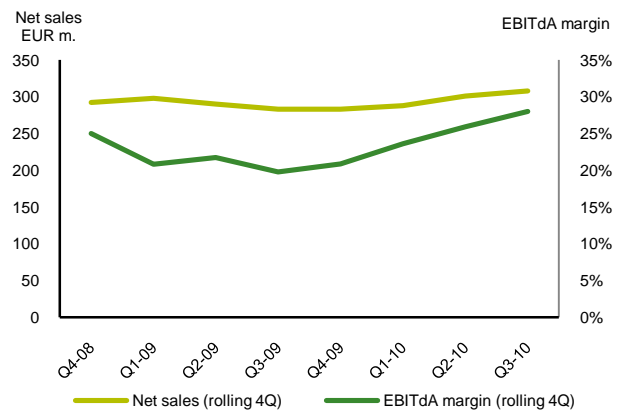
| Income statement items        | 2010 |                   | 2009 |                   | Rolling           |
|-------------------------------|------|-------------------|------|-------------------|-------------------|
|                               | Q3   | YTD               | Q3   | YTD               | 4Q                |
| Net sales (EUR m.)            | 80   | 235 <sup>2)</sup> | 73   | 210 <sup>2)</sup> | 308 <sup>2)</sup> |
| EBITdA <sup>3)</sup> (EUR m.) | 30   | 73                | 22   | 46                | 86                |
| EBITdA <sup>3)</sup> (%)      | 38   | 31                | 30   | 22                | 28                |

| Balance sheet items | Q3 2010 | Q4 2009 |
|---------------------|---------|---------|
| Net debt (EUR m.)   | 543     | 502     |

1) Income statement items and balance sheet items are reported with one month's delay.  
2) Including amortization and revaluation of surplus value of EUR 4 m. Q1-Q3 2010 for EUR 20 m. for Q1-Q3 2009, and EUR 11 m. for the rolling 4 quarters period.  
3) EBITdA=EBITDA after portfolio depreciation.

## Development of net sales and EBITdA margin



## Brief facts, Lindorff

|  |      |
|--|------|
| Investment year  | 2008 |
| Investor's ownership (capital after full conversion) % | 57   |

A leading credit management company in the Nordic region with a growing European presence. Lindorff has offices in Denmark, Estonia, Finland, Germany, Latvia, Lithuania, the Netherlands, Norway, Russia, Spain and Sweden.

|                                    | Q3 2010 | Q3 2009 |
|------------------------------------|---------|---------|
| Number of employees, end of period | 2 315   | 2 225   |

## Investor's view of Lindorff

Lindorff has the capacity to take advantage of an improvement in the market for credit portfolio acquisitions going forward. We expect Lindorff to continue evaluating any value creating acquisitions in Europe. Lindorff's focus on efficiency improvements remains a key priority, both in its core markets and in more recently established markets. Consequently, we believe Lindorff is well positioned for strong growth.

## Activities during the quarter

The performance of Aleris during August and September has been in line with the acquisition plan. In Sweden, the business areas Diagnostics and Care developed well, while Health Care is focused on efficiency improvements. The Norwegian operation also developed well, while the Danish operation is experiencing difficult market conditions. An action plan to improve performance in Denmark has been launched.

Aleris has won an important tender contract for psychiatry in Skåne as well as two contracts within senior care in Uppsala.

After the end of the quarter, business area Norway opened a center in Oslo, providing the first sophisticated private PET/CT scanning facility in Norway.

## Financial performance YTD 2010

During the period, net sales increased by 7 percent, or 8 percent in constant currencies, compared to the corresponding period in 2009. EBITDA decreased by 17 percent, resulting in an EBITDA margin of 8 percent (10). Approximately two thirds of the EBITDA decline during the third quarter, compared to the corresponding period in 2009, is related to non-recurring expenses for the premature discontinuation of one customer contract and start-up costs for a number of new businesses.

## Aleris acquisition completed

On July 2, Investor announced its acquisition of Aleris for an enterprise value of SEK 4.4 bn. The gross investment amounted to SEK 2.5 bn. and the net investment to SEK 1.7 bn., adjusted for the share already owned through Investor's investment in EQT. The transaction closed in August, after clearance by the competition authorities. For more information on the transaction, see page 25.

## Key figures, Aleris<sup>1)</sup>

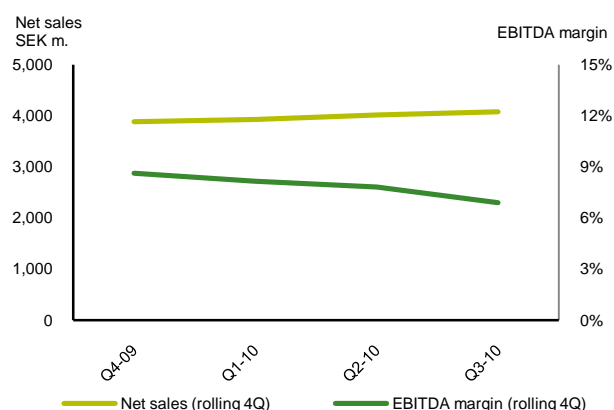
| Income statement items | 2010 |       | 2009 |       | Rolling 4Q |
|------------------------|------|-------|------|-------|------------|
|                        | Q3   | YTD   | Q3   | YTD   |            |
| Net sales (SEK m.)     | 952  | 3 052 | 890  | 2 858 | 4 076      |
| EBITDA (SEK m.)        | 61   | 249   | 93   | 300   | 281        |
| EBITDA (%)             | 6    | 8     | 10   | 10    | 7          |

| Balance sheet items | Q3 2010 | Q4 2009 |
|---------------------|---------|---------|
| Net debt (SEK m.)   | 2 026   | 1 647   |

1) Owned and consolidated by Investor since August 2010.

## Development of net sales and EBITDA margin



## Brief facts, Aleris

|   |      |
|---|------|
| Investment year   | 2010 |
| Investor's ownership (capital incl. shareholder loans), % | 97   |

Aleris is one of the leading providers of healthcare and care in the Nordic region. Aleris provides services on behalf of municipalities, county councils and insurance companies within four different areas; healthcare, diagnostics, senior care and mental health.

|                     | Q3 2010 | Q3 2009 |
|---------------------|---------|---------|
| Number of employees | 4 350   | 4 510   |

## Investor's view of Aleris

Aleris has a strong market position in the Nordic region and solid development potential in an industry that fits well into our ownership model and long-term approach. The Nordic healthcare and care market is a large and stable industry with long-term sustainable growth, where private care companies can outgrow the market. Aleris provides an attractive platform for continued growth, both organic and through acquisitions. Aleris' commitment to quality care resonates well with our long-term ambitions for the company and we look forward to developing the company further.

## Activities during the quarter

Overall business conditions were stable during the quarter, with good growth in Asia and the Americas, while Southern Europe continued to be challenging.

An agreement to divest the peritoneal dialysis (PD) business, with annual sales of approximately SEK 500 m., was reached with Fresenius Medical Care as the buyer. The transaction is expected to close by the end of this year. This will enable Gambro to focus further on its core activities to strengthen its global position and competitiveness in the Chronic HD and Acute markets.

The roll out of new products continued at the same pace as during the first half of the year, but with an accelerated pace for the Artis HD monitor system. New software for this system was released in September.

After the end of the quarter, Gambro reached an agreement to license the rights for its U.S. water business, with annual sales of USD 14 m., to Mar Cor Purification, a subsidiary of Cantel Medical Corporation.

## Financial performance YTD 2010

Net sales for the period were down 3 percent compared to the corresponding period last year. In constant currencies net sales were up by 2 percent.

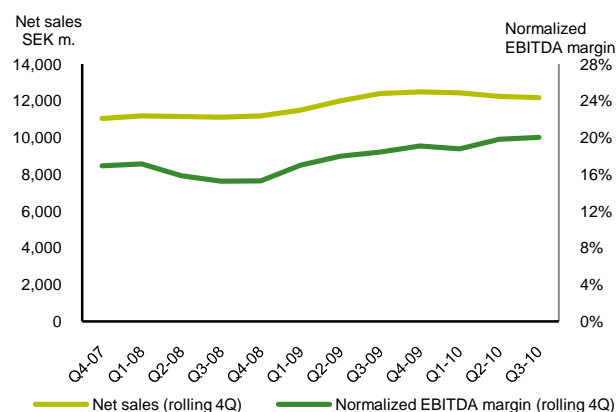
The EBITDA margin improved to 19 percent (18).

## Key figures, Gambro<sup>1)</sup>

| Income statement items     | 2010  |       | 2009  |       | Rolling |
|----------------------------|-------|-------|-------|-------|---------|
|                            | Q3    | YTD   | Q3    | YTD   | 4Q      |
| Net sales (SEK m.)         | 3 045 | 9 154 | 3 110 | 9 465 | 12 173  |
| Normalized EBITDA (SEK m.) | 571   | 1 784 | 559   | 1 730 | 2 438   |
| Normalized EBITDA (%)      | 19    | 19    | 18    | 18    | 20      |

1) Income statement items are reported with one month's delay.

## Development of net sales and normalized EBITDA margin



## Brief facts, Gambro

|                                  |      |
|----------------------------------|------|
| Investment year                  | 2006 |
| Investor's ownership (capital) % | 49   |

Gambro is a global medical technology company and a leader in developing, manufacturing and supplying products and therapies for Kidney and Liver dialysis, Myeloma Kidney Therapy, and other extracorporeal therapies for Chronic and Acute patients.

|                                    | Q3 2010 | Q3 2009 |
|------------------------------------|---------|---------|
| Number of employees, end of period | 7 725   | 8 030   |

## Investor's view of Gambro

The continued progress made by Gambro in terms of profitability and accelerated momentum in product roll-outs is encouraging. It is important that focus is maintained on the ongoing restructuring program and quality enhancement efforts. We remain committed to making additional investments, should this be deemed value-creating.

## Activities during the quarter

CaridianBCT continued to improve profitability and generate strong cash flow.

Despite a challenging market, Automated Collections grew, driven by the Asia-Pacific region and Latin America.

Therapeutic Systems had another quarter with robust volume growth. The Therapy Awareness program aiming at stimulating increased use of therapeutic aphaeresis is well received by clinicians.

For the Whole Blood Processes business area, the development was stable. Product acceptance is gaining traction in Latin America and seeing momentum around the world.

Within Pathogen Reduction Technologies, sales have been strong, and important tenders have been won in Russia, Spain and Qatar. There is increasing interest globally for clinical trials and market testing of the Mirasol® system.

As part of its value creation through innovation, CaridianBCT has successfully released several next generation product and protocol technologies. Thus far, customer acceptance has been positive.

## Financial performance YTD 2010

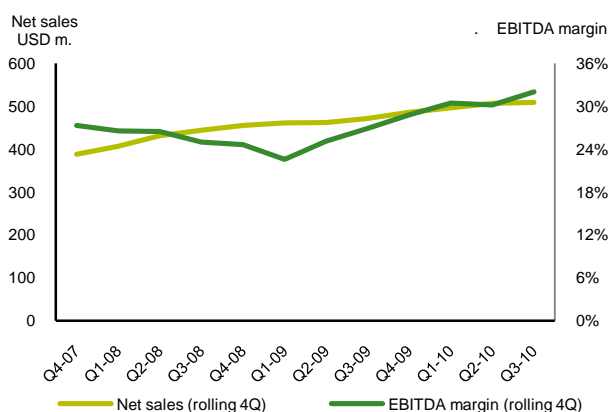
Net sales increased by 6 percent, or 5 percent in constant currencies compared to the corresponding period 2009. EBITDA rose by 24 percent, resulting in an EBITDA margin of 33 percent (28). The increase was mainly driven by an improved gross margin, but also by continued strong cost control following last year's cost reduction program.

## Key figures, CaridianBCT<sup>1)</sup>

| Income statement items | 2010 |     | 2009 |     | Rolling |
|------------------------|------|-----|------|-----|---------|
|                        | Q3   | YTD | Q3   | YTD | 4Q      |
| Net sales (USD m.)     | 128  | 384 | 126  | 361 | 509     |
| EBITDA (USD m.)        | 49   | 126 | 38   | 102 | 164     |
| EBITDA (%)             | 38   | 33  | 30   | 28  | 32      |

1) Income statement items are reported with one month's delay.

## Development of net sales and EBITDA margin



## Brief facts, CaridianBCT

|                                  |      |
|----------------------------------|------|
| Investment year                  | 2006 |
| Investor's ownership (capital) % | 49   |

CaridianBCT is a leading global provider of technology innovations and services focused on enhancing blood quality, safety, supply and efficiency in the blood banking and transfusion medicine industry.

|                                    | Q3 2010 | Q3 2009 |
|------------------------------------|---------|---------|
| Number of employees, end of period | 2 260   | 2 160   |

## Investor's view of CaridianBCT

CaridianBCT's market position is strong. It is the clear global leader in automated apheresis both for blood collection and for therapeutics. Focus should continue to be on capturing growth opportunities in the market, both within the existing business areas and through newer products, such as Mirasol PRT and Quantum CES. Investments should be made in new geographic areas, e.g. Asia. It is also important that the company continues to reduce manufacturing costs per unit and manage its operating expenses. We believe there is an attractive potential for further sales and profit growth and thus value creation.

## Gambro Holding

Gambro Holding owns Gambro and CaridianBCT. Since net debt of the companies has not been formally distributed, the effect on Investor's net asset value and net debt are reported as a total for the two companies.

## Combined key figures, Gambro Holding<sup>1)</sup>

| Balance sheet items | Q3 2010 | Q4 2009 |
|---------------------|---------|---------|
| Net debt (SEK m.)   | 25 981  | 25 559  |

1) Balance sheet items are reported with one month's delay.



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## Activities during the quarter

Solid growth continued during the quarter, with the subscriber base increasing by 82,000. Intake of both voice and mobile broadband (ISP) customers was good.

The smart phone segment continued to contribute to growth during the quarter, with several new handsets on the market. The iPhone 4 was launched at the end of July, attracting strong demand. 3's high-quality network clearly fits the usage pattern of smart phone customers, with high usage of data and other services. While a smart phone customer has a higher up-front subscriber acquisition cost, the higher ARPU imply a very attractive lifetime value.

## Financial performance YTD 2010

Net sales rose by 21 percent, or 26 percent in constant currencies, compared to the corresponding period 2009. EBITDA improved to SEK 765 m. (273). The EBITDA margin increased to 15 percent (6).

During the first nine months of 2010, Investor invested SEK 140 m. (176), of which SEK 0 m. in the third quarter (0). A favorable development in working capital further supported cash flow during the third quarter, resulting in a reduction in net debt of SEK 348 m. As of September 30, 2010, Investor has invested a total of SEK 6,366 m. in 3 Scandinavia since inception.

## Key figures, 3 Scandinavia<sup>1)</sup>

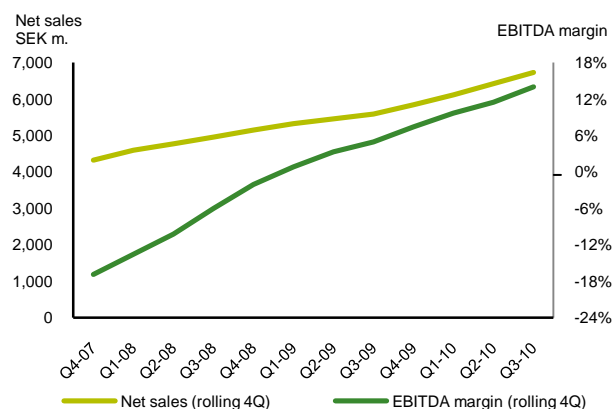
| Income statement items        | 2010  |       | 2009  |       | Rolling 4Q |
|-------------------------------|-------|-------|-------|-------|------------|
|                               | Q3    | YTD   | Q3    | YTD   |            |
| Net sales (SEK m.)            | 1 777 | 5 130 | 1 469 | 4 237 | 6 733      |
| EBITDA <sup>2)</sup> (SEK m.) | 329   | 765   | 140   | 273   | 926        |
| EBITDA (%)                    | 19    | 15    | 10    | 6     | 14         |

| Balance sheet items | Q3 2010 | Q4 2009 |
|---------------------|---------|---------|
| Net debt (SEK m.)   | 9 723   | 10 230  |

| Other key figures <sup>3)</sup>  | 9/30 2010 | 12/31 2009 |
|----------------------------------|-----------|------------|
| Subscribers                      | 1 789 000 | 1 569 000  |
| ARPU <sup>4)</sup> (SEK)         | 336       | 348        |
| Non-voice ARPU <sup>4)</sup> (%) | 42        | 42         |
| Postpaid/prepaid ratio           | 87/13     | 90/10      |

- 1) Income statement items and balance sheet items are reported with one month's delay.  
 2) EBITDA for 3 Scandinavia is defined as EBITDA after deducting all customer acquisition and retention costs.  
 3) Other key figures are reported without delay.  
 4) Average monthly revenue per user (ARPU) refers to the past 12-month period.

## Development of net sales and EBITDA margin



## Brief facts, 3 Scandinavia

|                                  |      |
|----------------------------------|------|
| Investment year                  | 1999 |
| Investor's ownership (capital) % | 40   |

Mobile operator providing mobile voice and broadband services in Sweden and Denmark. The company also holds a license for the Norwegian market.

|                                    | Q3 2010 | Q3 2009 |
|------------------------------------|---------|---------|
| Number of employees, end of period | 2 160   | 2 080   |

## Investor's view of 3 Scandinavia

Focus will remain on developing new attractive services and offerings, as well as ensuring the speed and quality of the network. Investments in this area are key to sustain strong momentum and a market-leading position. Growth and cost control are the key parameters to create value. Having reached EBIT breakeven, focus is on generating sustainable positive cash flow. While the voice business remains the primary revenue contributor, maintaining market leadership in mobile broadband is important for continued growth.



## Activities during the quarter

The demand for hotel rooms was strong, with RevPar (revenue per available room) back to pre-financial crisis levels. Demand was positively affected by the tourist season and congress activity during the quarter. The restaurants continued to do well, with the average bill trending higher.

Grand Hôtel continues to focus on its high quality and superior service offering, including the spa facilities and the restaurants.

## Financial performance YTD 2010

Net sales increased by 10 percent compared to the corresponding period 2009.

EBITDA rose by 45 percent, resulting in an EBITDA margin of 26 percent (20). The EBITDA improvement is explained by revenue growth and lowered costs following the cost-efficiency program launched during the first quarter of 2009.

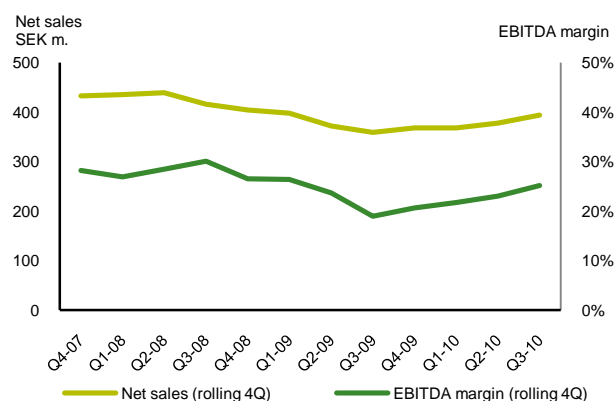
## Key figures, Grand Hôtel

| Income statement items | 2010 |     | 2009 |     | Rolling 4Q |
|------------------------|------|-----|------|-----|------------|
|                        | Q3   | YTD | Q3   | YTD |            |
| Net sales (SEK m.)     | 109  | 285 | 93   | 259 | 394        |
| EBITDA (SEK m.)        | 37   | 74  | 25   | 51  | 99         |
| EBITDA (%)             | 34   | 26  | 27   | 20  | 25         |

| Balance sheet items | Q3 2010 | Q4 2009 |
|---------------------|---------|---------|
| Net debt (SEK m.)   | 482     | 524     |

## Development of net sales and EBITDA margin



## Brief facts, Grand Hôtel

|                                   |      |
|-----------------------------------|------|
| Investment year                   | 1968 |
| Investor's ownership (capital), % | 100  |

Scandinavia's leading hotel with 368 guest rooms and 24 conference and banquet facilities, three restaurants, a bar and a spa.

|                                    | Q3 2010 | Q3 2009 |
|------------------------------------|---------|---------|
| Number of employees, end of period | 275     | 260     |

## Investor's view of Grand Hôtel

Our belief in Grand Hôtel's long-term growth and profitability potential remains intact. The hotel has a unique offering and location in Stockholm. Grand Hôtel is affected by the economic downturn, and has taken action to mitigate the negative financial impact through cost reductions. The hotel is also taking advantage of the slowdown through upgrading and renovating some of its rooms and facilities, which should yield positive results going forward.

Swedish Orphan Biovitrum was created through the merger between listed Biovitrum and privately held Swedish Orphan International. The transaction was completed in January, 2010.

Swedish Orphan Biovitrum is a listed company and consequently valued at the official stock price.

As the company provides information on its own, we refer to [www.sobi.com](http://www.sobi.com) for more information.

Swedish Orphan Biovitrum will publish its interim report for the third quarter on October 26, 2010.

#### **Brief facts, Swedish Orphan Biovitrum**

---

|  |       |
|--|-------|
| Investment year                                  | 2009  |
| Investor's ownership (capital) %                 | 40    |
| Value of Investor's ownership, SEK m. 9/30, 2010 | 3 856 |

Swedish Orphan Biovitrum is a Swedish based specialty pharmaceutical company with an international market presence. The company is focused on providing and developing orphan and niche specialist pharmaceuticals to patients with high medical needs.

#### **Investor's view of Swedish Orphan Biovitrum**

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Swedish Orphan Biovitrum needs to focus on maintaining its growth momentum, which includes expanding sales of key products such as Kineret and Kepivance (acquired from Amgen in 2008) as well as Orfadin. We are highly appreciative of the strong industrial logic and growth potential in the new entity and look forward to contributing to making it a leading international specialty pharmaceuticals company.

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Operating Investments – key figures overview (figures relate to the companies, not Investor's share of ownership)

|  | Q3     | Q2     | Q1     | Full Year | Q4     | Q3     | Q2     | Q1     | Full Year |
|--|--------|--------|--------|-----------|--------|--------|--------|--------|-----------|
|  | 2010   | 2010   | 2010   | 2009      | 2009   | 2009   | 2009   | 2009   | 2008      |
| <b>Mölnlycke Health Care<sup>1)</sup> (EUR m.)</b> |        |        |        |           |        |        |        |        |           |
| Net Sales  | 243    | 237    | 215    | 856       | 224    | 220    | 212    | 200    | 791       |
| EBITDA   | 71     | 63     | 57     | 230       | 64     | 63     | 56     | 47     | 214       |
| EBITDA (%)   | 29     | 27     | 27     | 27        | 29     | 29     | 26     | 24     | 27        |
| Net debt   | 1 653  | 1 682  | 1 693  | 1 705     | 1 705  | 1 747  | 1 770  | 1 727  | 1 795     |
| Employees  | 6 930  | 6 800  | 6 745  | 6 610     | 6 610  | 6 620  | 6 665  | 6 495  | 6 395     |
| <b>Lindorff<sup>1)</sup> (EUR m.)</b>              |        |        |        |           |        |        |        |        |           |
| Net Sales <sup>2)</sup>                            | 80     | 74     | 81     | 283       | 73     | 73     | 61     | 76     | 291       |
| EBITdA <sup>3)</sup>                               | 30     | 21     | 22     | 59        | 13     | 22     | 11     | 13     | 72        |
| EBITdA <sup>3)</sup> (%)                           | 38     | 28     | 27     | 21        | 18     | 30     | 18     | 17     | 25        |
| Net debt   | 543    | 538    | 530    | 502       | 502    | 536    | 529    | 529    | 577       |
| Employees  | 2 315  | 2 270  | 2 295  | 2 270     | 2 270  | 2 225  | 2 275  | 2 215  | 2 210     |
| <b>Aleris<sup>4)</sup> (SEK m.)</b>                |        |        |        |           |        |        |        |        |           |
| Net Sales  | 952    | 1 076  | 1 024  | 3 882     | 1 024  | 890    | 988    | 980    | -         |
| EBITDA   | 61     | 101    | 87     | 332       | 32     | 93     | 106    | 101    | -         |
| EBITDA (%)   | 6      | 9      | 8      | 9         | 3      | 10     | 11     | 10     | -         |
| Net debt   | 2 026  | 1 509  | 1 544  | 1 647     | 1 647  | 1 625  | 1 672  | 1 729  | -         |
| Employees  | 4 350  | 4 350  | 4 400  | 4 490     | 4 490  | 4 510  | 4 500  | 4 490  | -         |
| <b>Gambro<sup>1)</sup> (SEK m.)</b>                |        |        |        |           |        |        |        |        |           |
| Net Sales  | 3 045  | 3 070  | 3 039  | 12 484    | 3 019  | 3 110  | 3 264  | 3 091  | 11 172    |
| Normalized EBITDA                                  | 571    | 668    | 545    | 2 384     | 654    | 559    | 577    | 594    | 1 707     |
| Normalized EBITDA (%)                              | 19     | 22     | 18     | 19        | 22     | 18     | 18     | 19     | 15        |
| Employees  | 7 725  | 7 780  | 7 930  | 8 040     | 8 040  | 8 030  | 8 085  | 8 220  | 8 415     |
| <b>CaridianBCT<sup>1)</sup> (USD m.)</b>           |        |        |        |           |        |        |        |        |           |
| Net Sales  | 128    | 130    | 126    | 486       | 125    | 126    | 119    | 116    | 455       |
| EBITDA   | 49     | 42     | 35     | 140       | 38     | 38     | 40     | 24     | 112       |
| EBITDA (%)   | 38     | 32     | 28     | 29        | 30     | 30     | 34     | 21     | 25        |
| Employees  | 2 260  | 2 225  | 2 185  | 2 160     | 2 160  | 2 160  | 2 150  | 2 390  | 2 455     |
| <b>Gambro Holding<sup>1)</sup> (SEK m.)</b>        |        |        |        |           |        |        |        |        |           |
| Net debt   | 25 981 | 26 529 | 25 476 | 25 559    | 25 559 | 25 529 | 25 779 | 28 047 | 25 483    |
| <b>3 Scandinavia<sup>1)</sup> (SEK m.)</b>         |        |        |        |           |        |        |        |        |           |
| Net Sales  | 1 777  | 1 689  | 1 664  | 5 840     | 1 603  | 1 469  | 1 376  | 1 392  | 5 147     |
| EBITDA <sup>5)</sup>                               | 329    | 236    | 200    | 434       | 161    | 140    | 91     | 42     | -106      |
| EBITDA (%)   | 19     | 14     | 12     | 7         | 10     | 10     | 7      | 3      | -         |
| Net debt   | 9 723  | 10 071 | 10 172 | 10 230    | 10 230 | 10 202 | 10 132 | 10 284 | 10 235    |
| Employees  | 2 160  | 2 080  | 2 065  | 2 095     | 2 095  | 2 080  | 2 075  | 2 020  | 1 950     |
| <b>Grand Hôtel (SEK m.)</b>                        |        |        |        |           |        |        |        |        |           |
| Net Sales  | 109    | 103    | 73     | 368       | 109    | 93     | 93     | 73     | 404       |
| EBITDA   | 37     | 28     | 9      | 76        | 25     | 25     | 21     | 5      | 107       |
| EBITDA (%)   | 34     | 27     | 12     | 21        | 23     | 27     | 23     | 7      | 26        |
| Net debt   | 482    | 492    | 493    | 524       | 524    | 510    | 507    | 494    | 452       |
| Employees  | 275    | 265    | 240    | 280       | 280    | 260    | 260    | 280    | 325       |

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

2) Including amortization of surplus value of EUR 3 m. for Q3 2010, EUR 4 m. for Q1-Q3 2010, EUR 7 m. for Q3 2009 and EUR 20 m. for Q1-Q3 2009.

3) EBITdA=EBITDA after portfolio depreciation.

4) The acquisition of Aleris was announced in July and the transaction closed in August.

5) EBITDA for 3 Scandinavia is defined as EBITDA after deducting all customer acquisition and retention costs.

# Private Equity Investments

The Private Equity Investments business area contributed to net asset value with SEK -437 m. during the period (-1,151), of which SEK -1,270 m. in the third quarter (-442). The negative impact on net asset value is explained in full by adverse currency effects.

Read more at [www.investorab.com](http://www.investorab.com) under "Our Investments" >>

The Private Equity business area consists of the wholly owned Investor Growth Capital and the investments in the independent EQT funds.

Investor Growth Capital provides venture capital financing to growth companies in the healthcare and technology sectors in the U.S., Europe and Asia.

The EQT funds are active in buy-outs, equity-related growth financing and infrastructure. Investor is the largest investor and the sponsor of all EQT funds. As a sponsor, Investor receives a disproportionate share of the economics. The funds are fully independent from Investor, with their own investment processes.

## Investments and divestments

Cash flow (divestments less investments) from the Private Equity business was SEK 570 m. for the first nine months of the year (-1,798), of which SEK 34 m. in the third quarter (-666).

A total of SEK 3,009 m. was invested in the first nine months of the year (2,061), of which SEK 963 m. in the third quarter (745). Investments during the first nine months comprised of SEK 2,107 m. in new investments (519) and SEK 902 m. in add-on investments (1,542).

Sales of investments totaled SEK 3,579 m. during the period (263), of which SEK 997 m. during the third quarter (79).

## Purchases and sales, Private Equity Investments

| SEK m.                  | 1/1-9/30 2010 |                     |
|-------------------------|---------------|---------------------|
|                         | Purchases     | Sales               |
| Investor Growth Capital | 1 434         | 2 419 <sup>1)</sup> |
| EQT                     | 1 575         | 1 160               |
| <b>Total</b>            | <b>3 009</b>  | <b>3 579</b>        |

1) Includes the divestment of Swedish Orphan International.

## Net asset value

The effect on net asset value for the first nine months was SEK -437 m. (-1,151), of which SEK -1,270 m. was in the third quarter (-442).

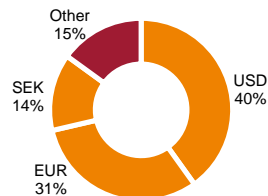
## Earnings, Private Equity Investments

| SEK m.                                 | 7/1-9/30<br>2010 | 1/1-9/30<br>2010 | 1/1-9/30<br>2009 |
|--|------------------|------------------|------------------|
| Change in value (incl. dividends)      |                  |                  |                  |
| Investor Growth Capital                | -624             | -338             | -9               |
| EQT                                    | -583             | 81               | -968             |
| Costs of investing activities          | -63              | -180             | -174             |
| <b>Contribution to net asset value</b> | <b>-1 270</b>    | <b>-437</b>      | <b>-1 151</b>    |

## Private Equity Investments by unit

|                         | 9/30 2010 |               | 12/31 2009 |               |
|-------------------------|-----------|---------------|------------|---------------|
|                         | SEK/share | SEK m.        | SEK/share  | SEK m.        |
| Investor Growth Capital | 10        | 7 864         | 12         | 9 197         |
| EQT                     | 13        | 9 565         | 12         | 9 136         |
| <b>Total</b>            | <b>23</b> | <b>17 429</b> | <b>24</b>  | <b>18 333</b> |

## Private Equity Investments by currency



## Investor Growth Capital

Read more at: [www.investorgrowthcapital.com](http://www.investorgrowthcapital.com) >>

In the third quarter, the venture capital market remained in the stable environment seen year-to-date. The pace of new investment activity remains solid, with the "Clean Technology" sector showing the most growth. Stronger capital markets in late summer have improved IPO conditions and, while the market remains very selective and price levels constrained, there is an upward trend in the number of completed public offerings.

Investor Growth Capital has been positioning its portfolio companies to capitalize on public market opportunities, and two portfolio companies were priced for IPOs during the third quarter with subsequent listings in Hong Kong and the U.S. Strategic acquisition activity in the technology sector has also strengthened during the latest quarter, as larger industry players are aggressively seeking to deploy substantial cash balances to access new market opportunities.

### Activities during the quarter

Four new investments were made during the quarter:

BlueArc (U.S.) is a leading provider of high performance unified network storage systems.

Retail Solutions (U.S.) provides a comprehensive suite of retail analytics software for consumer packaged goods manufacturers.

Telepo (Sweden) is a leading provider of software for enterprise mobility and unified communication solutions for enterprises.

Trilliant (U.S.) is a leading "smart grid" networking solutions provider.

Add-on investments were made in AirPlusTV, Axiomed Spinal Corporation, China Greens, Jazz Pharmaceuticals and Synosia.

The holdings in Spiration and Solstice NeuroSciences were divested.

### Activities occurring earlier during the year

New investments were made in Agile Therapeutics (U.S.), ClairMail (U.S.), Healthline Networks (U.S.), Jazz Pharmaceuticals (U.S.), KyLinTV (China), Revision Therapeutics (U.S.), Rocket Lawyer (U.S.), TearScience (U.S.) and Visible Technologies (U.S.).

Add-on investments were made in Cayenne Medical, ChinaCache, CMA Microdialysis, ePAC and Zephyr and another tranche of the initially committed investment in OnePhone was paid.

The investment in Vårdapoteket i Norden AB was finalized.

Swedish Orphan International was divested to Biovitrum.

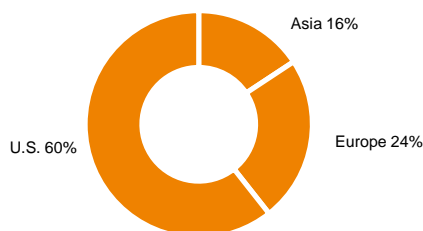
CHF Solutions was divested to Gambro.

The holding in Achillion was partly divested, and the holdings in Ception Therapeutics, Heartscape Technologies, SamSari, Santarus, Siperian and Sirion Holdings were fully divested.

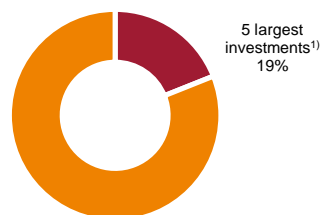
### Financial performance YTD 2010

Investor Growth Capital had a value decrease of 4 percent during the period. In local currencies however, the value increased by 2 percent. The write-down of Japanese FOI Corporation had a negative value impact of SEK 226 m. during the second quarter.

### Investor Growth Capital by geography, 9/30 2010

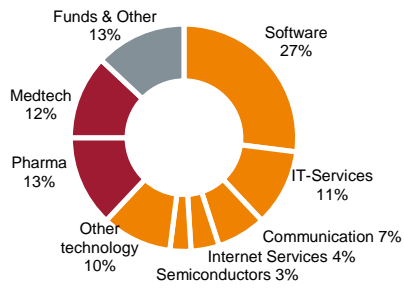


### Value distribution Investor Growth Capital, 9/30 2010

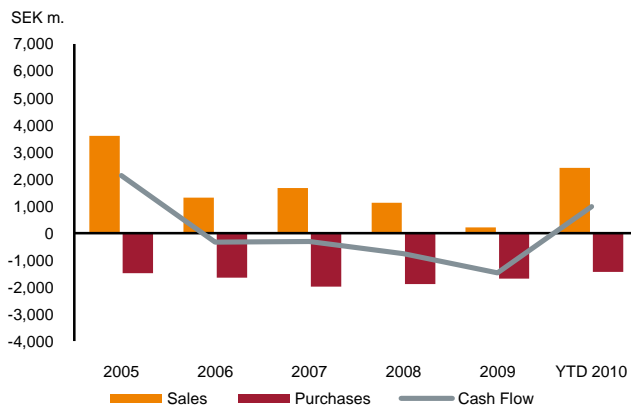


<sup>1)</sup> As of September 30, 2010, the five largest investments were (in alphabetical order): ChinaCache (China), Greenway Medical Technologies (U.S.), Memira (Sweden), Mindjet Corporation (U.S.) and NeuroNova (Sweden).

**Sector exposure Investor Growth Capital, 9/30 2010**



**Purchases and sales, Investor Growth Capital**



**Brief facts, Investor Growth Capital**

Investor's wholly-owned subsidiary Investor Growth Capital makes expansion stage venture capital investments in promising growth companies in the U.S., Northern Europe and Asia. These companies are often generating revenue or soon will be. Typically, these holdings have no or very low financial leverage. Returns are generated through divestments. Typical exits include initial public offerings or trade sales to industrial or financial players, normally after a three to seven year holding period.

The valuations are reviewed quarterly and are often based on the latest externally priced financing round. Where applicable, peer group multiples are used. Liquidity discounts are applied as well.



## EQT's funds

Read more at: [www.eqt.se](http://www.eqt.se) >>

### Activities during the quarter

EQT III divested Aleris to Investor and made an add-on investment in Leybold (Germany).

EQT V made an add-on investment in Bulgarian Blizoo (former CableTel). The previously announced investment in AcadeMedia was finalized.

EQT Expansion Capital II invested in Roeser Group (Germany) and divested Cinterion Wireless Modules (Germany).

### Activities occurring earlier during the year

EQT IV made an add-on investment in SSP (U.K.)

EQT V invested in sports retail chain XXL Sport & Villmark (Norway) and acquired Springer Science+Business Media (Germany).

EQT Opportunity made an add-on investment in TitanX (Sweden).

EQT Greater China II acquired Japan Home Centre.

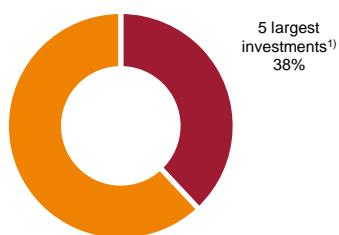
EQT Infrastructure acquired Kommunekemi (Denmark) and Swedegas.

### Financial performance YTD 2010

The value of Investor's holdings in EQT funds reported a value increase of 1 percent. In local currencies, the value appreciation amounted to 15 percent during the period.

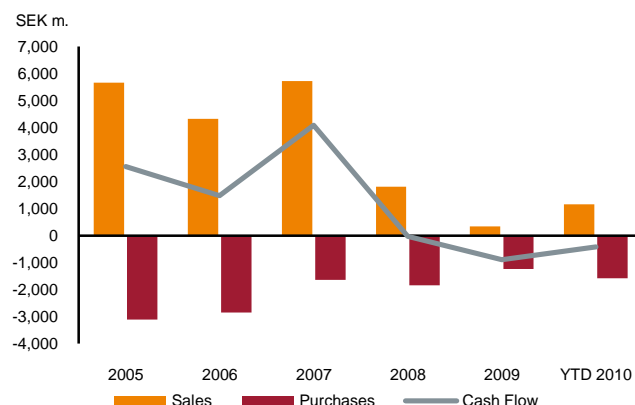
Investor's total outstanding commitments to EQT funds amounted to SEK 3.3 bn. at the end of the period (6.3).

### Value distribution, Investor's holdings in EQT funds, 9/30 2010



1) As of September 30, 2010, the five largest investments were (in alphabetical order) CBR (Germany), Dako (Denmark), ISS (Denmark), Kabel Baden Württemberg (Germany) and Securitas Direct (Sweden).

### Purchases and sales, EQT



### Overview of EQT funds

| SEK m.                    | Investor's share of fund | Total capital commitments | Investor's share of invested capital <sup>1)</sup> | Market value of Investor's remaining holdings |
|---------------------------|--------------------------|---------------------------|--|---|
| EQT I*                    | 18%                      | 3 260                     | 503  | -   |
| EQT II*                   | 18%                      | 6 193                     | 970  | 12  |
| EQT III*                  | 32%                      | 18 320                    | 5 693  | 1 200   |
| EQT IV*                   | 19%                      | 22 900                    | 4 023  | 2 934 <sup>2)</sup>                           |
| EQT V                     | 12%                      | 38 930                    | 3 732  | 3 945   |
| EQT Opportunity           | 25%                      | 3 404                     | 402  | 123   |
| EQT Denmark*              | 18%                      | 1 250                     | 179  | 2   |
| EQT Finland*              | 32%                      | 602                       | 119  | 1   |
| EQT Expansion Capital I   | 16%                      | 1 732                     | 241  | 72  |
| EQT Expansion Capital II  | 15%                      | 4 341                     | 249  | 223   |
| EQT Asia*                 | 64%                      | 2 125                     | 1 100  | 434   |
| EQT Greater China II      | 37%                      | 3 597                     | 590  | 390   |
| EQT Infrastructure        | 10%                      | 10 689                    | 296  | 229   |
| <b>Total<sup>3)</sup></b> |                          | <b>117 343</b>            | <b>18 097</b>                                      | <b>9 565</b>                                  |

\* Fully invested

1) Also includes capital invested in holdings that have already been sold.

2) Gambro Holding valued according to the same principles used for Investor's direct ownership.

3) The following rates were used to translate to SEK: DKK = 1.23 (EQT Denmark), EUR = 9.16 (EQT Finland, EQT III, IV,V, EQT Expansion Capital I, II, EQT Opportunity, EQT Infrastructure), USD = 6.72 (EQT Asia, EQT Greater China II).

### Brief facts, EQT

EQT is independent from Investor, although Investor is a minority owner of the management company, as well as the sponsor and largest investor in all of the funds.

EQT's 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. EQT has raised 12 funds active in buy-outs, equity-related growth financing and infrastructure.

Within EQT, valuation is to a large extent based on multiples, as holdings are typically mature and relevant peers are often available.

# Financial Investments

The business area's contribution to net asset value was SEK 520 m. during the period (1,058), of which SEK 515 m. was in the third quarter (375).

[Read more at www.investorab.com](http://www.investorab.com) under "Our Investments">>

Active Portfolio Management contributed with an operating income of SEK 115 m. during the period (464), of which SEK 164 m. during the third quarter (178).

Following a challenging second quarter, performance within Active Portfolio Management (APM) improved during the third. Risks are closely monitored and the portfolio is marked-to-market on a daily basis. APM invests in listed equity and equity-related instruments such as equity derivatives.

## Financial Investments

|                       | 9/30 2010 |        | 12/31 2009 |        |
|-----------------------|-----------|--------|------------|--------|
|                       | SEK/share | SEK m. | SEK/share  | SEK m. |
| Financial Investments | 6         | 4 528  | 4          | 3 283  |

# Group

## Net debt

The net debt position totaled SEK 7,484 m. on September 30, 2010 (net cash of 1,119). Investor's net debt includes items relating to the investing activities within Investor. Debt financing of the holdings within Operating Investments, including the majority-owned holdings, is arranged on an independent ring-fenced basis and hence not included in Investor's net debt. Investor guarantees SEK 4.2 bn. of 3 Scandinavia's external debt, which is not included in Investor's net debt.

### Net Debt

| SEK m.                                | Consolidated balance sheet | Deductions related to ring fenced Operating Investments <sup>1)</sup> | Investor's net debt   |
|---------------------------------------|----------------------------|---|-----------------------|
| Other financial instruments           | 550                        | -   | 550 <sup>2)</sup>     |
| Cash, bank and short-term investments | 16,240                     | -252  | 15,988 <sup>2)</sup>  |
| Receivables included in net debt      | 562                        | -   | 562 <sup>3)</sup>     |
| Loans                                 | -26,875                    | 2,541   | -24,334 <sup>3)</sup> |
| Provision for pensions                | -312                       | 62  | -250 <sup>3)</sup>    |
|                                       | -9,835                     | 2,351   | <b>-7,484</b>         |

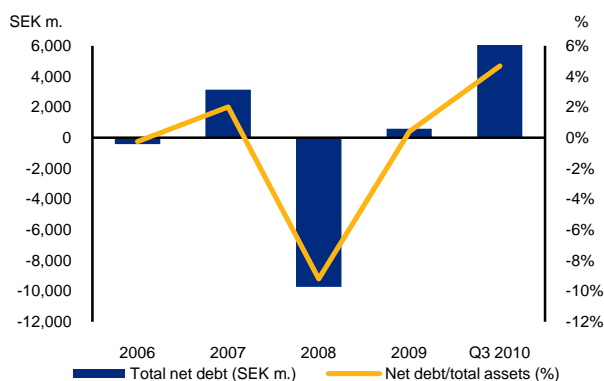
1) Aleris and Grand Hôtel.

2) Included in cash and readily available placements.

3) Included in gross debt.

Cash and readily available placements amounted to SEK 16,538 m. on September 30, 2010 compared to SEK 20,938 m. at year-end 2009. The Group's short-term investments are invested conservatively, taking into account the risk-adjusted return profile. Gross debt for the group amounted to SEK 24,022 m. (21,526) at the end of the period.

### Net debt



Net investments totaled SEK -5,804 m. during the period (-6,162). Dividends received from Core Investments amounted to SEK 3,203 m. during the period (2,358). Dividend paid out to shareholders during the second quarter amounted to SEK 3,050 m. (3,059).

Net financial items for the reporting period amounted to SEK -1,094 m. (-450), of which SEK -52 m. (-18) is attributable to consolidated Operating Investments. Net financial items include interest income of SEK 111 m. (293) and interest expenses totaling SEK 600 m. (488). Unrealized results from loans and swaps, used for prolonging the interest rate tenor, amounted to SEK -206 m. (51). The remaining effects consist primarily of

unrealized currency translation differences from shareholder loans to Lindorff and Mölnlycke Health Care.

The average maturity of the debt portfolio was 12.3 years on September 30, 2010 (13.5), excluding the debt in Aleris and Grand Hôtel.

## Cost of investing activities

Cost of investing activities varies between the different business areas. Private Equity Investments is Investor's most staff intensive business area. For the period, costs for Core Investments, Operating Investments and Private Equity Investments amounted to SEK 52 m. (59), SEK 87 (99) m. and SEK 180 m. (174) respectively. Including group wide costs, cost of investing activities totaled SEK 450 m. during the period (450), representing 0.4 percent of our period-end total assets on an annual basis (0.4). Costs per business area are shown in the Operating Segment overview on page 30.

The calculation of the cost for the employee stock option programs and share programs resulted in additional costs of SEK 32 m. during the period (29). Investor uses hedges to minimize effects on equity from the programs that arise in connection with changes in Investor's share price.

## Parent Company

### Share capital

Investor's share capital amounted to SEK 4,795 m. on September 30, 2010 (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         |
| <b>Total</b>   | <b>767 175 030</b> | <b>357 239 262</b> | <b>100.0</b> | <b>100.0</b> |

Investor did not repurchase any of its own shares, during the third quarter. On September 30, 2010, Investor owned a total of 6,683,800 of its own shares (4,683,800).

## Results and investments

The Parent Company's result after financial items was SEK 21,402 m. (28,517). In accordance with IFRS and the changes in the Swedish Annual Accounts Act, listed associated companies are reported at fair value as of 2010. Comparative figures have been restated accordingly. For further information, see section New and changed accounting policies in 2010. Value changes of equity-related holdings reported at fair value amounted to SEK 11,173 m. (26,039). Results from participations in Group companies amounted to SEK 7,178 m. mainly relating to the liquidation of a subsidiary and write-downs of participations in Group companies (20).

During the nine-month period, the Parent Company invested SEK 6,206 m. in financial assets (6,754), of which SEK 3,412 m. was in Group companies (2,249) and purchases in Core Investments of SEK 1,204 m (3,825).

Total debt decreased by SEK 5,260 m. since the beginning of the year. Shareholders' equity totaled SEK 150,373 m. on September 30, 2010, compared to SEK 132,284 m. on December 31, 2009.

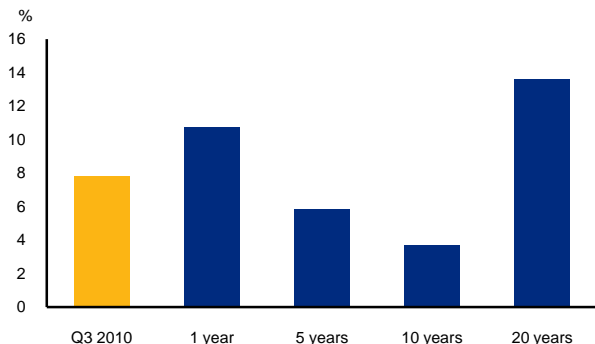
## The Investor share

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The total return (sum of share price changes and dividend added back) was 6 percent during the period (13) and 8 percent during the third quarter (7).

The average annualized total return on Investor shares was 6 percent over the past five-year period, 4 percent over the past 10-year period and 14 percent over the past 20-year period.

### Average Total Return



The price of the Investor A-share and B-share was SEK 131.60 and SEK 136.90 respectively on September 30, 2010, compared to SEK 131.80 and SEK 132.90 on December 31, 2009.

Total market capitalization of Investor, adjusted for repurchased shares, was SEK 102.5 bn. as of September 30, 2010 (101.0).

## Risks and Risk management

The main risks that the Group and the Parent Company are exposed to are 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 when assessing market fluctuations. In addition, how various proposed and implemented actions by governments and other institutions aimed at addressing financial imbalances will affect the economy remains uncertain. The uncertain market situation also affects the Operating Investments' and Private Equity Investments' opportunities for investments and divestments, as well as the development of existing holdings. Given Investor's strong balance sheet, financing and liquidity risks are likely to remain limited. In order to limit credit risks, credit risk exposure will only relate to counterparties with high creditworthiness. Regardless of the state of the economy, operational risk management requires a continuous high level of awareness and compliance with stipulated policies and instructions.

Investor AB's risks and uncertainties are described in detail in the Annual Report for 2009, see the corporate governance report and note 29.

## Other

### 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 2010

#### The Group

As of 2010 the Group applies the revised IFRS 3, Business Combinations and the amended IAS 27, Consolidated and Separate Financial Statements for reporting acquisitions and divestments of businesses. Among other things, the new rules imply that;

- the definition of business has changed
- costs associated with a business combination (IFRS 3) are expensed
- contingent consideration is recognized and measured at fair value at the acquisition date. In subsequent periods the liability is revalued and the effects of the revaluation are recognized in profit/loss for the period
- in a business combination achieved in stages, the acquirer adjusts its previously held equity interest in the acquired company at its fair value and recognizes the resulting gain/loss in the income statement
- subsequent acquisitions, without changes in control, are accounted for as equity transactions in the statement of changes in equity
- there are two alternative methods for reporting non-controlling interest and goodwill: the full goodwill method and the proportionate share (of the acquired net assets) method. The choice between the two methods is made on an individual basis for each acquisition.

The changes of IFRS 3 and IAS 27 that are relevant for Investor have been applied prospectively from the beginning of 2010. The changes have not lead to any adjustments of amounts reported in previous or current periods.

#### Parent Company

In addition to, or unlike the changes in accounting principles that were mentioned above for the Group, the changes below have an effect on the Parent Company.

RFR 2.3 Reporting for Legal Entities, which must be applied as of 1 January 2010, stipulates, among other things, that;

- revised IAS 1, Presentation of Financial Statements, must also be applied for the Parent Company, with some exceptions,
- costs associated with a business combination (IFRS 3) shall continue to be included in the cost of acquisition of the legal entity,

- due to a change in the Swedish Annual Accounts Act, participations in subsidiaries, associates and joint ventures can be valued at fair value in accordance with IAS 27, IAS 28 and IAS 31.

As a result of the revised IAS 1, the presentation of the Parent Company in the interim reports has been supplemented with a Statement of Comprehensive Income and a Statement of Changes in Equity. Because it is possible to apply IAS 27 in its entirety, the Parent Company's listed associated companies are reported at fair value, with changes in value reported in the income statement, in accordance with IAS 39 and IAS 28 p.1, which corresponds to how holdings have been reported for the Group. The change is presented as a change in accounting policy and it has increased the Parent Company's opening equity for 2009 by SEK 10.6 bn., as well as impacted profit for the nine-month period of 2009 by SEK 12.2 bn. of which 9.0 bn. during the third quarter. There was a total positive impact on profit for the 2009 financial year of SEK 15.4 bn. as a result of the new accounting policy.

Other new or revised IFRSs have had no material effect on the profit/loss, financial position or disclosures for the Group or Parent company.

### Presentation

As a result of having acquired the controlling interest in Aleris Holding AB, changes have been made to the layout of the financial statements. The activities within the Investor Group are viewed upon as either Investing activities or Operating activities, where Operating activities relate to the business operations in subsidiaries within Operating Investments (Grand Hotel and Aleris). All other activities are Investing activities.

In the consolidated income statement, Operating profit/loss for Operating activities are presented on the following line items;

- Net sales
- Cost of services sold
- Distribution and administrative costs

Other line items included in Operating profit/loss relate to the investing activities. From September 2010 the previous label "Operating costs" has been renamed to "Cost of investing activities".

## Acquisitions (business combinations)

### Acquisition of controlling interest in Aleris

On July 2, Investor announced its acquisition of 99 percent of the votes in Aleris for an enterprise value of SEK 4.4 bn. The transaction was closed on August 9, after clearance by the competition authorities. Aleris has a strong market position and solid development potential in an industry that fits well into Investors ownership model. The consideration from Investor amounted to SEK 2,620 m. and includes an earn-out of SEK 11 m. In the preliminary purchase price allocation, goodwill amounts to SEK 3,773 m. The goodwill recognized for the acquisition corresponds to the company's profitability level which is based, among other things, on the company's customer offering, proven performance and market position. The goodwill recognized is not expected to be deductible for income tax purposes.

### Identifiable assets acquired and liabilities assumed (SEK m.)

|   |              |
|---|--------------|
| Intangible assets, primarily customer contracts | 614          |
| Property, plant and equipment                   | 360          |
| Financial assets                                | 25           |
| Accounts receivables                            | 293          |
| Other current assets                            | 118          |
| Cash and cash equivalents                       | 106          |
| Non-current liabilities and provisions          | -1,539       |
| Deferred tax liability                          | -142         |
| <u>Current liabilities</u>                      | <u>-706</u>  |
| Net identifiable assets and liabilities         | -871         |
| Non-controlling interest                        | -282         |
| <u>Consolidated goodwill</u>                    | <u>3,773</u> |
| Consideration                                   | 2,620        |

The fair value of acquired customer contracts and tax has been preliminary set pending completion of the final purchase price allocation.

The value attributable to non-controlling interest is their proportionate share of the fair value according to the transaction.

Investor has agreed to pay the seller an earn-out in the range of SEK 0-125 m. (undiscounted). The fair value of the earn-out at the acquisition date is estimated to be SEK 11 m. based on a discount rate of 7.5 percent.

Acquisition costs amount to SEK 74 m. and relate to external legal fees and due diligence costs. The costs have been included in value change in the Group's consolidated income statement.

For the two month period from the acquisition date until September 30, Aleris contributed net sales of SEK 689 m. and profit of SEK -61 m., including acquisition costs, to the Group's result. If the acquisition had occurred on January 1, 2010, management estimates that consolidated Net sales for the Investor Group would have increased with SEK 2,363 m. and consolidated profit for the period would have decreased with SEK 92 m. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2010.

## Financial calendar 2011

Jan. 20, 2011 Year-End Report 2010  
April 12, 2011 Annual General Meeting  
April 12, 2011 Interim Report January-March  
July 12, 2011 Interim Report January-June  
Oct. 12, 2011 Interim Report January-September

Ticker codes:

INVEB.SS in Bloomberg  
INVEb.ST in Reuters  
W:ISBF in Datastream

Stockholm, October 13, 2010



Börje Ekholm

*President and Chief Executive Officer*

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 October 13, 2010.

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

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This interim report and additional information are available on [www.investorab.com](http://www.investorab.com)

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## Consolidated Income Statement

| Amounts in SEK m.                           | 2010          | 2009          | 2010         | 2009          |
|---|---------------|---------------|--------------|---------------|
|   | 1/1-9/30      | 1/1-9/30      | 7/1-9/30     | 7/1-9/30      |
| Dividends                                   | 3 607         | 2 876         | 917          | 837           |
| Other operating income                      | 781           | 817           | 270          | 276           |
| Changes in value                            | 10 926        | 25 615        | 4 386        | 12 129        |
| Net sales                                   | 977           | 270           | 799          | 96            |
| Cost of services sold                       | -902          | -268          | -717         | -88           |
| Cost of investing activities                | -450          | -450          | -144         | -150          |
| Distribution and administrative costs       | -35           | -             | -35          | -             |
| Costs of long-term share-based remuneration | -32           | -29           | -14          | -11           |
| Share of results of associates              | -495          | -1 745        | -53          | -245          |
| <b>Operating profit</b>                     | <b>14 377</b> | <b>27 086</b> | <b>5 409</b> | <b>12 844</b> |
| Net financial items                         | -1 094        | -450          | -430         | -206          |
| <b>Profit before tax</b>                    | <b>13 283</b> | <b>26 636</b> | <b>4 979</b> | <b>12 638</b> |
| Tax   | -102          | -283          | -108         | -115          |
| <b>Profit for the period</b>                | <b>13 181</b> | <b>26 353</b> | <b>4 871</b> | <b>12 523</b> |
| <b>Attributable to:</b>                     |               |               |              |               |
| Owners of the Parent Company                | 13 187        | 26 364        | 4 877        | 12 514        |
| Non-controlling interest                    | -6            | -11           | -6           | 9             |
| <b>Profit for the period</b>                | <b>13 181</b> | <b>26 353</b> | <b>4 871</b> | <b>12 523</b> |
| <b>Basic earnings per share, SEK</b>        | <b>17.32</b>  | <b>34.53</b>  | <b>6.41</b>  | <b>16.40</b>  |
| <b>Diluted earnings per share, SEK</b>      | <b>17.30</b>  | <b>34.50</b>  | <b>6.41</b>  | <b>16.39</b>  |
| Basic average number of shares, million     | 761.4         | 763.5         | 760.5        | 762.5         |
| Diluted average number of shares, million   | 762.1         | 764.3         | 761.2        | 763.2         |

## Consolidated Statement of Comprehensive Income

| Amounts in SEK m.  | 2010          | 2009          | 2010         | 2009          |
|--|---------------|---------------|--------------|---------------|
|  | 1/1-9/30      | 1/1-9/30      | 7/1-9/30     | 7/1-9/30      |
| Profit for the period  | 13 181        | 26 353        | 4 871        | 12 523        |
| Other comprehensive income for the period, including taxes     |               |               |              |               |
| Revaluation of non-current assets for the period, net of taxes | -             | -126          | -            | 0             |
| Change in fair value of cash flow hedges                       | 133           | -79           | -131         | -104          |
| Foreign currency translation adjustment                        | 8             | 42            | -5           | 26            |
| Share of other comprehensive income of associates              | -291          | -39           | -262         | -66           |
| Total other comprehensive income for the period                | -150          | -202          | -398         | -144          |
| <b>Total comprehensive income for the period</b>               | <b>13 031</b> | <b>26 151</b> | <b>4 473</b> | <b>12 379</b> |
| <b>Attributable to:</b>  |               |               |              |               |
| Owners of the Parent Company                                   | 13 039        | 26 168        | 4 481        | 12 375        |
| Non-controlling interest                                       | -8            | -17           | -8           | 4             |
| <b>Total comprehensive income for the period</b>               | <b>13 031</b> | <b>26 151</b> | <b>4 473</b> | <b>12 379</b> |

## Consolidated Balance Sheet

|  | 2010           | 2009           | 2009           |
|--|----------------|----------------|----------------|
| Amounts in SEK m.  | 9/30           | 12/31          | 9/30           |
| <b>Assets</b>  |                |                |                |
| Goodwill   | 3 731          | -              | -              |
| Other intangible assets  | 613            | 16             | 14             |
| Property, plant and equipment                                  | 2 535          | 2 168          | 2 208          |
| Shares and participations                                      | 148 083        | 134 728        | 128 194        |
| Other financial investments                                    | 550            | 9 062          | -              |
| Receivables included in net debt                               | 562            | 1 158          | 1 184          |
| Other receivables  | 11 821         | 11 158         | 10 974         |
| Cash, bank and short-term investments                          | 16 240         | 11 934         | 20 383         |
| <b>Total assets</b>  | <b>184 135</b> | <b>170 224</b> | <b>162 957</b> |
| <b>Equity and liabilities</b>                                  |                |                |                |
| Equity   | 152 544        | 142 673        | 138 062        |
| Pensions and similar obligations                               | 312            | 297            | 314            |
| Loans  | 26 875         | 23 848         | 21 426         |
| Other provisions and liabilities                               | 4 404          | 3 406          | 3 155          |
| <b>Total Equity and liabilities</b>                            | <b>184 135</b> | <b>170 224</b> | <b>162 957</b> |
| <b>NET DEBT/NET CASH</b>                                       |                |                |                |
|  | 2010           | 2009           | 2009           |
| Amounts in SEK m.  | 9/30           | 12/31          | 9/30           |
| Other financial investments                                    | 550            | 9 062          | -              |
| Cash, bank and short-term investments                          | 16 240         | 11 934         | 20 383         |
| Receivables included in net debt                               | 562            | 1 158          | 1 184          |
| Loans  | -26 875        | -23 848        | -21 426        |
| Pensions and similar obligations                               | -312           | -297           | -314           |
| Adjustment related to Operating Investments <sup>1)</sup>      | 2 351          | 1 403          | 1 292          |
| <b>Total net debt/net cash</b>                                 | <b>-7 484</b>  | <b>-588</b>    | <b>1 119</b>   |
| <b>ASSETS PLEDGED AS SECURITIES AND CONTINGENT LIABILITIES</b> |                |                |                |
|  | 2010           | 2009           | 2009           |
| Amounts in SEK m.  | 9/30           | 12/31          | 9/30           |
| Assets pledged as securities                                   | 3 504          | 2 165          | 1 933          |
| Contingent liabilities   | 4 265          | 4 403          | 4 310          |

## Consolidated Statement of Changes in Equity

|  | 2010           | 2009           | 2009           |
|--|----------------|----------------|----------------|
| Amounts in SEK m.                            | 1/1-9/30       | 1/1-12/31      | 1/1-9/30       |
| <b>Opening balance</b>                       | <b>142 673</b> | <b>115 233</b> | <b>115 233</b> |
| Total comprehensive income for the period    | 13 031         | 30 858         | 26 151         |
| Dividends to own shareholders                | -3 050         | -3 059         | -3 059         |
| Changes in non-controlling interest          | 145            | -81            | -1             |
| Repurchases of own shares                    | -263           | -262           | -262           |
| Effect of long-term share-based remuneration | 8              | -16            | 0              |
| <b>Closing balance</b>                       | <b>152 544</b> | <b>142 673</b> | <b>138 062</b> |
| <b>Attributable to:</b>                      |                |                |                |
| Owners of the Parent Company                 | 152 403        | 142 669        | 137 978        |
| Non-controlling interest                     | 141            | 4              | 84             |
| <b>Total equity</b>                          | <b>152 544</b> | <b>142 673</b> | <b>138 062</b> |

<sup>1)</sup>Including items such as:

|   | 2010 | 2009  | 2009 |
|---|------|-------|------|
| Amounts in SEK m.                                       | 9/30 | 12/31 | 9/30 |
| Deductions relating to Grand Hôtel and Aleris           | 2509 | 524   | 510  |
| Unrealized effects from hedges in Operating Investments | -158 | 879   | 782  |

## Consolidated Statement of Cash Flows

| Amounts in SEK m.  | 2010<br>1/1-9/30 | 2009<br>1/1-9/30 |
|--|------------------|------------------|
| <b>Operating activities<sup>1)</sup></b>                                       |                  |                  |
| Core Investments   |                  |                  |
| Dividends received   | 3 203            | 2 358            |
| Operating Investments  |                  |                  |
| Dividends received   | 26               | 21               |
| Cash receipts  | 461              | 308              |
| Cash payments  | -362             | -211             |
| Private Equity Investments   |                  |                  |
| Dividends received   | 334              | 468              |
| Financial Investments and cost of investing activities                         |                  |                  |
| Dividends received   | 65               | 46               |
| Cash receipts/payments, net effect   | -1 294           | -1 365           |
| <b>Cash flows from operating activities before net interest and income tax</b> | <b>2 433</b>     | <b>1 625</b>     |
| Interest received/paid   | -428             | -441             |
| Income tax paid  | -120             | -174             |
| <b>Cash flows from operating activities</b>                                    | <b>1 885</b>     | <b>1 010</b>     |
| <b>Investing activities<sup>1)</sup></b>                                       |                  |                  |
| Acquisitions   | -5 182           | -6 930           |
| Divestments  | 2 208            | 1 240            |
| Increase in long-term receivables  | -57              | -476             |
| Decrease in long-term receivables  | -                | 2                |
| Acquisitions of subsidiaries, net effect on cash flow                          | -2 773           | -                |
| Sale of subsidiaries, net effect on cash flow                                  | -                | 2                |
| Increase in other financial investments  | -550             | -                |
| Decrease in other financial investments  | 3 509            | -                |
| Net changes, short-term investments  | 3 433            | 691              |
| Acquisitions of property, plant and equipment                                  | -97              | -72              |
| Proceeds from sale of other investments  | 108              | -                |
| <b>Cash flows from investing activities</b>                                    | <b>599</b>       | <b>-5 543</b>    |
| <b>Financing activities</b>  |                  |                  |
| Borrowings   | 4 888            | 1 672            |
| Repayment of borrowings  | -1 828           | -599             |
| Repurchases of own shares  | -263             | -262             |
| Dividends paid   | -3 050           | -3 059           |
| <b>Cash flows from financing activities</b>                                    | <b>-253</b>      | <b>-2 248</b>    |
| <b>Cash flows for the period</b>   | <b>2 231</b>     | <b>-6 781</b>    |
| <b>Cash and cash equivalents at beginning of the year</b>                      | <b>5 804</b>     | <b>9 151</b>     |
| Exchange difference in cash  | -19              | -20              |
| <b>Cash and cash equivalents at end of the period</b>                          | <b>8 016</b>     | <b>2 350</b>     |
| Cash and cash equivalents at end of the period                                 | 8 016            | 2 350            |
| Short-term investments   | 8 224            | 18 033           |
| <b>Cash, bank and short-term investments</b>                                   | <b>16 240</b>    | <b>20 383</b>    |

<sup>1)</sup> Definitions according to IFRS.

## Operating Segments

PERFORMANCE BY BUSINESS AREA 1/1-9/30 2010

| Amounts in SEK m.  | Core Investments | Operating Investments | Private Equity Investments | Financial <sup>1)</sup> Investments | Investor group-wide | Total          |
|--|------------------|-----------------------|----------------------------|-------------------------------------|---------------------|----------------|
| Dividends  | 3 203            |                       | 339                        | 65                                  |                     | 3 607          |
| Other operating income <sup>2)</sup>                                     |                  | 781                   |                            |                                     |                     | 781            |
| Changes in value   | 9 737            | 1 299                 | -596                       | 486                                 |                     | 10 926         |
| Net sales  |                  | 977                   |                            |                                     |                     | 977            |
| Cost of services sold  |                  | -902                  |                            |                                     |                     | -902           |
| Cost of investing activities   | -52              | -87                   | -180                       | -30                                 | -101                | -450           |
| Distribution and administrative costs                                    |                  | -35                   |                            |                                     |                     | -35            |
| Costs of long-term share-based remuneration                              |                  |                       |                            |                                     | -32                 | -32            |
| Shares of results of associates  |                  | -494                  |                            | -1                                  |                     | -495           |
| <b>Operating profit/loss</b>   | <b>12 888</b>    | <b>1 539</b>          | <b>-437</b>                | <b>520</b>                          | <b>-133</b>         | <b>14 377</b>  |
| Net financial items  |                  | -52                   |                            |                                     | -1 042              | -1 094         |
| Tax  |                  | 35                    |                            |                                     | -137                | -102           |
| Non controlling interest   |                  | 6                     |                            |                                     |                     | 6              |
| <b>Net profit/loss for the period attributable to the parent company</b> | <b>12 888</b>    | <b>1 528</b>          | <b>-437</b>                | <b>520</b>                          | <b>-1 312</b>       | <b>13 187</b>  |
| Dividends paid   |                  |                       |                            |                                     | -3 050              | -3 050         |
| Repurchase of own shares   |                  |                       |                            |                                     | -263                | -263           |
| Other effects on equity  |                  | -307                  |                            |                                     | 163                 | -144           |
| <b>Effect on net asset value</b>   | <b>12 888</b>    | <b>1 221</b>          | <b>-437</b>                | <b>520</b>                          | <b>-4 462</b>       | <b>9 730</b>   |
| <b>Net asset value by business area 9/30 2010</b>                        |                  |                       |                            |                                     |                     |                |
| Carrying amount  | 117 172          | 21 452                | 17 429                     | 4 528                               | -694                | 159 887        |
| Net debt   |                  |                       |                            |                                     | -7 484              | -7 484         |
| <b>Total net asset value</b>   | <b>117 172</b>   | <b>21 452</b>         | <b>17 429</b>              | <b>4 528</b>                        | <b>-8 178</b>       | <b>152 403</b> |

PERFORMANCE BY BUSINESS AREA 1/1-9/30 2009

| Amounts in SEK m.  | Core Investments | Operating Investments | Private Equity Investments | Financial <sup>1)</sup> Investments | Investor group-wide | Total          |
|--|------------------|-----------------------|----------------------------|-------------------------------------|---------------------|----------------|
| Dividends  | 2 358            |                       | 472                        | 46                                  |                     | 2 876          |
| Other operating income <sup>2)</sup>                                     |                  | 817                   |                            |                                     |                     | 817            |
| Changes in value   | 25 961           | 63                    | -1 449                     | 1 040                               |                     | 25 615         |
| Net sales  |                  | 270                   |                            |                                     |                     | 270            |
| Cost of services sold  |                  | -268                  |                            |                                     |                     | -268           |
| Cost of investing activities   | -59              | -99                   | -174                       | -29                                 | -89                 | -450           |
| Costs of long-term share-based remuneration                              |                  |                       |                            |                                     | -29                 | -29            |
| Shares of results of associates  |                  | -1 746                |                            | 1                                   |                     | -1 745         |
| <b>Operating profit/loss</b>   | <b>28 260</b>    | <b>-963</b>           | <b>-1 151</b>              | <b>1 058</b>                        | <b>-118</b>         | <b>27 086</b>  |
| Net financial items  |                  | -18                   |                            |                                     | -432                | -450           |
| Tax  |                  | 3                     |                            |                                     | -286                | -283           |
| <b>Net profit/loss for the period attributable to the parent company</b> | <b>28 260</b>    | <b>-978</b>           | <b>-1 151</b>              | <b>1 058</b>                        | <b>-836</b>         | <b>26 353</b>  |
| Dividends paid   |                  |                       |                            |                                     | -3 059              | -3 059         |
| Repurchase of own shares   |                  |                       |                            |                                     | -262                | -262           |
| Other effects on equity  |                  | -39                   |                            |                                     | -164                | -203           |
| <b>Effect on net asset value</b>   | <b>28 260</b>    | <b>-1 017</b>         | <b>-1 151</b>              | <b>1 058</b>                        | <b>-4 321</b>       | <b>22 829</b>  |
| <b>Net asset value by business area 9/30 2009</b>                        |                  |                       |                            |                                     |                     |                |
| Carrying amount  | 102 608          | 16 036                | 15 836                     | 2 802                               | -339                | 136 943        |
| Net cash   |                  |                       |                            |                                     | 1 119               | 1 119          |
| <b>Total net asset value</b>   | <b>102 608</b>   | <b>16 036</b>         | <b>15 836</b>              | <b>2 802</b>                        | <b>780</b>          | <b>138 062</b> |

1) Turnover of the Active Portfolio Management amounts to SEK 17.344 m. (14,410).

2) Interest related to shareholder loans, etc.

## Parent Company Income Statement

| Amounts in SEK m.                             | (Restated)       |                      | (Restated)       |                      |
|---|------------------|----------------------|------------------|----------------------|
|   | 2010<br>1/1-9/30 | 2009<br>1/1-9/30     | 2010<br>7/1-9/30 | 2009<br>7/1-9/30     |
| Dividends                                     | 3 203            | 2 358                | 869              | 783                  |
| Changes in value                              | 11 173           | 26 039 <sup>1)</sup> | 5 197            | 12 203 <sup>1)</sup> |
| Net sales                                     | 6                | 5                    | 2                | 2                    |
| Operating costs                               | -337             | -300                 | -97              | -97                  |
| Write-downs of associates                     | -213             | -287 <sup>1)</sup>   | -42              | -74 <sup>1)</sup>    |
| <b>Operating profit</b>                       | <b>13 832</b>    | <b>27 815</b>        | <b>5 929</b>     | <b>12 817</b>        |
| <b>Net financial items</b>                    |                  |                      |                  |                      |
| Result from participations in Group companies | 7 178            | 20                   | -520             | 1                    |
| Other financial items                         | 392              | 682                  | -85              | 347                  |
| <b>Profit before tax</b>                      | <b>21 402</b>    | <b>28 517</b>        | <b>5 324</b>     | <b>13 165</b>        |
| Tax   | -                | -                    | -                | -                    |
| <b>Profit for the period</b>                  | <b>21 402</b>    | <b>28 517</b>        | <b>5 324</b>     | <b>13 165</b>        |

## Parent Company Statement of Comprehensive Income

| Amounts in SEK m.  | 2010          | 2009          | 2010         | 2009          |
|--|---------------|---------------|--------------|---------------|
|  | 1/1-9/30      | 1/1-9/30      | 7/1-9/30     | 7/1-9/30      |
| Profit for the period                                      | 21 402        | 28 517        | 5 324        | 13 165        |
| Other comprehensive income for the period, including taxes |               |               |              |               |
| Change in fair value of cash flow hedges                   | -8            | -2            | -13          | -9            |
| Total other comprehensive income for the period            | -8            | -2            | -13          | -9            |
| <b>Total comprehensive income for the period</b>           | <b>21 394</b> | <b>28 515</b> | <b>5 311</b> | <b>13 156</b> |

<sup>1)</sup> As of January 1, 2010, listed associates are reported as financial instruments and are measured at fair value in accordance with IAS 39 and IAS 28, paragraph 1. Comparative figures have been restated in accordance with the new policy and the restatement has affected the income statement as follows:

| Amounts in SEK m.         | 2009     | 2009     |
|---------------------------|----------|----------|
|                           | 1/1-9/30 | 7/1-9/30 |
| Changes in value          | 21 712   | 10 616   |
| Write-downs of associates | -9 544   | -1 572   |

## Parent Company Balance Sheet

| Amounts in SEK m.  | 2010           | (Restated)<br>2009    | (Restated)<br>2009 |
|--|----------------|-----------------------|--------------------|
|  | 9/30           | 12/31                 | 9/30               |
| <b>Assets</b>  |                |                       |                    |
| Property, plant and equipment and intangible assets            | 41             | 36                    | 33                 |
| Financial assets   | 177 539        | 164 443 <sup>1)</sup> | 158 165            |
| Current receivables  | 1 088          | 1 372                 | 1 589              |
| Cash and cash equivalents                                      | 0              | 0                     | 0                  |
| <b>Total assets</b>  | <b>178 668</b> | <b>165 851</b>        | <b>159 787</b>     |
| <b>Equity and liabilities</b>                                  |                |                       |                    |
| Equity   | 150 373        | 132 284 <sup>1)</sup> | 128 664            |
| Provisions   | 293            | 305                   | 319                |
| Non-current liabilities  | 26 431         | 30 584                | 28 493             |
| Current liabilities  | 1 571          | 2 678                 | 2 311              |
| <b>Total Equity and liabilities</b>                            | <b>178 668</b> | <b>165 851</b>        | <b>159 787</b>     |
|  | <b>2010</b>    | <b>2009</b>           | <b>2009</b>        |
| <b>ASSETS PLEDGED AS SECURITIES AND CONTINGENT LIABILITIES</b> | <b>9/30</b>    | <b>12/31</b>          | <b>9/30</b>        |
| Assets pledged as securities                                   | 951            | 1 286                 | 1 046              |
| Contingent liabilities   | 10 264         | 10 334                | 10 306             |

## Parent Company Statement of Changes in Equity

| Amounts in SEK m.                               | 2010           | (Restated)<br>2009   | (Restated)<br>2009 |
|---|----------------|----------------------|--------------------|
|   | 1/1-9/30       | 1/1-12/31            | 1/1-9/30           |
| <b>Opening balance</b>                          | <b>132 284</b> | <b>92 914</b>        | <b>92 914</b>      |
| Changes in accounting policy                    | -              | 10 556 <sup>1)</sup> | 10 556             |
| <b>Restated opening balance 1/1 2009</b>        | <b>132 284</b> | <b>103 470</b>       | <b>103 470</b>     |
| Total comprehensive income for the period       | 21 394         | 32 151 <sup>1)</sup> | 28 515             |
| Dividends                                       | -3 050         | -3 059               | -3 059             |
| Stock options exercised by employees            | -15            | -41                  | -19                |
| Equity-settled share-based payment transactions | 23             | 25                   | 19                 |
| Repurchases of own shares                       | -263           | -262                 | -262               |
| <b>Closing balance</b>                          | <b>150 373</b> | <b>132 284</b>       | <b>128 664</b>     |

<sup>1)</sup> As of January 1, 2010, listed associates are reported as financial instruments and are measured at fair value in accordance with IAS 39 and IAS 28, paragraph 1. Comparative figures have been restated in accordance with the new policy and the restatement has affected total comprehensive income during 2009 as follows:

| Amounts in SEK m.   | 2009<br>1/1-12/31 | 2009<br>1/1-9/30 |
|---|-------------------|------------------|
| Effect on financial assets                                    | 25 921            | 22 724           |
| Change in opening balance due to changes in accounting policy | 10 556            | 10 556           |
| Total comprehensive income for the period                     | 15 365            | 12 168           |
| <b>Total effect on equity</b>                                 | <b>25 921</b>     | <b>22 724</b>    |